How to successfully lobby in the European Union

Master Thesis

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Abstract

In 1996 Vogel said that studying the relationship between business and government had never been more important (Vogel, 1996). This is certainly still true in today’s world. The European Union has steadily become subject to a corporate lobbying boom (Andersen & Eliassen, 1995; Baumann, A. and Kragh, C., 2013). However we know very little about the actual impact that business can have on policy outcomes and scholars struggle to categorically connect a policy outcome to the lobbying activity of a company (Beyers, Eising, & Maloney, 2008; Dür, 2008a; Dür, 2008b). Instead many scholars have focused their attention on the study of access to the European Institutions as this is seen as a good indicator or prerequisite for influence (Beyers, 2002; 2004; Bouwen, 2002; 2004a; 2009; Broscheid & Coen, 2007; Eising, 2007a; 2007b; Smith, 2008). In relation to the study of access resource dependencies and exchanges of resources have become one of the central ways to study corporate lobbying in the EU (Beyers & Kerremans, 2007; Bouwen, 2002; Broscheid & Coen, 2007; Coen, 2009; Eising, 2007a; Klüver, 2013b; Mahoney, 2007a; Woll, 2007). This master thesis is concerned with using a framework that seeks to improve our understanding of how companies can influence the policy-making of legislation in the European Union (Bouwen, 2002). It is called the supply and demand for access goods at it will be applied to a case study on Grundfos and their successfully lobbying activity concerning the proposal and adoption of ecodesign requirements for electric motors. The qualitative data consists of 13 interviews with industry, the European Institutions, professional lobbyists and NGOs. These interviews have been triangulated with archival records, documents, direct observation in Brussels and website information. The results suggests that the fit between the demand for access goods and the supply for access goods between the Commission and a company can be manipulated by leveraging relative superior expert knowledge through exchanges with the European Parliament and that professional lobbyist played a crucial role for both the formulation and decision-making stages. Ad hoc alliances and national strategies proved to be important for the decision making stage.
Preface

I can honestly say that finishing this thesis has truly been one of the most challenging and rewarding experiences I have ever had. Very unforeseen events occurred in my personal life shortly after I began working on the thesis and this turned the whole experience into a marathon rather then a sprint. The feeling of triumph here at the finish line cannot be described. However I could not have done this on my own. There are people who have contributed and supported me along the way that I would like to acknowledge. I would like to thank all the anonymous interviewees who took time from their busy lives to speak with me. Without their information this thesis would not have been possible. A very special thanks to Grundfos for their patience and willingness to answer my many questions. I also want to thank my supervisor for giving me valuable advice and guidance in the process of writing. And finally a special thanks to the IBP Study Board and Stine from the secretariat for the quick and helpful response when things fell apart in my personal life.
**List of abbreviations**

CEMEP  European manufacturers of electrical machines and power electronics
COMM  The European Commission
CM  The Council of Ministers
CSWD  Commission Staff Working Document
DG  Director General
DI  Danish Industry
EFTA  The European Free Trade Association
EK  Expert Knowledge
ENTR  Enterprise and Industry
ENV  Environment
ENVI  Committee on the Environment, Public Health and Food Safety
EP  The European Parliament
EPP  European People’s party
EUROPUMP  The European Association of Pump Manufacturers
IA  Impact Assessment
IDEI  Information about the Domestic Encompassing Interest
IEEI  Information about the European Encompassing Interest
IEC  The International Electrotechnical Commission
IM  Implementing measures
IPP  Integrated Product Policy
ISC  Inter Service Consultation
MEPS  Minimum Energy Performance Standard
MEP  Member of Parliament
MEUuP  Methodology for the Eco-design of Energy Using Products
TREN  Energy and Transport
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1. Introduction

Despite possessing substantial resources ... corporations usually cannot simply or directly translate these resources into political influence (Vogel, 1996)

Exploring and evaluating how governmental institutions make use of the power we have given to them has been a fascinating topic for many students of political science. Decision processes lead to public policies. These lead to changes in society. However the study of the role of business in these processes remains a relatively small field of research (Beyers, Eising, & Maloney, 2008). This is surprising given the current state of affairs. Today the lobbying industry in Brussels has matured into a million if not a billion euro industry. The top nine lobbying consultancies in Brussels spend around 48 million euros annually on direct lobbying alone (Baumann, A. and Kragh, C., 2013). Companies have certainly become political actors in their own right (Coen, 1997). They want to improve their conditions by create competitive opportunities, eliminate or avoid possible restrictions and threats (Lord, 2000). So fare the literature on business lobbying in the EU has mainly looked into the traditional ways of lobbying: using the national systems of interest expression or the use of industry federations or associations (Andersen & Eliassen, 1995; Bouwen, 2002; Eising, 2004). The few scholars that have focus on the individual business lobbying by large companies in Brussels have studied why companies lobby, where they lobby and what strategies and channels they use (Coen, 2009; Coen, 1997; Cohen & Willman, 1998). Some of these studies have lead to the conclusion that an élite pluralism exists where companies have favoured and relatively easy access compared to other interest groups to the policy making process because of their economic power, resources and expertise (Coen, 2007). Other however argues that this is not the case and that policy-making process doesn’t necessarily display a form of élite pluralism. Meaning that a multitude of stakeholders are involved and diffuse interests can in fact successfully lobby in the EU (Eising, 2007b; Pollack, 1997). When looking at the studies that have been done within this debate on corporate lobbying very few scholars have asked the how questions. For instance how are ad hoc alliances used? How are the strategies used during the different stages of the policy-making process? In general these how questions remain unclear and this is where this thesis aims to fill a gap in the literature. There are also
empirical gaps many of the scholars above also agree that we need more new empirical data about corporate lobbying as it can be quite difficult to gather this kind of data (Beyers, Eising, & Maloney, 2008; Eising, 2009:3).

Therefore the overall research question has been posed:

How did Grundfos influence the policy making process in the Ecodesign Directive in line with their preferences?

In order to guide the process of answering this question the following sub questions have been asked:

1. How did Grundfos influence the work done in the formulation stage?

2. How did Grundfos influence the decision making stage in order to secure the approval of the proposal?

Answering these questions is interesting because it shows how a company can use different strategies at different stages of the policy-making process. It is also interesting because it will shed new empirical light on how the supply and demand model and how it can be applied to another sector then the financial sector. It will also show how leveraging “access goods” can create changes in the demand for access goods and how the professional lobbyists, which basically have been ignored in the literature, played a crucial part in this.

In order to answer these questions the first chapter will reflect upon the philosophy of science and discuss the characteristics of the main approaches. It will discuss the limitations and advantages those different sources of information posses and how they can be triangulated to ensure more confidence in the findings. It will also describe how the primary and secondary
sources were collected and what the challenges are in relation to this. It will state the purpose of the thesis and explain how the analysis of my findings will be done. The second chapter will review the literature identifying the main themes in EU business lobbying. The review will point out where the gaps are and how my thesis can help to fill those gaps. The third chapter will present the empirical data, which is the lobbying activity of Grundfos in relation to the ecodesign proposal on electric motors. It will explain what the Ecodesign Directive is and how electric motors became a part of the work done in the Directive. How Grundfos is connected to electric motors and what they wanted to change. The fourth chapter will interpret the findings from the case in relation to the supply and demand model developed by Bouwen. The fifth and final chapter will conclude on how the analysis of this thesis relates to the broader context of business lobbying in the EU, reflect on suggestions for future studies, suggest areas of improvement and answer the research question.
2. Methodology

Philosophy of science

The case study method is an all-encompassing approach that includes research design, collection of data and analysis. It is a particular useful to the study of lobbying in the EU because of several reasons. First of all lobbying in the EU is a relatively new area of research (Andersen & Eliassen, 1995). Secondly it is a contemporary phenomenon and a very complex issue where many variables are needed to understand what is going on. There is absolutely no control over the environment, which has a great influence on how we can understand lobbying activity. Hence the scope of case study research fits well to this study as Yin also explains case study is “... an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-world context, especially when the boundaries between phenomenon and context may not be clearly evident.” (Yin, 2014:16).

Case study research can be used within the two overall philosophical traditions: positivist and interpretivist (Darke, Shanks, & Broadbent, 1998). In this thesis it will leans more towards the interpretivist tradition where reality is understood as subjective because it is constructed and interpreted by humans that acts as the “instruments” or “vehicles” of knowledge and reality creation. Chia describe it as “The actual world is fundamentally in a process of becoming so that every phenomenon of which we are aware.... from human societies and families of crystals to nursery rhymes and creational myths—each exists only as a stabilized moment in an interminable process of becoming” (Chia, 1997:969). Hence scholars from this tradition seek to understand underlying causes, mechanism and the context in which observable events, situations etc. occur. This is in contrast to positivist who only deals with the observable reality. What we can see, touch and feel directly provides according to these scholars the best sources for all forms of knowledge (Chia, 1997:688). They lean towards methods from the physical or hard science where research aims to confirm or falsify propositions and assumptions about a reality, that they believe, exist independently of time, culture and those how experience it (Hatch, 2006:12; van der Pijl, 2009). This means that research and knowledge creation is objective and value free predictions about “universal” causal relationships (Hatch, 2006:13; van der Pijl, 2009). Willis et. al summarised the overall
differences between these two traditions in the table below. They argue that postpositivism has largely replaced positivism in the social sciences today:

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<th>Postpositivism</th>
<th>Interpretivism</th>
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<td></td>
<td>External to human mind</td>
<td>Socially constructed</td>
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<tr>
<td>Purpose of research</td>
<td>Find universals</td>
<td>Reflect understanding</td>
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<td>Acceptable methods and data</td>
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<td>Universals are deemphasized</td>
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<td>Relationship of research to practice</td>
<td>Separate activities</td>
<td>Integrated activities</td>
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<td></td>
<td>Research guides practice</td>
<td>Both guide and become the other</td>
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*Table 1: Postpositivism and Interpretivism* (Willis, Jost, & Nilakanta, 2007:95,68)

This thesis doesn’t seek to predict or discover universal truths about lobbying. The purpose is to further our understanding of how companies lobby the European Union in order to get their wishes fulfilled. It will contribute to a deeper understanding of existing concepts and models of lobbying. Adding new details and assessing whether they can be applied in a setting different then what they were developed for. So drawing generalizable conclusions is difficult. Also scholars in general find it difficult to generalize about business lobbying in the EU (Bouwen, 2002; Coen, 2004).

**Collecting data**

Data collection in a case study research is not routinized, in contrast to laboratory experiments or survey where the researcher is better able to manipulate and control the environment. This condition places greater demand on the researcher because he/she needs to be able to adapt to the environment, deal with unexpected events, take initiative and be curious during the collection of data. The case study needs to use a full variety of sources such as documents, archives, interviews, direct observations, websites etc. because this is what
allows for an in-depth understanding. Each kind of data can give a piece of the picture. Documents such as draft proposals can show the impact a company had on different drafts in a more unbiased way, but it cannot tell about the informal things that happened before these outcomes occurred. Interviews can show the informal contacts and process but might be biased in order to protect or overstate their involvement. Direct observation might be able to put the different information together to provide a more balanced understanding. However the researcher can be biased by her own subjectivity or bounded rationality. That is why triangulating the data is a good idea. Triangulating is done when a researcher has more then one source supporting a finding in the case study; this helps to increase the confidence that a finding is described accurately (Yin, 2014:120-121). In this thesis both primary and secondary data from several sources have been used and triangulated. The primary data in this thesis comes from the interviews and direct observations. Primary sources or data are generally unpublished and gathered directly from the people or the organization being studied for the purpose of the study. Secondary sources generally refer to data that have already been collected or published for some other purpose then the specific study of the researcher (Saunders, Lewis, & Thornhill, 2012:246).

**Interviews**

I had no prior knowledge or commitments to the case of Grundfos and became aware of it while attending one of the career fairs on campus. I was talking to a representative from a marketing company and I asked if they did any political work and was told about the establishment of a political campaign called Meet the Energy Challenge Now and an NGO called Act Now. It sparked my interest and from there on information was collected from the website of the Commission, the website of Meet the Energy Challenge Now, official documents, newspaper articles and university websites. All of this led to the first requests for interviews of relevant interviewees. A short summary of the purpose and topic of the thesis was sent to the interviewees requesting for an interview. 13 people responded positively and came from a wide variety of places: a company, the Commission, ENVI, two NGO, two lobbying consultancies, cabinet staff and two industry federations.
There were also some organizations and people that were unable to give me interviews. This may be due to the fact that all interview requests were based on the good will and/or obligation of these individuals since no prior relationships were established to provide easier access. Most of the interviews were conducted in Brussels in April 2013. At the beginning of each interview the anonymity of each participant was clearly communicated. I followed a line of intended inquiry with open-ended questions that I tried to ask in an unbiased manner. I reminding myself to stay in the observer role and not make any judgments about good or bad etc. Most of the interviews gave surprising new facts and information that lead me closer towards the choice of focus for the case study. After the interview I tried to write a short reflection text and in some cases I was to exhaust to do this. Some of the interviewees turned out to be key informants and they played an essential role for the collection of data and my understanding of the case. They provided important insights, resources and documents that were otherwise unavailable or unknown to me.

However becoming overly dependent on a key informant can be a weakness. The interpersonal influence a key informant may have over the researcher could affect the objectivity and perceptions of the researcher. Lobbyist and companies may exaggerate their claims of impact in order to look good and policy makers in the European Commission may equally want to distance themselves from the impression that they are being “worked” by lobbyist and companies (Dür, 2008). Being aware of these biases is the first step to overcoming this challenge. Another step was to triangulate the different interviews and see if there was overall convergence. For instance the interview with one Brussels consultant was triangulated with another interview with another Brussels consultant and the interview with an industry federation. The interview with Grundfos was triangulated with the interview of the Brussels consultant and the interview with the NGO and the stakeholder comments to the Consultation Forum Meeting.

The interviews were recorded with a recording device except for three interviews where only notes were taken due to the circumstances of the interview. Important parts of some of the interviews were roughly transcribed for my own use during the case description. However due to the limitations of time and resources it was not possible to transcribe the entire 13 interviews where nine of them lasted one hour or more. Three interviews were shorter then
one hour and they were not recorded as two of they arose spontaneously and the last one was interrupted shortly after it began. The interviews are accessible on a cd that was handed in together with the thesis. Unanticipated events like changes in the availability of interviewees were taken into account by reflecting on the most important question to ask in a shortened interview and a planned guidance from my thesis supervisor was arranged during the field trip to get some support and advice in the process.

**Archival records and documents**

Archival sources are administrative records and documents (Saunders, Lewis, & Thornhill, 2012: 143). Much of the triangulation of interviews also came from Commission documents such as the comments from stakeholders before and after the Consultation Forum Meeting, the Preparatory study, the Impact assessment and the Explanatory notes. The legal text itself from EUR-Lex and Minutes of meetings from the Council were very important as well. They provided me with list of names, the topics discussed, the disagreement between stakeholders. These documents also helped me to understand the complex technical details regarding electric motors and variable speed drives. Triangulating these documents with each other was also useful to see different formulations or wordings of issues in the proposal. Especially comparing the different versions of the CSWD document allowed me to see the development of the content and wording of the proposal from the initial stage that began with the preparatory study to the final adoption of the legislative proposal by the Commission in July 2009. Some of the documents were not readily available on the EC website or the intended publication forum. So I found some of these documents from a stakeholder's website at the European Council for an Energy Efficient Economy.

**Websites and newspaper articles**

In general different websites were very useful to triangulate information from the interviews or to find information and facts about the different actors and stakeholders. For instance I was able to triangulate and affirm the knowledge I got from the interview with Grundfos by looking at the websites of CEMEP and Orgalime.
Direct observations

Doing interviews in Brussels and being in their environment allowed me to understand more about the nature of lobbying. Visits to the offices and premises of the NGOs, the European Institutions, the consulting company and industry federations allowed me to understand more about their working conditions, the social networking and the informal ways of life. This added very useful supportive knowledge to my understanding of the case. For example observing the office space and atmosphere of the policy officers in the EC allowed me to get a picture of their work overload. Attending an NGO conference and doing an interview on their premises also allowed me to see something more about ad hoc alliances. Signing up to the unofficial security register before doing interviews also gave insights into how registration is treated and looked upon by the Institutions. All of this added to my general understanding of the case.

Analysis

There are not many fixed formulas or procedures to follow when reaching the analyse chapter and for that reason case studies can easily become stalled at this stage (Yin, 2014:132-133). In this thesis I began the analysis by making different tables of the findings and “playing around” with the data as suggested by Yin as I didn’t have a particular concept in mind to start from (Yin, 2014:134-135). This lead to the separation of the analysis into two sections: one for the formulation stage and one for the decision making stage. By describing the most important findings in each stage and asking myself questions I discovered a pattern of exchanges and resource dependencies. Going back to the literature I found that the concept of supply and demand of access good was a particular good concept as this allowed me to analyse on the level of a company or at the level of the professional lobbyists. The framework also allowed the analysis of lobbying activity by a company at all three European Institutions as they all are incorporated into the framework (Bouwen, 2002; Klüver, 2013a). Having this concept gave me a sense of direction for the further analysis of the data. The analytical technic was then to evaluate how the pattern of lobbying as it was described in the supply and demand concept (Bouwen, 2002; Klüver, 2013a) matches with the pattern of lobbying I found in each stage of the policy-making process in the case.
3. The Literature

Van Schendelen describes the study of lobbying as even “more complex than the game of chess” (Van Schendelen, 1993). This has also resulted in a diversity of scholars from different fields of research which have resulted in wide variety in the number of groups, issues and policy domains, the nature of data, theory and research design have lead to different and sometimes contradictory arguments and results (Hojnacki, Kimball, Baumgartner, Berry, & Leech, 2012; Klüver, 2013b). This is also why a coherent theoretical framework guiding research is missing (Greenwood, Grote, & Ronit, 1992). However when looking at the literature on lobbying by companies in the EU there are some general themes that arise such as exchanges of resources (Bouwen, 2002), strategies (Beyers, 2004), the logic of alliance (Mahoney, 2007b), the logic of collective and direct action (Beyers & Kerremans, 2007; Eising, 2007b). The following review will look further into these themes to see what has been done so fare and where more research could be done. Before this is done the basic terminology will be discussed to provide some clarity for the rest of the analysis. There are many definitions of interest groups. Dür and Beyers accepts a broad definition of interest groups that includes both the traditional trade associations, firms and other organisations (Dür, 2008a; Eising, 2009:4-5). This thesis will also use such a broad term so the terms interest groups and companies are used interchangeably. There are equally many different definitions of lobbying broader and more general ones by scholars such as Grant Jordan and Fouloy (in Svendsen, 2011). Jordan writes that it is “...that process of trying to achieve influence is ‘lobbying’” (Jordan, 2004) and Fouloy as cited in Svendsen writes, “Lobbying can be defined as an attempt to influence political decision via a lobbyist who acts on behalf of another person or special interest group” (Svendsen, 2011). There are also more detailed ones by scholars such as Gullberg who defines what contact means, what activity means and what participation means in terms of institutionalised and non-institutionalised participation (Gullberg, 2008). In this thesis lobbying is defined as any contact or activity, which is directed at decision-makers in an attempt to influence the policy outcome of the policy-making process.
**Resources and access**

Since the study of influence of companies or interest groups in general poses many methodological difficulties (Bouwen, 2002; Dür, 2008b) very few have undertaken such studies (Klüver, 2009; 2013a) many scholars have instead focused on studying access as this can be seen as a prerequisite for influence or as a good indicator of influence (Beyers, 2004; Bouwen, 2002; Broscheid & Coen, 2007; Eising, 2007b; Smith, 2008). Many of these scholars also are well aware that access doesn’t necessarily translate into influence (Dür & De Bievre, 2007). In relation to the study of access to the European Institutions the study of resources, exchanges of resources and resource dependencies have dominated the topic. Many scholars have either directly or indirectly studied lobbying in the EU by companies using the conceptual framework of exchanges of resources and resource dependency (Beyers, 2002; Broscheid & Coen, 2007; Chalmers, 2013b; Dür & De Bievre, 2007; Klüver, 2013b).

Most scholars agree that one of the important and crucial resources is information (Beyers, 2004; Bouwen, 2002; Chalmers, 2013b; Greenwood & Aspinwall, 1998; Hix, 2005; Taminiau & Wilts, 2006). Bouwen has developed a concept that goes beyond the traditional focus on either collective action or on individual company action in isolation from each other (Bouwen, 2004a). He categorized information into three kinds of Access goods. Private actors provide these access goods to the EU institutions in order to gain access. Each institution has a certain demand for one of the three kinds of access goods that is important for its functioning and different private actors can provide a certain kind of access good. There are three kinds of access goods: Expert Knowledge (EK), Information about the European Encompassing Interest (IEEI) and Information about the Domestic Encompassing Interest (IDEI). The degree of access that the institution will grant to the private actors depends on the possibility for a fit between what is demanded (by the institution) and what is supplied (by the private actor) (Bouwen, 2002). According to Bouwen different kinds of private actors have different capacities to provide these three access goods. Companies are good at providing Expert Knowledge in a quick and reliable manner. The European associations are good at providing encompassing European perspective. National associations are good at providing high-quality Information about the Domestic Encompassing Interest. Brussels consultants are not very good at providing access goods unless they are specialized in a particular policy area. They
can also collaborate with a client, which then can provide the Brussels consultants with one or more access goods which the consultant then can use to supply to the EU institutions (Bouwen, 2002). The demand for access goods is essential in order for there to be a fit between demand and supply. The access good that is most needed and thereby most critical for fulfilling the formal legislative role of the Commission is Expert Knowledge. However it does also need IEEI. The access good that is most needed by the European Parliament is IEEI. For the Council of Ministers the most needed is IDEI and for the European Parliament it is IEEI (Bouwen, 2002).

Klüver on the other hand have identified other access goods in her supply and demand model. In her conceptualization of supply and demand she identifies why some interest groups are more successful then others to lobby the European Institutions. She argues that the “Lobbying camp” that can provide the relatively higher amount of the access good will win over the counter lobby camp (Klüver, 2013a). She defines three kinds of access goods the first one is information supply which is separated into two kinds: policy expertise and information on the preferences of the Council and the EP. The second is Citizen support and the third is economic power. She argues that: The higher the relative information supply by a lobbying camp, the higher the probability that an interest group belonging to this lobbying camp successfully lobbies policy formulation (Klüver, 2013a).

**Institutions**

The reason that companies wants to have access to the Commission is because the Commission is responsible for initiating and drafting legislative proposals and is therefore considered the most important venue to lobby by many scholars (Beyers, 2004; Coen, 2007; Eising, 2007b). Bouwen explains how “Access to the European Commission is the main resource required by these private interests” (Bouwen, 2009). There are different explanations for why the Commission is important to lobby. The main explanation is that the Commission has a need for expert knowledge and legitimacy (Beyers, 2004; Bouwen, 2009; Coen, 2004; 2009). Commission is an extremely small bureaucracy in relation to the size and complexity of the task it has been given to regulate and create a single European market. The policy officers working on draft proposals often lack the necessary detailed expertise and knowledge of the
products, technology, practices they are creating standards or other kinds of regulation for. In addition to the need for knowledge they are also understaffed. Besides information then the Commission also needs legitimacy because it is not directly accountable to the public through elections and this means that it has a greater demand for output legitimacy (Coen & Katsaitis, 2013).

However there are some scholars who argue that the Commission might not be as important as suggested after all and that there are other places and opportunities just as important where a company lobby the EU policy-making process. The EP, COREPER and The European Economic and Social Committee have been mentioned as important places to lobby as well in the formulation stage of the policy-making process (Lehmann, 2009; Saurugger, 2009; Westlake, 2009). However Coen and Broscheid argues that even though the EP do play a role in the process it is usually at a later stage of the policy process and the Commission remains the main focus for companies when they initiate lobbying (Broscheid & Coen, 2003). In contrast to this MEP rapporteurs and/or shadow rapporteurs have been found to be very good places to lobby because of their limited research budgets when they are preparing/formulate the opinion of the EP for the readings in plenary and it has been rumoured that significant sections of some EP reports have been written by representatives from European interest associations (Hix, 2005:227-228).

**Strategies**

There are two main strategies that have been distinguished for lobbying at the European level: access and voice (Bouwen & Mccown, 2007). Voice strategy is used when a company goes public with their expression of wishes or positions on a proposal by for instance using media campaigns or protests. Access strategy is used when a company seeks to have face-to-face communication with policy makers and is referred to as seeking an “insider” position (Beyers, 2004). Beyers and Eising explains that organized interests (such as business) in contrast to diffuse interests seek to gain access or achieve an established insider position because this allows them to communicate information directly and do face-to-face negotiations with policy makers rather then employing a costly public strategy. Going public
and being “loud” about what is wanted might harm the reputation of the company as trustworthy actors (Beyers, 2004; Eising, 2007a). However sometimes it might be necessary to increase the public visibility to gain recognition and access on issue where policy makers don’t listen to the wishes of a company. If this is the case then their strategy can be said to be an outside strategy or a voice strategy compared to the more “hidden” and “quiet” internal access seeking mentioned above (Beyers, 2004; Dür, 2008a).

When pursuing an outside or voice strategy then companies must master the ability to fame and discuss their issue with MEPs and other important policy makers in a way that mirrors the current political issues, themes, and trends. Something which many scholars have recognized as important when lobbying at the EU (Coen, 2009). So once a major political theme is identified business has to adopt this main theme and issue link when they are “selling” their position to policy makers or the public. By framing their position and linking it to an important political theme such as global change or sustainability they give the MEPs and/or policy officers a chance to re-sell these positions and eventually maybe the policy outcome to the public and the media (Ackrill, Kay, & Zahariadis, 2013; Köppl, 2012). An example of framing could be that companies take a problem (global climate change), a cause (to much energy is used), and propose a solution (an energy efficient product that the company produces).

Some argue that access to the policy forums and committees where proposals are being discussed and developed has been restricted. The restriction has lead to the development of a core of insiders that provide information to the Commission. This in turn has lead to the establishment of an elite pluralist system because access generally is restricted to a few policy players as mentioned before. These few policy players or insiders compete with each other in order to become insiders (Coen, 1997). The requirements for becoming an insider is that companies must are that the information provided by companies needs to represent wider social and political interests then just their own. In addition to this then it also needs too be quick and reliable and sector-specific. The commission also requires trustworthiness behaviour from companies, something that is attained by giving information over a longer period of time. Accommodating to the requirements of the Commission gives them this
favored insider status with access to policy forums and Committees. And this in turn enables companies to influence policy outcomes.

These exchanges of information for access to policy forums and committees (or other resources which will not be discussed in this thesis) have theoretically been anchored in resource dependency theory. Resource dependency theory focuses on the interdependence between the interacting organizations. The interdependence arise because organizations are not internally self-sufficient and therefore require resources from other actors or organizations who posses these or are in control of these resources and hence an exchange of “resources” occurs. Some scholars also describe this relationship as the demand and supply of access goods (Beyers, 2004; Bouwen, 2004a; 2009; Coen, 2009; Eising, 2007a; Klüver, 2013b).

Some scholars argue that exchanging information for access to policy forums and committees does not necessarily translate into influence over policy outcomes (Dür & De Bievre, 2007; Eising, 2007a). There might be cases where a company isn’t able to deal effectively with the access and hence they will not be able to create or influence policy outcomes. That is why some argue that access to policy forums should be seen as a good indicator for influence and not as a given factor of influence (Bouwen, 2002). There are also scholars that argue that the Commission has not restricted access to policy forums and committees. In contrast the Commission do not favour predictable, stable or quiet environments with insiders and has “opened up” because it wants to enables the mobilization of a large variety of interests (Beyers, 2004).

**Information and organizational capacity**

In order to deal with this complexity most scholars agree that companies need to establish an organizational capacity in the form of a sophisticated EU public affairs departments or function (Bernhagen & Mitchell, 2009; Coen, 2009). This public affairs department or function collects information on where in the Commission a policy is initiated, where it is in the policy process, what the alternative pressure points are, who the veto players and who are the rivals etc. (Coen, 2004). This collection and management of information have turned companies into
proactive sophisticated political actors with an awareness and knowledge of the inter-institutional differences and opportunities beyond the policy officers they lobbied (Coen, 2009). The public affairs department also ensured a clear communication lines between different departments and subsidiaries ensuring a consistency in the message given across political institutions in the EU and at home. This ensures external and internal credibility (Coen, 2009). Senior managers are selected and sent to the companies Brussels office, which most of the big companies have (Greenwood, 2011) in order to nurture relationships with EU officials and other groups or individuals that have been identified by the public affairs department. It was important that these senior managers are able to operate within small policy communities as an equal and that they posses enough political credibility to be invited to relevant committees and industrial policy forums (Coen, 2009).

The companies that can afford this are mostly large companies (Bennett, 1999) and the larger a company is the more likely it is that they will engage lobbying activity in Brussels (Bernhagen & Mitchell, 2009). However being well endowed with the financial resources doesn’t necessarily lead to successful lobbying (Mahoney, 2008; 2007a). Cases like when Microsoft went to Brussels facing anti-trust actions potentially splitting up the company is an example of how bad companies can deal with politics and policy despite having the resources and organizational capacity (Hart, 2010). There are also some companies that lobby in Brussels without having an office there by using the facilities of a third party (Bennett, 1999). However very few studies have dealt with third-party representation of business interests in the EU system (Bouwen, 2002). Some scholars have their doubts about the validity of this option (Richardson, 2005:251). Third parties could be professional lobbyists, using them would lighten the financial burden of establish an office in Brussels. The political engagement is temporary and can be easily withdrawn when the need to lobby subsides and it presents an additional channel, which also has been recognized by more resourceful companies (Bouwen, 2002).

Professional lobbyists or public relations consultants are however mostly hired to assist the public affairs department and their employees in Brussels with identifying new political issues and legislative trends rather then lobbying on behalf of the company. This is because they have failed to establish goodwill and political reputations that would give companies
direct access to the policy-making process (Coen, 2009). This was a general tendency that began during the mid 80s to mid 90s where companies favoured individual representation at national governments rather than using professional lobbyist (Coen, 2009). However Lahusen argues that there was a growing use, acceptance and establishment of professional lobbyists in Brussels during the 80s and the 90s (Lahusen, 2002). Professional lobbyists realized the need to establish a good reputation (Coen, 2009), which amongst other things have lead to the establishment of SEAP in 1997. SEAP stands for the Society of European Affairs Professionals and is meant to encourage the highest standards of professionalism among public affairs professionals by codes of conduct (SEAP, 2013). Their members are mostly professional lobbyists who by now have become important players in the in the policy-making process beside trade associations (Balanyá, Doherty, Hoedeman, Maánit, & Wesselius, 2003:12; Lahusen, 2002). Svendsen also describes how “A given interest group will, in practice, take on a professional representative, a lobbyist, to secure the overall goal of the group, for example to obtain environmental target levels and higher market shares” (Svendsen, 2011). Professional lobbyists have many different tools in their toolbox, amongst others many PR services and important networking skills. Knowing how the system works, where in the process the proposal is and who the right people to contacts inside the European Institutions are have proven to be very important aspects of lobbying for these professionals. The most important external oriented PR services they provide are Image control or crisis management to counter public criticism. They do this by for example establishing “ high-tech” fake grassroots citizens’ campaigns similar to traditional NGO structures, that give companies corporate front groups and a European Identities or issue identity (Balanyá, Doherty, Hoedeman, Maánit, & Wesselius, 2003:12-13; Long & Lőrinczi, 2009).

**Individual lobbying and ad hoc coalitions**

Many scholars treat ad-hoc coalitions as part of the individual lobbying strategies as a way for companies to create horizontal issue identities and alliances at the European level. Which is done as a part of creating credibility and direct access to the EU policy forums rather then using national collective actions through for instance industry or trade federations. More and more companies choose to lobby individually this way because it is more effective in dealing
with a policy-making process that is embedded in a complex and constantly changing environment (Coen, 2009; Warleigh, 2000). There are four things that characterizing an ad hoc coalition or alliance: there is little or no formalization, which means that they do not create any formal organization together. This allows them to be very flexible in their communication and ways of working (kilde). It also means that people doesn't necessarily know who participates in the ad hoc alliance. The second characteristic is limited duration; which means the coalition would dissolve when the particular issue is resolved or when the coalition partners no longer feel the effort is worthwhile. The third characteristic is considerable autonomy which means they don't have any prescribed “membership instructions” to follow and can do whatever they please and quickly change course of action. The fourth is a focus on a single-issue instead of working on multiple issues at the same time (Pijnenburg, 1998).

The reason why ad hoc collations' are more efficient then traditional collective action could be explained by Olson's logic of collective action. He describes how a small group has concentrated advantages and is better suited to obtaining a collective good which could be a certain level or standard for environmental aspects of products. He concludes chapter one with arguing that “Small groups will further their common interests better than large groups” (Olson, 1965:52) if a few of its members have the incentives to bear the full cost of producing the collective good because the benefit they would get would be shared among the few members and it would exceed the cost of producing it. He also describes how such small group doesn’t need any formal organization and can obtain the collective good through informal arrangements in contrast to larger groups such as federations and associations who needs an organizational structure to manage agreements and coordination (Olson, 1965:46).

However sometimes it is possible to explain participation in coalitions that are based on values rather then special economic incentives. Szarka has used Sabatier's advocacy coalition framework to analyse the wind power sector advocacy coalitions in Germany and Denmark. The coalitions showed patterns that display stability over a longer period of time and it also showed a mix of incentives. NGOs and many small investors joined the wind power coalitions via purposive incentives rather then any special material incentives and companies had specific material incentives (Szarka, 2010). The NGOs were very important for the wind
power companies because they provided legitimacy through discourses on sustainability allowing wind power companies to argue that there were fighting for the common good (Szarka, 2010). Coalitions according to Sabatier are held together by shared policy core’ beliefs and this might be a useful addition to Olson’s logic of ad hoc coalitions because informal and formal alliances with NGOs have become a common and important practise for many companies lobbying through ad hoc alliances (Coen, 2004; Greenwood, 2011:68; Long & Lörinczi, 2009).

There are different reasons for this. The strengthening of the “sustainability frame” as a community target in the Amsterdam Treaty in 1997 (Hey, 2005) and the general growing importance and significance of the environment and EC environmental regulation lead to an explosion of NGOs in Brussels the 80s and 90s (Long & Lörinczi, 2009). Their capacity in terms of staff, professionalism and access to the policy-making process increased considerably during the 90s (Hey, 2005) and it has grown into an attractive “NGO market” for companies. The power of the environmental discourse is strong in the EU (Greenwood, 2011:175) and being able to put a sustainability spin on an issue is important for companies, especially if they are dealing with issues related to environmental policies. The suitable spin or the global climate change spin allows the message to travel across different audiences and it frames the company’s interests in the way that fits with the current thinking of MEPs or policy staff in the Commission (Köppl, 2012). Associating or “fronting” with environmental NGOs helps companies to strengthen the credibility of their green spin, if they have one. It strengthens their European identity and the wider appeal of their issue or position (Coen, 2004).

Another important reason for creating alliances with NGOs is their ability to construct, maintain and mobilize broad coalitions across member states via their membership network or member organizations, which can be much harder for companies that often face competitors in other countries (Long & Lörinczi, 2009). It’s also through these networks that they can draw on experts and contribute with information and knowledge that can shape the debate on an issue or the formulation of a proposal. Friends of the Earth and BEUC have created reputations inside the Commission and the EP for delivering sound and useful expert knowledge (Greenwood, 2011: 156,62,163). Their ability to turn science into politics have
lead them to developed stronger links to the EP compared to business (Coen, 2004) which could be because MEPs also benefit from taking on concerns and causes that are popular with their electorates in the member states (Greenwood, 2011:158). Some MEPs also perceive NGOs as the most effective lobbyists (Long & Lörinczi, 2009) however in a more recent survey this has changed with business taking the first place as most effective lobbyists (Greenwood, 2011: 158). Some argue that this is because they don’t have the resources to follow the policymaking process and that gives them a huge informational and policy formulation disadvantage(Coen, 2004). Very few studies have been done on companies how work together with NGOs. As studies on lobbying in the area of EU environmental and energy policy so fare mostly have only focused on separate lobbying by energy-intensive industries and environmental organizations and how they fight each other from different lobbying camps (Gullberg, 2013; Gullberg, 2008; Markussen & Svendsen, 2005; Skodvin, Gullberg, & Aakre, 2010).

**Collective action**

Despite the opportunities for individual direct action via *ad hoc alliances* traditional forms of collective action remain an important elements when influencing the EU policy-making process (Coen, 2009; Grossman & Woll, 2007). Collective action is defined according to Greenwood and Aspinwall in this thesis, as the investment of resources such as time or money by individuals and/or organizations that come together in a membership organization where they pursue a common interest, which may result in selective or collective benefits (Greenwood & Aspinwall, 1998:11-12). The main focus in the literature has been on collective action such as associations and federations rather than individual lobbying by companies (Bernhagen & Mitchell, 2009). Well-known collective arrangements are federations that have national associations as member. There are also federations, which have direct membership of companies or a mix of both national associations and direct membership. Federations are political representation at the European level representing the voice of a specific group and traditionally, lobbying by business in the EU has been analysed by looking at these federations and how they influenced the European institutions(Coen, 2004; Greenwood & Aspinwall, 1998). There are five principal horizontal cross-sector federations in Brussels. They have
experienced growth in the membership, which suggests that they are still relevant for companies seeking influence in Brussels (Hix, 2005:215). They are: the Association of Chambers of Commerce and Industry (EUROCHAMBRES), the European Round Table of Industrialists (ERT), Business Europe (formerly UNICE), the EU Committee of the American Chamber of Commerce (AMCHAM-EU) and the European Association of Craft, Small and Medium-Sized Enterprises (UEAPME) (Greenwood, 2011:65-108).

There are also plenty of specific sector federations such as the European Banking Federation (EBF) that consists of 32 national bankers association who together represent the voice of Europe’s banks. Other sectors such as the automobile sector have chosen to organize around direct company membership, which is common in sectors that are dominated by large companies. The European Automobile Manufacturers' Association (ACEA) represents 15 Europe-based car, van, truck and bus makers: BMW Group, Daimler, DAF, Fiat, Ford of Europe, General Motors Europe, Hyundai Motor Europe, Iveco, Jaguar Land Rover, PSA Peugeot Citroën, Renault, Toyota Motor Europe, Volkswagen Group, Volvo Cars, Volvo Group (Kilde hjemmeside). They do however have close working relations with the 29 different national automobile manufacturers' associations.

There has been much criticism of European level federations by scholars who describe them as weak and inefficient paper tigers (Pijnenburg, 1998) where the lowest common denominator is the Business seldom speaks with a common voice due differences in preferences both between companies but also within an MNCs in relation to what kind and degree of regulation is wanted (Greenwood, 2011). Small and large companies don’t necessarily want the same things; the same controversies may also be true for manufactures and retailers. And this often led to the lowest common denominator in these federations and industry associations (Coen, 2009).

However despite these dysfunctions companies are still as a general rule participating in these collective actions in order to lobby at the EU (Greenwood, 2011:67). Some argue that it is the pursuit of private interests that lies at the heart of collective action activity in Brussels (Hix, 2005:215). Which is in line with the special incentives argument by Olson. He argues that “If the members of a large group rationally seek to maximize their personal welfare, they
will not act to advance their common or group objectives unless there is coercion to force them to do so, or unless some separate incentive, distinct from the achievement of the common or group interest, is offered to the members of the group individually on the condition that they help bear the costs or burdens involved in the achievement of the group objectives." (Olson, 1965:3).

Companies use their membership of these federations in a variety of ways. For instance European and national associations enjoy better access to the Parliament than individual lobbyists and companies do (Bouwen, 2004b). During periods of economic downturn companies experience the need to cut down cost and focus on their participation in collective action, which is less expensive than doing individual lobbying (Bouwen, 2004b; Coen, 2009). Getting individual direct access in the policy-making process is easier when it happens though a federation or association that already has built a good reputation within the Commission or the EP (Coen, 2009). The Commission has a preference for dealing with Euro-federations as it eases the negotiation process of the group consultation (Mazey & Richardson, 2002). They are also used as a means to cover lobbying activity that companies don’t want the public to know because of sensitivity issues such as (Kilde). They may also be used to block counter-lobbying by rival companies (Hart, 2010) and in addition to this serve the purpose of making sure that the federation or association in itself doesn’t become a countervailing force in a lobbying campaign (Coen, 2009). These reasons described above seems to be distinct benefits or private good incentive (Coen, 2009) that one single company can get by bearing the cost of participation in collective action by a federation or association.

In contrast to this others argue that companies doesn’t participate in federations or associations in order to take advantage of individual private material outcomes. Membership decisions are much more complex in a multilevel European context because the link between participation and outcome is not as linear as one would think (Greenwood & Aspinwall, 1998:7). Membership can also be motivated by the need to network, gossip, getting news and views on economic and political developments behind the scenes. In fact a survey showed that information was one of the main incentives to why companies participated and maintained membership in federations (Greenwood & Aspinwall, 1998:11). Thirdly others argue that membership can be seen as the cost of non-membership rather than a consideration of the cost
of membership (Coen, 2009) Because associations and companies would rather have some influence over for instance positions rather then not having any influence at all (Greenwood, 2011). These reasons and motives for participating and maintaining membership in federations doesn’t have any immediate private good incentive or expectation of a high capacity to achieve a common goal (Greenwood, 2011:107). So the reason that companies join collective action organizations could be explained by the fact that many issues that companies lobby have implications for other actors and competitors and this results in a conflicting and competitive environment where collective arrangement come in handy as a way to collect information about competitors or countervailing forces. This have lead some scholars to argue for the need to pay more attention to the degree of conflict that a political issues may have and how this characteristic affect the way companies lobby(Beyers, 2008).

Because the influence companies have over policy outcomes differ according to the degree of conflict between private actors and between private actors and the policy-officers and decision-makers at the outset of the policy-process according to Michalowitz (Michalowitz, 2007). Issues contexts that are characterised by a high degree of conflicting lobbying camps are of course very different contexts compared to issues with no or little conflict (Michalowitz, 2007). However very little work has been done to incorporate this kind of issue characteristic into the consideration of how companies lobby in Brussels (Dür, 2008a). The expectation is that where there is countervailing lobbying efforts by competitors or proponents then companies or interest groups are less likely to get what they want than if they engage in a lobbying environment where there is only one perspective on the issue (Mahoney, 2007a). In general the policy-making has been characterised by some scholars as having a low intensity of political conflict due to a lack of grass-roots mobilisation, the absence of a European public sphere and that many policies have a very technical nature(Beyers, 2008).

**Policy process**

Companies must also decide where in the policy-making process they will lobby. Each stage of the policy process involves different kinds of actors and this suggests that different strategies could be used(Bouwen & Mccown, 2007). Many scholars have recognized that the different
stages in the policy-making process give different opportunities and challenges but they haven’t made it systematic and explicit in their studies of lobbying.

Bouwen have described the importance of early lobbying in the agenda setting stage because it is key to getting influence over a policy outcome (Bouwen, 2009; Coen, 2007; Eising, 2007b; Mazey & Richardson, 2006). Bouwen describes how lobbying before there are any formal written documents is an advantage because “As the degree of formality of policy documents increases when they move up the Commission hierarchy, it also becomes more difficult to amend them.” (Bouwen, 2009). Mazey and Richardson adds to this by saying that “Lobbying resources allocated to this early stage of EU agenda setting are likely to produce greater returns than resources allocated to lobbying later in the policy process.” (Mazey & Richardson, 2006). In contrast to this others argue that it is near the end when all the technical details get sorted out, that access gets restricted and a smaller number of group is involved. Meaning that in the beginning of the agenda setting or pre-policy-making stage there are a lot of actors and groups involved and there is not much influence to get at this stage (Richardson & Coen, 2009).

In contrast to this other scholars argue that it is also possible to influence the decision-making process even when all the details have been sorted out and the proposal has reached the final phases of the decision making process (Hayes-Renshaw, 2009; Skodvin, Gullberg, & Aakre, 2010). The last step in the decision-making process of a proposal before adoption usually involves the approval of the council of ministers. If the procedure in the meeting is QMV then a lobbyist or interest group needs to collect 255 votes, which can be a difficult task, given that the biggest countries have 29 votes each. However if a lobbyist or interest group has a big network to member country governments in the form of a trade federation or NGOs membership network or the subsidiaries of an MNC then they might be able to pull this off. One example could be the effort by the tobacco industry to prevent a European wide ban on tobacco advertisement where they lobbied Germany, the United Kingdom and the Netherlands (Hayes-Renshaw, 2009). If the decision is subject to unanimity and the aim is to block a proposal then the lobbyist only needs to find one government to vote against it. An example could be the relation to veto players in the council by energy-intensive industries’ and their threats to shut down or relocate if the Commission’s proposal for a revised EU
emissions trading scheme was adopted (Skodvin, Gullberg, & Aakre, 2010). All of this leads some scholars to argue that interest groups can change the direction of policy at any stage in the policy-making process, from the agenda setting stage to even the post-adoption implementation stage (Hix, 2005:227).

4. The case

4.1 Ecodesign Directive

Integrated Product Policy (IPP), has gradually been developed since 1998 by the EC after National Ministers of Environment decided that product policy was an issue that should be dealt with at European Community level (Hey, 2005) The IPP approach is an important part of EU’s Sustainable Development Strategy which aims to limit climate change and its effects, limit the adverse effects of transport and reduce regional disparities, promote more sustainable modes of production and consumption, develop sustainable management of natural resources, limit major threats to public health, combat social exclusion and poverty and strengthen the fight against global poverty (European Commission, 2001). In order for the IPP approach to promote more sustainable modes of production and consumption by reducing the environmental impacts from products throughout their life-cycle, it requires a variety of policy instruments. One of those instruments is the Ecodesign Directive, which was adopted in 2005 (European Commission, 2003). The Directive lays out the principles, rules and conditions in which legal binding obligations and requirements can be made towards manufactures of energy using or energy related products.

To begin with the Directive only dealt with energy-using products (EuP). EuP use, generate, transfer or measure energy from electricity, gas, fossil fuel etc. and can be consumer goods such as computers, TVs, light bulbs, washing machines etc. or industrial products such as transformers, industrial fans, industrial furnaces etc. For this reason the Directive was referred to as the EuP Directive. In 2009 there was a recast of the Directive and the scope was extended to include energy-related products (ErP). These products are characterized by
having a direct or indirect impact on energy consumption without necessarily using energy, such as windows, showerheads, taps, etc. After this the Directive was called the "Ecodesign Directive". For simplicity the term Ecodesign Directive will be used throughout this thesis.

**Green product and ecodesign**

The legal framework of the Ecodesign Directive aims to be conducive to greening products and to their purchase. Green products are products, which use resources in a more efficient way then similar products of the same category. Green products also cause less environmental damage along their life cycle that begins with the extraction of raw materials continues to their production followed by distribution, use, disposal and/or reuse, recycling and/or recovery (European Commission, 2013b). Hence the ecodesign of a product requires that traditional design criteria be related to new environmental criteria in a way that the environmental burden isn’t just being shifted to other parts in the product life cycle. Also without creating a negative trade-off with other design criteria, such as costs, safety and functionality (C. A. Grote, Jones, Blount, Goodyer, & Shayler, 2007; Vallet et al., 2013) The design process is an important aspect because even though the design process consumes few resources, it is responsible for the commitment of most environmental impacts that a product will have (Knight & Jenkins, 2009).

![Figure 1: Ecodesign and Traditional Design (Knight, 2008)](image-url)
Types of requirements

The obligations or requirements of the Ecodesign Directive are formulated into Implementing Measures (IM). IMs are developed on a case-by-case basis where a preparatory studies and consultation with relevant stakeholders determine where and what can be demanded of a product. The goal of every IM is to achieve a high level of protection for the environment by looking at the whole of a product’s life-cycle and identifying the point in the life-cycle where there are likely to be the most effective effect in reducing the environmental impact and saving costs for business and society.

The Directive can set two types of mandatory requirements: Specific Requirements and Generic Requirements. The latter does not set limit values but may require, for example, that a product is “energy efficient” or “recyclable”. Or it may entail information requirements, such as material provided by the manufacturer about best practices to use and maintain the product in the most environmental friendly way. Or it may require that the manufacturer perform a life- cycle analysis of the product in order to identify alternative design options and solutions for improvement. Specific Requirements set limit values such as maximum energy consumption or minimum quantities of recycled material. Besides these legal requirements there is also the possibility for a self-regulation initiative (SRI). Article 16 in the Ecodesign Directive 2005/32/EC states that priority should be given to alternative courses of action such as self-regulation by industry where this can deliver policy objectives faster or in a less costly manner then what can be achieved by mandatory requirements. Some cases such as Complex Set-top Boxes, Imaging Equipment and Medical Imaging Equipment have made voluntary regulation (European Commission, 2012; Ökopol Institut für Ökologie und Politik GmbH, 2013). The process for adopting the requirements are illustrated in the figure below.
Electric motors

After the establishment of the Directive in 2005, DG TREN who was the leading DG of the Directive needed a working plan no later than 6 July 2007. For this reason it funded a project called “Preparing the first working plan of the Ecodesign Directive (2005/32/EC)”. During the transitional period, which was the time where the first working plan was being developed and established, the Commission introduced implementing measures on products, which were identified by the European Climate Change Programme (ECCP) as offering a high potential for cost-effective reduction of greenhouse gas emissions (Official Journal of the European Union, 2005). Among these products were electric motor systems and this product group became the subject of an extensive lobbying campaign from Grundfos and Industry Organizations CEMEP and Orgalime. Once a product group was identified for possible IMs a preparatory study was launched.
4.2 The Formulation stage

For electric motors the preparatory study began in 2006 by the external expert Anibal de Almeida. The Methodology that was used to do the preparatory study (MEUuP) was developed in a previous EC-funded project in 2004 by the Netherlands-based consultancy company VHK Van Holsteijn en Kemna (VHK Van Holsteijn en Kemna BV, 2005). The methodology identifies eight aspects concerning a product group that must be studied to determine if and what kind of implementing measures could be applied (VHK Van Holsteijn en Kemna BV, 2005). The eight aspects were:

- Product Definition, Standards & Legislation
- Economics & Market
- Consumer Analysis & Local Infrastructure
- Technical Analysis Existing Products
- Definition of Base Case(s)
- Technical Analysis of Best Available Technology
- Improvement Potential
- Policy, Impact and Sensitivity Analyses

Several stakeholder meetings were held during the preparatory study in order to collect information, data and feedback. The stakeholders were electric motor manufacturers and their industry associations CEMEP and Orgalime, environmental NGOs such as ECOS, consumer organisations such as ANEC, EU/EEA Member State experts, experts from third countries like NEMA in US, Foundation of Taiwan Industry Services, Japan Business Council Europe (JBCE), Australian Green House Office, Swiss Federal Office of Energy and international organisations such as the International Energy Agency (IEA) (DG TREN, 2008b). In February 2008 after two years of hard work the final version of the preparatory study was published and sent to all the stakeholders.
Preparatory policy options

In the final version of the preparatory study there were suggestions on three possible policy scenarios for the introduction of Minimum Energy Performance Standard (MEPS) on electric motors and they looked as follow:

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<th>Date of application</th>
<th>Efficiency level</th>
<th>Power range</th>
</tr>
</thead>
<tbody>
<tr>
<td>January 1, 2011</td>
<td>IE2</td>
<td>0,75-200 kW</td>
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</tbody>
</table>

_Table 2: First scenario preparatory study implementing measures_ (Almeida, 2008:107)

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<th>Power range</th>
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</thead>
<tbody>
<tr>
<td>January 1, 2015</td>
<td>IE3</td>
<td>7,5-200 kW</td>
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</tbody>
</table>

_Table 3: Second scenario preparatory study implementing measures_ (Almeida, 2008:107)

<table>
<thead>
<tr>
<th>Date of application</th>
<th>Efficiency level</th>
<th>Power range</th>
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</thead>
<tbody>
<tr>
<td>January 1, 2011</td>
<td>IE2</td>
<td>0,75-200 kW</td>
</tr>
<tr>
<td>January 1, 2015</td>
<td>IE3</td>
<td>0,75-200 kW</td>
</tr>
</tbody>
</table>

_Table 4: Third scenario preparatory study implementing measures_ (Almeida, 2008:107)
The letters “IE” is short for “International Energy Efficiency Class” and is directly followed by a number that represents the classification. With IE1 being the lowest standard and IE3 being the highest standard. The International Electro technical Commission (IEC), a not-for-profit and non-governmental organization, developed the efficiency classifications (Almeida, 2008). The standards are developed in collaboration with experts from different of national agencies. The IE1, IE2, IE3 were published in September 2008. The adoption of these standards is voluntary unless they are referenced in regulations whereby they become binding legal requirements (Almeida, 2008:101; IEC, 2014).

Common for all three options described above is that they all would cut off the production of the most selling but also the most polluting motor on the EU market: the IE1 motor. Figure 2 below shows that this type of motor represented 85% of the motor market in 2006. The second scenario would cut off the production of the IE2 motor by 2015 for motors in the range of 7.5-200 kW. The IE2 motor represented 16.5% of the motor market in 2006 (Almeida, 2008). The third scenario would cut off the production of all current electric motors on the market and shift the market towards the production of the new efficiency class motor: the IE3 standard. Most EU motor manufacturers were not yet producing this type of motors in 2008 and the preparatory study found that they would need to invest in new designs and manufacturing tools (Almeida, 2008:118).
Working document policy options

In May 2008 approximately three months after the publication of the preparatory study DG TREN issued its first Commission Staff Working Document (CSWD). The draft legislation contained the first ideas on how the EU could set ecodesign requirement on electric motors and it was based on conclusions and policy options made in the final version of the preparatory study. The CSWD was sent to the members of the Consultation Forum, the secretariats of the ENVI (Environment, Public Health and Food Safety), ITRE (Industry, Research and Energy) and The Committees of the European Parliament in order for them to comment on it. The stakeholders were asked to send their comments and/or positions on the CSWD to the Commission before the consultation forum meeting at the end of May. Below is a table of the content of the proposal in the CSWD, which is based on the second scenario from the preparatory study:
### Grundfos and Electric Motors

As one of the stakeholders during the formulation stage Grundfos received the CSWD. They were not satisfied with the content of the proposal. They wanted several things to change (Grundfos, 2013; Ring-Hansen, 2009b):

1. The IE3 standard to also include the low power motors (0,75),
2. The power range should to go up to 375 kW instead of only 200 or the suggested 370
3. VSD technology should be included in the requirements for all the motors

Grundfos is one of the world’s leading pump manufacturers with an annual production of more than 16 million pumps (Grundfos, 2010; 2013a). Pumps are used for many things such as circulating water in heating and domestic water systems in households or similar purpose in industrial buildings. Pumps are also used in for instance the medical industry for biochemical processes when manufacturing medicine. They are basically everywhere in the most production systems (Grundfos, 2011b). Because Grundfos is known for their pumps not many are aware of their large production of electric motors. Pumps are operated by means of mechanical energy. This means that they need an electric motor. The electric motor helps the pump to work because it converts the electric energy that comes out of the power plug into the kind of mechanical energy a pump requires to begin pumping (Almeida, 2008:14). In this

<table>
<thead>
<tr>
<th>Date of application</th>
<th>Efficiency level</th>
<th>Power range</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 January 2011</td>
<td>IE2 efficiency</td>
<td>≥ 0,75-200 (370) kW</td>
</tr>
<tr>
<td>1 January 2015</td>
<td>IE3 efficiency</td>
<td>≥ 7,5 – 200 (370) kW</td>
</tr>
</tbody>
</table>

*Table 5: First policy draft implementing measures* (DG TREN, 2008a)
way the electric motor is important, not just for pumps but also other products that Grundfos produces as illustrated in the figure below:

![Diagram of motor applications](image)

*Figure 4: Electric motors and their applications* (COMM, 2009c:24)

Grundfos combines their motor technology and production with advanced pump design and thereby creates pumping systems that are technological advanced and innovative (Grundfos, 2011a) Some of their products were launched in 2010 in their Grundfos Blueflux® brand. The importance of electric motors for Grundfos is also emphasised by the scale of their production. In Europe they are the leading electric motor manufacturer together with ABB (European Commission, 2009b).

Back in 2005 Grundfos had an instrumental role in the establishment of a EU voluntary labelling systems for pumps which took about four years to establish both due to technical issues but also negotiations within Europump (Grundfos, 2005; Miljøstyrelsen, 2009). There
were lots of discussions, compromises and technical work which took too long and didn’t fit well with the pace of the developments at Grundfos (CabinetDN, 2013).

So when legal requirements for electric motors were up for grabs Grundfos didn’t want to waste time going through an industry federation. Despite their previous experience of working within the EU system in 2005 they were still new comers to the fast changing regulatory environment in Brussels. So they needed help and contacted CabinetDN in May 2008 after reading the first draft proposal by the Commission (Grundfos, 2013a).

**CabinetDN**

CabinetDN is a Danish owned Brussels based consulting company established in 2004 by two former MEP assistants. Their office resides in a 19th Century townhouse in the heart of the European-quarter close to the European Parliament. Their office offers clients meetings and conferences space and they host different social events every other week where they mingle with bureaucrats and policy officers from the EU Institutions (CabinetDN, 2012b). Their staff is international and the majority of consultants and directors have transferred from careers inside or closely related to the European Institutions as the founders themselves. Today their senior consultants include people such as John Bruton, the former Irish Prime Minister, former Danish MEP Christian Rovsing, former Dutch MEP Alexander De Roo, former Scottish MEP John Purvis and former Deputy Director General for DG Trade and DG Environment Mogens Peter Carl (CabinetDN, 2012a).

When Grundfos contacted CabinetDN they sat down and made a strategy for their lobbying campaign (CabinetDN, 2013b). One of the first things they did was “Mapping”. Mapping consists of different maps that identify key individuals, decision makers and aspects of a particular case. Stakeholder mapping clarifies the positions and opinions of each key stakeholders relevant to the industry or sector. These were trade associations, Industry Organizations, NGO’s and other companies such as small and medium sized motor manufacturer. Getting a clear overview of the details of the positions of each key stakeholder was important for the development of the strategy (CabinetDN, 2013b). Part of the strategy
was identifying the opposition and possible counter-lobbying that would occur and making a plan for how to either change their positions so they would support the ideas of Grundfos or “neutralize” them, so they would stop any counter-lobbying and/or (Grundfos, 2013).

Institutional mapping is a similar process; it identifies the key decision makers and their positions or opinions on the proposal, within in the European Parliament, the Commission and the Council. For Grundfos there were only a handful of key decision-makers that were important. They were the MEPs working in the ENVI and ITRA committees on the proposal of electric motors or “Lot 11”. Their opinion would spread out to the Parliament and ensure that the proposal would not be blocked during the “parliament scrutiny stage” of the final part in the decision-making process. Equally important was getting key MEPs from Germany and other nationalities that could influence other members of their own party and/or nationality and thereby create a coalition across party groups and nationalities. This was crucial because Grundfos had already learned that DG TREN wants going to support just a “Danish Case” (CabinetDN, 2013b; LCA Center, 2005).

Issues mapping is the last map in the process of getting the first ground work done. It clarifies all aspects of the issue and identifies relevant related horizontal and possible future issues. If we can make legislation on VSD what other possible legislation opportunities can this lead to in the future and so on (CabinetDN, 2013b). These maps were constantly monitored and updated when new information was discovered. Grundfos and CabinetDN had monthly meetings on the status of the strategy and what they needed to do and change in relation to any new information gathered on the maps. During the day to day business and when Grundfos was in Denmark CabinetDN followed up on meetings, initiated meetings, coordinated events in the Parliament, sought out behind the scenes information through their network etc. (CabinetDN, 2013b).
MEPs

One of the most important parts of the strategy was getting MEPs involved in their case. There were especially two MEPs that were very helpful and instrumental in mobilizing political support and these were Christian Rovsing and Peter Liese (Grundfos, 2011; 2013; Ring-Hansen, 2009a).

Peter Liese, a member of the European Parliament since 1994, had one year left of his third term in the Parliament in 2008 and he had been involved in the establishment of the Ecodesign Directive(EPP, 2007). He was a prominent member of the Committee on the Environment, Public Health and Food Safety (ENVI)(CabinetDN, 2013; Liese, 2012) and he wanted to promote something with the “green agenda” and show the success of the Directive that he helped establish. He was also German and a respected MEP with an unofficial status within the parliament (CabinetDN, 2013). All of this made him a key individual who could open doors that were otherwise closed to a company like Grundfos.

Christian Rovsing, was a long-standing Danish Conservative Member of the European Parliament and finishing his second term in the EP. He had been a member of the Parliament since 1989 in the Group of the European People’s Party (Christian Democrats) and European Democrats. During his time in the EP, he had been pushing the energy, science and industry policies forward (CabinetDN, 2013a; Rovsing Management A/S, 2013). Rovsing used much of his time in the EP to help Danish Companies and industry organizations getting proposals through the policy-making process (Ritzau, 1999). Rovsing was also a serial entrepreneur who amongst others founded the it-company Rovsing A/S, the software company SSBV-Rovsing A/S, Rovsing Dynamics A/S (Bloomberg, 2013) and the Danish consulting company Rovsing Management A/S (Rovsing Management A/S, 2013). Given his long experience in the Parliament and the business world he had an extensive network and knowledge, which also helped open doors inside the parliament.

So Grundfos began searching for the right handful of important MEPs for their case. It was not possible for them to meet with all 766 MEPs so they made a list of the most important MEPs for their case. These were German, Danish and Luxembourg MEPs from the socialist,
conservative and the Green party (Grundfos, 2013; Ring-Hansen, 2009a). The challenge was not meeting and getting access to MEPs but getting them to spend time helping Grundfos after an initial meeting and acting upon their support for the case if they also thought it was a good idea. After several meetings Grundfos got closer and closer to the MEPs that were important for the work done in the Ecodesign Directive and also to MEPs that wanted to help fight for their case (CabinetDN, 2013; Grundfos, 2013b).

One of the important things these MEPs did was show casing the issue of Grundfos by having public event in the Parliament. These events were working breakfast and dinners where the topic was electric motors and climate change were connected and explained. For these events they invited different stakeholders and as many MEPs as possible, especially those that were important for the Ecodesign Directive and the global climate change agenda. Especially show casing the effect that technology (VSD) could have on the performance of electric motors and the saving of energy. Relevant people from the Commission were also invited in order to send a political signal from the MEPs to the Commission about the importance of the position of Grundfos (CabinetDN, 2013).

**Danish Government**

Another important part of the strategy was getting full national support. Different national representatives could influence the Commission and their work on electric motors (Grundfos, 2013a; Grundfos, 2013b). The ways they could do this was through their participation in the Consultation Forum Meeting, the Regulatory Committee meeting and the Council vote meeting. In the beginning of May Grundfos went to a debate in the political energy council in the Danish Parliament where they presented their position on the possible legal requirements for electric motors set out in the CSWD. Before the meeting in the Danish Parliament they sent a letter informing the parliament about their case. In the letter they gave a short description of electric motors and what they are used for. This is followed by an explanation of the problem Grundfos had. The problem began with the buyers of electric motors. They were original equipment manufacturer who didn’t pay attention for the cost of operating a motor hence they bought electric motors that weren’t technologically savvy because these motors
were the least expensive ones. A second part of the problem was the voluntary agreement on electric motors between CEMEP and the EU. It hadn’t worked since 2001. This meant that the motor with the lowest energy consumption only made up 9% of the market. A third part of the problem was the US and China. They had have already implemented regulation on electric motors and Grundfos feared that China would become the new green technology leader in this market. And that the EU would lose its progress in knowledge and technology within the electric motors industry. This was followed by suggestions on the solution, which was to implement regulation that combines a high-efficient motor with VSD. This would give Grundfos and the EU a competitive advantage on the global market for electric motors. It will also save 30 to 60% of energy consumption and this should be followed by public campaigns on the benefits of VSD and tax benefits for companies (Grundfos, 2008).

The political Energy Council asked the Danish Climate and Energy Minister, Connie Hedegaard to comment on the letter that Grundfos had sent. By the end of May 2008 Grundfos got a positive letter reply from Connie Hedegaard and the staff working in the ministry. They supported and shared the concerns and wishes of Grundfos. They agreed that the requirements were not ambitious enough compared to the US and China, that there should be a speedier introduction of the IE3 standard, plus the inclusion of VSD into the requirements and that manufactures of electric motors should inform their consumers about the meaning and of VSD (Hedegaard, 2008). This Letter was important because it showed that it was a Danish Government backed-case, which gave the case more legitimacy and weight. It also ensured that there was a unified Danish opinion from the government (Grundfos, 2013a).

**NGOs**

Another part of the strategy was identifying helpful NGOs and how they could support the case of Grundfos in Brussels (CabinetDN, 2013). All the NGOs in Brussels were located in the same building and due to the lack the resources and manpower they usually assigned one leading NGO to an issue, which then represents all of the NGOs on a certain proposal (NGO-1, 2013; NGO-2, 2013). They wrote a position paper to the Commission before the Consultation Forum Meeting where they argued in favour of the position of Grundfos: higher and speedier
requirements on electric motors and the inclusion of VSD (ECOS, 2008) Their support turned out to be much needed during the Regulatory Committee meeting. The leading NGO on the proposal for electric motors was ECOS. ECOS is an umbrella organization of European environmental NGOs. They seek to increase the environmental performance of products, ensure sound measurement methods for pollutants, get greening management systems in businesses and improve consumer information towards sustainable consumption (NGO-1, 2013). ECOS was not an expert on electric motors but they understood how higher requirements and inclusion of VSD were in alignment with their purpose and goals. Through their daily monitoring and involvement in “green agenda” they also had great knowledge about the particularities of the policy-making process that feed into the development of the lobbying strategy. The NGOs had a great network in the different Member States. Their local branches of the NGOs and membership organizations form a wide web of advocates around Europe. This system was used to mobilize support for the position of Grundfos in different member countries where it was more difficult for Grundfos to contact the local government and their staff that were participating in the Regulatory Committee Vote meeting (NGO-1, 2013).

Consultation Forum Meeting

The Ecodesign Consultation Forum meet, 27 May 2008, in Brussels. The meeting began with a presentation of the Commission Staff Working Document (CSWD) by the EC participants who were working on the proposal. The requirements in the CSWD looked as following:

<table>
<thead>
<tr>
<th>Date of application</th>
<th>Efficiency level</th>
<th>Power range</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 January 2011</td>
<td>IE2 efficiency</td>
<td>≥ 0,75-200 (370) kW</td>
</tr>
<tr>
<td>1 January 2015</td>
<td>IE3 efficiency</td>
<td>≥ 7,5 – 200 (370) kW</td>
</tr>
</tbody>
</table>

*Table 6: CSWD policy options* (DG TREN, 2008a)
This was followed by a presentation by CEMEP who represents the European manufacturers of electrical machines and power electronics equipment and systems (DG TREN, 2008b). The industry associations largely supported the general approach of setting mandatory requirements on electric motors but they requested that the requirements should be lowered and that there should be a system approach. Orgalime supported their position. Orgalime was the European federation representing the interests of the European mechanical, electrical, electronic and metal articles industries as a whole. In their position paper on the policy proposal they had the following remark “calls upon the Commission to take a cautious and coherent way forward that would not jeopardize both, European industry’s competitiveness and environmental protection” (Orgalime, 2008).

Together the two industry federations had the main concerns regarding the requirements in the proposal (CEMEP, 2008a; CEMEP, 2008b; Orgalime, 2008):

The IE2 standard:

• There are cases where this standard would not be the best solution but overall the pros exceeded the cons.
• There should be a transfer period of 3 years for manufactures to adjust to the IE2 standard instead of having a fixed date (1st of January 2011).

The IE3 standard:

• Motors of the IE3 standard are not really available/does not exist in Europe yet. And requiring IE3 standard at the beginning of the measure (indicated in the CSWD under the section “Scope”) will be dangerous and discriminatory to European motor manufactures allowing only foreign manufactures from the US or Brazil to supply the EU market.
• Further more the IE3 standard would terminate the European IE2 motor market, which was economically important for the industry. Most of the European Manufactures are small and medium sized and cannot afford the large investments required to develop and manufacture IE3 motors.
• The shift from IE2 to IE3 would increase world wide consumption of copper, iron, coal and varnish (oil) with 20%. With an emphasis on the increase of copper.
• From an ecological point of view a strict regulation of IE3 standard would be wrong because most of the applications that it goes into do not fit the necessary requirements such as having a high number of operating hours.
• The IE3 standard should be voluntary self-regulation and CEMEP would commit to starting their own assessment for the development and manufacturing of IE3 motors.

On the opposite side of these arguments were the NGOs EEB, CAN-Europe, INFORSE-Europe, Greenpeace and WWF represented by ECOS, Grundfos, ABB and the Danish Government (DG TREN, 2008b). They wanted tighter and speedier introductions of IE2 and IE3. They also wanted the IE3 requirement for low power range motors (0,75 kW) and they supported the inclusion of drives (VSD) (COMM, 2009d).

**Siemens**

While going to meetings in Brussels Grundfos discovered that the Brussels-staff of Siemens was against the setting of legal requirements for electric motors. Siemens is one of the biggest companies in Germany and is referred to as the “German engineering and technology giant” (France-Press, 2013). It was ranked as the 5th biggest company in Germany in terms of revenue and profit in both 2008 and 2013 (2013a; CNN Money, 2013b; IndustryWeek, 2013a; IndustryWeek, 2013b). The company occupies leading market and technology positions through its business activities in the Energy, Healthcare, Industry and Infrastructure & Cities Sectors (Siemens, 2013). The size of this company in the German economy is quite substantial.

In order to tackle this challenge Grundfos contacted the Danish division of Siemens in Denmark (Grundfos, 2013a). The Danish Division Manager for Siemens supported the idea of legal requirement for electric motors (Rostrup, 2008) but he was however not able to really act upon this position in public or influence the staff working for Siemens in Brussels. So they helped Grundfos to get a meeting with the global manager for electric motors in Germany.
Grundfos travelled to Nurnberg in Germany where they meet with the top management for electric motors. During their meeting Grundfos explained the competitive advantages that these high requirements would bring about and what future regulatory opportunities this would open up. Siemens realized the business potential of this proposal but they were also aware of their business partners from the small and medium sized manufactures who would have a hard time living up to these requirements (Grundfos, 2013a). As we could see from the consultation forum meeting there was a lot of conflict on the proposal and Siemens was also concerned with not publicly offending the manufactures of the industry federations CEMEP or Orgalime where they were also members.

Grundfos proposed that they could approach the German Commissioner Verheugen and the German ministry together and present their request for legal and higher requirements and VSD inclusion as a common suggestion. Siemens was not able to do this so they offered to help in a more indirect way. As an industry leader they held many key positions or chairman positions in the working committees within the industry federations CEMEP and Orgalime and could work their influence in this way (Grundfos, 2013a).

**Energy Commissioner**

As a result of these different parts of the lobbying strategy: the support from the Danish government, the support of a major German industry player combined with the support of important MEPs such as Christian Rovsing and Peter Liese Grundfos managed to get good contact with the Cabinet staff and this resulted in a meeting with the Energy Commissioner Piebalgs (Grundfos, 2013b). During this meeting Grundfos presented the case of VSD and the IE3 standard and how much energy that could be saved with these requirements. Much in line with the way the arguments presented to the Danish Government. The Commissioner liked the idea of saving even more energy with these requirements then was initially presented in the proposal. As a consequence he got his staff to investigate the possibility of including VSD technology into the proposal. After his staff had spent time looking into the possibilities Grundfos got the good news. It was possible to include VSD into the draft proposal however
the Commission needed help with preparing the new documents for the new proposal (CabinetDN, 2013).

**New policy options**

The Commission needed to make a lot of changes to the current proposal because of these new changes. Adding the VSD technology as a requirement changed the scope of the proposal that was originally intended to set requirements to only the motor itself. So because of this change the Commission needed to prepare a new impact assessment, new explanatory notes, new technical expertise and knowledge. Grundfos dedicated a team to work closely with the Commission during a couple of months from November 2008 until the end of February 2009 (CabinetDN, 2013; Grundfos, 2013a).

The CSWD changed title from “Working document on possible ecodesign requirements for 0,75 – 200 (370) kW electric motors” to “Working document on a possible Commission regulation implementing directive 2005/32/EC with regards to motors and their drives.” (DG TREN, 2014b). All the changes made to the proposal during this time have been summarized below table 8.

It was clear which side from the Consultation Forum Meeting had won. The position of the Commission was clear in a presentation done in November 25-26 2008 where the consultation forum meeting in May was summarised as “a request for tougher requirements and coupling with VSD.” The presentation also emphasized the “Many-folded savings from IE2/IE3 + VSD” (Almeida, 2008; Ismo Grönroos-Saikkala, 2008). By the end of February the proposal looked like the following: (DG TREN, 2009b)
<table>
<thead>
<tr>
<th>Date of application</th>
<th>Efficiency level</th>
<th>Power range</th>
<th>VSD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st January 2012</td>
<td>IE2 efficiency</td>
<td>0,75 kW – 375 kW</td>
<td></td>
</tr>
<tr>
<td>1st January 2015</td>
<td>IE3 efficiency</td>
<td>0,75 kW – 375 kW</td>
<td>Motors that do not attain the IE3 efficiency level, as defined in Table 2 of this Annex, must be equipped with an ASD.</td>
</tr>
</tbody>
</table>

*Table 7: Draft-implementing measures after the meeting with the Energy Commissioner* (DG TREN, 2009b)

The new proposal included the following changes compared to the first version presented at the Consultation Forum Meeting:

1. The power range of the motor has gone up from 200 to 375
2. Requirement to equip motors with ASD or VSD
3. The IE3 standard is also required for low power motors (0,75 kW)

### 4.3 The Decision-making stage

**ISC**

The new Grundfos proposal now needed to go through the more political part of the policy making process - the decision-making stage. Before any draft legislation is official put forward by the Commission there is an Inter-service consultation within the European Commission. When the proposal has reached a sufficiently advanced stage the leading DG sends the draft document and a request around to get the formal opinion of all the directorates-general and services. It is however only those who have a legitimate interest in the content of the proposal that are taken into account which sometimes leads to conflicting objectives of transparency
and efficiency. The Legal Services must always be consulted, while the Secretariat-General and the Personnel and Administration DG, Budget DG and the European Anti-Fraud Office have to be consulted where they are specifically affected (De Cock, 2013; Hartlapp, Metz, & Rauh, 2010).

DG ENTR was the most important DGs during the ISC and the German Commissioner Verheugen and his cabinet were the key individuals that could stop this proposal from getting to the next stage in the decision-making process. Orgalime and CEMEP had already contacted Verheugen and his cabinet in order to stop the approval of the proposal. They argued against the approval of the proposal on the grounds of the arguments presented at the Consultation Forum Meeting. They also explained that there wouldn’t be enough engineers in the world and enough cobbers in the world to produce the new IE3 motors (Grundfos, 2013b).

In order to deal with this Grundfos draw on the same support they had for getting a meeting with the Commissioner for Energy. Peter Liese wrote a letter to Verheugen explaining the importance of this case and how Germany supported Grundfos. Siemens also contacted the cabinet of Verheugen expressing their support for Grundfos and the proposal. These things landed a meeting with the Commissioner himself. In this meeting Grundfos made a presentation called “Truth and Myths”. The presentation dismantled and counter-argued the concerns and arguments made by CEMEP and Orgalime. After some time Grundfos received a letter from the Commissioner where he expressed support for the ambitious requirements to electric motors and the effect that it would have on European competition. He also expressed concerns about the small and medium sized manufactures from CEMEP and Orgalime. Reminding Grundfos of their difficulties in coping with these requirements and counting on Grundfos to help them (CabinetDN, 2013; Grundfos, 2013a; Grundfos, 2013b). So this was the green light they needed from Verheugen. And the proposal was officially a common Commission proposal, which now looked like the following:
<table>
<thead>
<tr>
<th>Date of application</th>
<th>Efficiency level</th>
<th>Power range kW</th>
<th>VSD</th>
</tr>
</thead>
<tbody>
<tr>
<td>16 June 2011</td>
<td>IE2</td>
<td>0.75 – 375</td>
<td></td>
</tr>
<tr>
<td>1 January 2015</td>
<td>IE3</td>
<td>7.5 – 375</td>
<td>Or meet the IE2 efficiency level, as defined in Annex I, point 1, and be equipped with a variable speed drive</td>
</tr>
<tr>
<td>1 January 2017</td>
<td>IE3</td>
<td>0.75 – 375</td>
<td>Or meet the IE2 efficiency level, as defined in Annex I, point 1, and be equipped with a variable speed drive</td>
</tr>
</tbody>
</table>

*Table 8: Draft implementing measures after ISC (COMM, 2009b)*

When looking at the new draft implementing measures one can see the following changes have been made to the proposal:

1. The date of application has changed from January 2011 to June 2011
2. The implementing date for IE3 standard has been split up into two parts. Where the requirement for low power motors (0.75 kW) is “postponed” to 2017.
3. The requirement of equipping a motor with VSD is also required for the low power motors unless they can reach the IE3 level of efficiency.

All in all the following changes from very first draft can summarize as the following:

1. VSD technology as a requirement
2. Higher powered motors included (375 kW)
3. Lower power motors included (0.75 kW)
4. Dates of application for efficiency standards divided and extended
Regulatory Committee vote

The next step in the decision-making process was the vote of the Regulatory Committee. The Committee on the Ecodesign and Energy Labelling of Energy-using Products meet in Brussels, 11 March 2009. The member state from Bulgaria, Belgium, Czech Republic, Denmark, Estonia, France, Finland, Germany, Hungary, Ireland, Italy, Latvia, Lithuania, Netherlands, Poland, Portugal, Romania, Slovenia, Slovakia, Spain, Sweden, United Kingdom and EFTA attended the meeting. Most countries participated in the meeting by sending one public officer to Brussels from a relevant ministry or agency dealing with this issue of electric motors (DG TREN, 2009a).

At this point in the process Grundfos had already a well-established network working to support their proposal. Amongst others the collaboration with the NGOs as mentioned earlier was important for influencing the vote. So was the support of the Danish and German Government.

The meeting was had four items on its agenda: Presentation, Discussion, Vote and AOB. The commission gave a presentation of the proposal and the requirement for electric motors. After the presentation several issues were discussed - amongst others the wording of the title of the proposal. The title was changed to state only “motors” instead of “motors and their drives”. The reason for this was a bit unclear and it was explained in the Summary Minutes “... the regulation does not set requirements on drives only” (DG TREN, 2009a). The Commission staff also clarified different sections of the proposal such as the placing on the market and/or putting into service, the method for energy efficiency calculation was further clarified, the definitions of motors; “brake” motors were named explicitly to further increase the clarity of the scope. The request for motor manufacturers to provide three additional motors on their own cost for market surveillance purposes was deleted. After the discussions the Committee members voted in favour for the proposal with a qualified majority (DG TREN, 2009a). After this meeting the proposal was sent to the Council.
Council and Parliament scrutiny

The Council meet in Luxembourg, 25 June 2009 where the proposal of requirements for electric motors was on the agenda. Member state representatives from Belgium, Bulgaria, Czech Republic, Denmark, Germany, Estonia, Ireland, Greece, Spain, France, Italy, Cyprus, Latvia, Lithuania, Luxembourg, Hungary, Malta, Netherlands, Austria, Poland, Portugal, Romania, Slovenia, Slovakia, Finland, Sweden and the United Kingdom attended the meeting. Each country participated by sending a Minister, a Secretary of State, a Deputy Permanent Representative or a Parliamentary Secretary from the energy, environment or agricultural ministries (CM, 2009). Denmark participated with the Minister for the Environment, Troels Lund Poulsen and the Minister for Climate and Energy, Connie Hedegaard (CM, 2009).

The overall topic of the meeting was environment and the agenda had 38 items covering issues ranging from biodiversity and invasive alien species to security sector reform in the Democratic Republic of Congo to EU strategy against the proliferation of weapons of mass destruction (WMD) to the EU proposal for amendment of the Kyoto Protocol (CM, 2009). Each agenda item was either discussed, vote for or presented (Minister of the Environment of the Czech Republic). The main discussion during the meeting concerned preparation for the Copenhagen Climate Change Conference in December. Discussions concerned the progress, preparation and work still needed internally and externally in order to achieve an ambitious agreement with the US and BRIC countries (CM, 2009).

Placed as item number 21 on the agenda was the question of ecodesign regulation of electric motors. Any member of the Council has the option to oppose given that it has defined reasons for doing so but no one did (CM, 2009) and the proposal got through this step in the decision making process moving forward to the last step which was the Parliament Scrutiny.

After the vote of the Regulatory Committee the draft proposal is simultaneously sent to the Committee on the Environment, Public Health and Food Safety (ENVI). ENVI consists of 71 different MEPs from the EP amongst other Peter Liese who had been an important help for Grundfos and he was also significant member of ENVI(Grundfos, 2013a). ENVI is the largest
legislative committee in the European Parliament and it is responsible for the EP scrutiny stage of the decision making process in relation to ecodesign proposals (ENVI, 2014a; 2014b). ENVI sends out a newsletter every Wednesday and Friday to all the members of ENVI. In the newsletter they attach the different drafts proposals with implementing measures and members of ENVI are given two weeks to object if they have specific reasons and justifications for doing so. If members don't object then the three months passes by and the proposal gets adopted. In the case of ecodesign implementing measures for electric motors there were no objections (ENVI, 2014b).

**Adopted policy options**

On 22\(^{nd}\) of July 2009 the final policy options were adopted and published in the Official Journal of the European Union as COMMISSION REGULATION (EC) No 640/2009 of 22 July 2009 – implementing Directive 2005/32/EC of the European Parliament and of the Council with regard to ecodesign requirements for electric motors (COMM, 2009a). The process that started in 2006 with the preparatory study has come to an end. It is clear that there have been made significant changes since the first suggestions in the preparatory study.

<table>
<thead>
<tr>
<th>Date of application</th>
<th>Efficiency level</th>
<th>Power range kW</th>
<th>VSD</th>
</tr>
</thead>
<tbody>
<tr>
<td>16 June 2011</td>
<td>IE2</td>
<td>0,75-375</td>
<td></td>
</tr>
<tr>
<td>1 January 2015</td>
<td>IE3</td>
<td>7,5-375</td>
<td>Or meet the IE2 efficiency level, as defined in Annex I, point 1, and be equipped with a variable speed drive.</td>
</tr>
<tr>
<td>1 January 2017</td>
<td>IE3</td>
<td>0,75-375</td>
<td>Or meet the IE2 efficiency level, as defined in Annex I, point 1, and be equipped with a variable speed drive</td>
</tr>
</tbody>
</table>

*Table 9: Final and adopted implementing measures* (COMM, 2009a)
The first requirement, from 16 June 2011, is very similar to the very first policy scenario from the preparatory study. The one thing that has been changed is the powers range that originally was set at 200 kW, but changed to 375 kW. The first part of the second requirement, starting from 1 January 2015, is similar to the policy options proposed in the first CSWD, the additional requirements, has been added on the basis of the new CSWD that includes VSD into the options. On the basis of stakeholder discussion and the meeting CEMEP and Orgalime had with Commissioner Verheugen, the third requirement, beginning from 1 January 2017, has been added. The implication of these new regulations on electric motors is not yet fully realized since replacing the current stock of electric motors on the market will take some time (Almeida, 2008:113-114).
5. Analysis

This chapter will interpret the findings in the light of this conceptual framework reflecting upon how it applies and matches to the findings of this case study. The findings are based on qualitative data from 13 interviews with industry, the European Institutions, professional lobbyists and NGOs, which have been triangulated with data from archives, documents, direct observation in Brussels and website information. The analysis has been structured to follow the two sub-questions that I have posed in order to guide my research:

1. How did Grundfos influence the work done on the proposal in the formulation stage?

2. How did Grundfos influence the decision making stage in order to secure the approval of the proposal?

In general the analysis also suggests that exchanges of resource and resource dependencies are very useful concept to analyze lobbying by a large company in the EU. The model of supply and demand is a particular useful starting point when understanding how companies lobby in the formulation and decision-making stages in the Commission, the EP and the Council despite the fact that the order in which they were lobbied was different. And despite the fact that it wasn’t only public – private exchanges of resources.

5.1 Policy formulation stage

How did Grundfos influence the work done on the proposal in the formulation stage?

Exchanges with external contractors

As we see in this case Grundfos and other motor manufactures needed early access to the MEEup and the Preparatory study in order to stay informed about the content and development of the upcoming policy proposal on electric motors (Grundfos, 2013b). The external contractors (VHK and professor Almeida) needed the information and expertise knowledge Grundfos and other motor manufactures had about electric motors (Almeida, 2008; VHK Van Holsteijn en Kemna BV, 2005). So the first couple of involvement Grundfos had in the formulation stage seems to fit well with the concept of exchanges of resources or
access goods as described by Bouwen and other scholars (Bouwen, 2002; Eising, 2007b; Klüver, 2013b). Eising has described how companies seek access to obtain information about EU policies because they want to influence them as these policies could cause positive or negative affects on their business (Eising, 2007b). In turn policy-makers in the EU need external information from companies (Crombez, 2003; Klüver, 2012).

VHK who developed the MEEup was a Netherlands-based consultancy company (VHK Van Holsteijn en Kemna BV, 2005). Professors Anibal T. de Almeida who developed the preparatory study was also a semi private person (Almeida, 2008). When considering the exchange model this is a bit new because the exchanges of resources were between private organizations and didn’t involve direct exchanges with the European Institutions. Scholars who study lobbying in the formulation stage by using the exchange model tend to focus on access to and exchanges with the EU Institutions. Looking at what the supply is and what is demanded by the European Institutions – with a strong emphasis on access to the Commission in the formulation stage (Bouwen, 2002; 2009; Coen, 2009; Crombez, 2003; Eising, 2007a; Klüver, 2012). However some scholars have also recognized that the EP and its committees plays a role in the formulation stage for the co-decision procedure – regarding for instance proposals for new Directives such as the Ecodesign Directive that went through the co-decision procedure (Crombez, 2003; Earnshaw & Judge, 2002). So the findings from the beginning of the formulation stage suggest that there are other important actors and access points then the European Institutions. This is something that could add new details to the conceptual framework of the supply and demand relationship between public and private actors in the formulation stage. Because private external contractor might not demand the same kind of access goods as the Commission even though it seems like this was the case here. However when looking at what happened when the proposal returned to the Commission might question this.

In addition to this we also saw that early access didn’t translate into influence for Grundfos as some scholars have argued that early access can do: “as long as no formal documents are produced during the policy formulation stage, changes to the legislative proposal can be made much more easily” (Bouwen, 2009). Early access for Grundfos was important to stay informed about the future and content of this proposal as mentioned earlier. This confirms what some
scholars have said about the fact that access doesn’t necessarily mean or give an effect on policy development. Even many discussions with EC policy-makers won’t necessarily give a company what it wants (Eising, 2007b) which also was the case for Grundfos at this phase of the formulation stage (CabinetDN, 2013). However this doesn’t mean that early access wasn’t important. The findings suggests that allocating resources to the early stages of the policy-making process were more likely to produce an effect on the policy proposal than getting engaged later in the process - not knowing the content of the proposal, the players and the process. This supports what Mazey and Richardson also have stressed as important in relation to effective lobbying (Mazey & Richardson, 2006). So getting involved early on in the policy-making process is part of the answer to how Grundfos influenced the policy proposal in the formulation stage of this case. But as we shall see early access doesn’t mean continued access to the policy-making process and it was only part of the answer.

**Restricted access**

Once the two first activities in the formulation stage was done by the external contractors, the work on electric motors, returned back to the desk of the Commission. The policy officers began developing their first draft proposals (in the CSWD) on the basis of the work done in the MEEup and the preparatory study (COMM, 2009c:5). At this point we can see that access to the Commission and the policy-making process was restricted and Grundfos was no longer able to participate directly and they had to lobby via the Danish Government despite what Eising have found. He argues that the domestic modes of lobbying are less important for obtaining access to European Institutions and the policy-making process than what has been suspected (Eising, 2007a). The fact that Grundfos had to lobby through the Danish government seems a bit strange when considering how scholars have stressed that giving or supplying expert knowledge will open the doors to the European Institutions, especially the Commission (Bouwen, 2002; Chalmers, 2013b; Coen, 2009; Klüver, 2012). Bouwen describes how individual companies compared to associations are much more efficient in supplying the access goods (expert knowledge) that is demanded by the Commission (Bouwen, 2002). Coen describes how “*the hard currency of influence in Brussels is information and expertise.*” (Coen, 2004). So could this be because Grundfos was “new” to Brussels and didn’t have a long-term
relationship established with the Commission? Coen has described that getting access to the Commission in the policy-making process is a matter of more then just having the expert knowledge. It is also a question of building a European Identity. This is done over time and where long-term relations are established by being active on a number of different issues at once by using for instance ad hoc coalitions. Combining individual and collective action channels. All which in the end will give them a favourable insider access to the Commission and the policy-making process (Coen, 2009).

This insider status is something, which mostly benefits large companies more then European associations (Coen, 1997; Eising, 2007b). Eising writes: European associations dominated EU lobbying efforts until the 1970s, there are good reasons to believe that a form of élite pluralism has emerged in which large firms have better access to EU institutions than EU business associations (Eising, 2007b). Bouwen also argues that companies have easier access to the Commission compared to European Associations(Bouwen, 2002). So why do we see a reverse picture in this case? Because the concept of insider companies seems to fit on the European association CEMEP rather then the largest electric motors producer in Europe, Grundfos. CEMEP had built a long-term relationship with the Commission since 1998 where it established the first voluntary labelling agreement on electric motors(Almeida, 2008). On page 67 in the preparatory study it says that: “In order to use a neutral and highly representative source, CEMEP agreed to collect data from manufacturers and produced bill-of-materials (BoMs) for EFF2 and EFF1 motors...” (Almeida, 2008:67). The Commission clearly sees CEMEP as an insider and preferred to discuss the policy options in the CSWD with CEMEP (COMM, 2013). CEMEP were also invited to give a presentation at the consultation forum meeting in May (DG TREN, 2008b).

The concept of access goods developed by Bouwen might give some answers. Because it seems like the restricted access might have something to do with the kind of access good that the Commission demanded rather then the fact that CEMEP was a trusted insider. Member states and NGOs were also included to participate in the discussion of the proposal. This indicates that the Commission were more interested in “encompassing interests”. Bouwen describes how an interest is encompassing when more interested parties are involved in the formulation of the interest. The European Encompassing Interest from the industry (IEEI)
was provided by CEMEP (Bouwen, 2002). The interview with the Commission also confirmed that they preferred to talk with an industry association because they were able to provide IEEI and speak with one voice for the electric motors industry as Chalmers also as described in his study of access to the European Institutions (Chalmers, 2013a). He writes that *The Commission prefers representative networks partly because they lend the semblance of legitimacy to the policy- making process ... and partly because they signal to decision-makers where the 'bulk of support lies' on a given issue ...* (Chalmers, 2013a).

Grundfos had choose not to be a member of CEMEP, which is a very different choice for a company considering what scholars have found regarding the use of collective action arrangement. Coen, Greenwood, Wilson and Hauser have described how most companies recognize that industry federations and associations are important political channels to influence in the policy-making process and as a consequence the general rule is that they participate in these collective actions (Coen, 2009; Greenwood, 2011:67; Hauser, 2011; Wilson, 1990): *European federations represent high cost options with their membership fees, yet a desire not to be excluded from the club and long-term political games, regardless of the federations’ effectiveness in the short term, draws firms into active participation* (Coen, 1997).

One of the reasons that Grundfos wasn’t a member of CEMEP was due to previous lobbying experience in another industry association, Europump. This experience had taught Grundfos how these collective actions often lead to the lowest common denominator and that the process of work is very long and tedious (Grundfos, 2013a; Grundfos, 2013b). Which is something that some scholars also have found in their studies where they are describing them as weak and inefficient paper tigers (Pijnenburg, 1998).

So not being a part of the collective action that could supply the access good that was demanded by the Commission had consequences for their access to the formulation stage. It seems that it wasn’t the institutional rules about who gets invited to the consultation forum meetings that restricted the access of Grundfos but rather the fact that they could not supply what was demanded: the European Encompassing Interests. That is why they choose to use the national channel to lobby at this phase. In this way we can see a change in the formulation from external contractors to COMM also triggered a change in what channels was used to
lobby the Commission at the formulation stage. In this way exchanges with the Commission were very indirect and not really a part of the supply and demand concept.

However we also see that there were a connection between organizational form and the ability to supply certain access goods. Bouwen has argued that there is a very important connection between Organizational form and the ability to supply access goods (Bouwen, 2004a). There are three organizational forms according to Bouwen: individual action, Collective action or Third party. Each one can supply different access goods. The three access goods are: Expert Knowledge (EK), Information about the European Encompassing Interests (IEEI) and Information about the Domestic Encompassing Interests (IDEI). For instance European Associations can provide IEEI and National Associations can provide IDEI and because of their organizational form they are not very good at providing EK (Bouwen, 2002).

So in that way it makes sense to use the concept of demand and supply of access goods in relation to understanding the restricted access. There wasn't a fit between demand and supply for Grundfos. This is something that Bouwen argues that there must be. He explains that private interest will only gain access if both supply and demand conditions are fulfilled (Bouwen, 2002). So could this concept also be used to understand how Grundfos later created access to the Commission? The answer seems to be yes.

Bouwen hasn't studied how companies can switch what kind of access goods is demand by the Commission. And scholars seem to stress that the supply of access goods follow and adapts to the demands of the European Institutions (Coen, 2009). However in this case we saw that the fit between demand and supply was manipulated by changing what the demand was. Thereby placing Grundfos among the few suppliers in relation to the Commission. This was done by using the professional Brussels consultants. According to Bouwen then Brussels consultants are not considered a very effective organizational form for the provision of access goods because they don't have any access goods in their own right. However in this case we saw that this might not be true.
Brussels Expert Knowledge

Chalmers asked in a study how interest groups were able to provide information to decision-makers in the EU policy-making process. He focused on networking strategies as the answer. Concluding that network connections between companies that had strong ties - especially ties based on similar goals and interests - resulted in the superior ability to supply access good (information) to the European Institutions (Chalmers, 2013a). However in this case regarding the formulations stage we see that the answer isn’t network strategies but rather the use of Brussels consultants. These in turn had the information and knowledge about how the policy-making process works in Brussels. The network needed in order to know what happens behind the scenes and what this means for the inter-institutional dependencies and lobbying opportunities. For instance they knew that it only takes a handful of the right people in the EP. However it was much more then just having a network. It was also about having the know how such as knowing what not to do. For instance using DI as a lobbying channel would kick-start a Danish versus German case and then everything would be lost in a few minutes (CabinetDN, 2013). All their “diagnostic” tools or mappings were also a part of their special knowledge that was needed for the development of the lobbying strategy. Because as Chalmers also argues that: “Effective lobbying is not just about providing information to decision-makers” (Chalmers, 2013a).

This knowledge, that the Brussels consultants had, is something, which most scholars have argued, is something that comes from having a Brussels office and a highly developed public affairs department (Bernhagen & Mitchell, 2009; Coen, 2009; Klüver, 2012; Taminiau & Wilts, 2006). Bouwen also argues that the ability to lobby is connected with having a Brussels office and that only large companies are able to develop direct lobbying strategies at both political national and the EU level because of their office in Brussels (Bouwen, 2002). In this way he also recognizes that there are other important information, which is needed in relation to how access is created - besides using EK, IEEI and IDEI. The use of Brussels consultants also shows that not only large companies can lobby and that financial resources might not be as important as Bouwen describes (Bouwen, 2002).
Bouwen has argued that the least effective organizational form to supply access goods is the Brussels consultant. Mazey and Richardson have also expressed their doubts about the ability of professional lobbyists (Richardson, 2005:251). And Bouwen underlines that this solution is mostly for the less resourceful players (Bouwen, 2002). Wilson supports this argument he found that only 26 % of the companies he studied used this option in their lobbying work (Wilson, 1990). However in this case we see that Grundfos outsourced this knowledge and know-how and that the knowledge and know-how from CabinetDN was crucial to their lobbying success. So it's fair to say that Brussels consultants are powerful players in the policy-making process As some scholars also have recognized (Balanyá, Doherty, Hoedeman, Maánit, & Wesselius, 2003:12; Lahusen, 2002). We saw that they were powerful because of their expert knowledge about Brussels and how to create a new demand for access goods. So maybe we can add this Brussels Expert Knowledge (BEK) to the concept of supply and demand created by Bouwen - as a kind of “the middle man” between the supply and demand.

**Voice strategy**

One of the ways that BEK became a “middleman” in this case was by using what Beyers calls a voice strategy. Voice strategy is less used than access strategy by companies and there hasn’t been many studies on it in a European context (Bouwen & McCown, 2007). In his study Beyers found that voice strategies had no effect for specific interest (such as companies) in gaining access to the Commission Cabinet staff, the EP and the council. There was however a positive correlation with a voice strategy and gaining access to the Commission Cabinet, the EP and the council for diffuse interests (Beyers, 2004). This finding that Beyers made about the diffuse interests is something we can apply to Grundfos in this case. The professional lobbyist helped Grundfos arrange well organized events in the EP where they provided either breakfast or dinners while transmitting expert knowledge and facilitating discussion with different keynote speakers from the EP (CabinetDN, 2013; Grundfos & EPP, 2008). Beyers also argue that *information politics* tends to enter the public arena somewhat haphazardly and in an incongruent way through television interviews or an opinion letter (Beyers, 2004). We can see this was not the case here because of the elaborate skills that CabinetDN had within communication and PR (CabinetDN, 2013). The importance of communication and PR skills in
doing voice strategy is something which a few scholars also has stressed for business lobbying in the EU (Balanyá, Doherty, Hoedeman, Maánit, & Wesselius, 2003:12-13; Köppl, 2012).

One of the reasons that Grundfos needed a voice strategy/information politics strategy was due to the fact that a Danish company like Grundfos was not able to just call up the Commissioner for Energy and ask for a personal meeting with the Commissioner himself (Grundfos, 2013b). So building political support in the EP for their case through the use of visible campaigns and events hosted by MEPs and European Peoples Party (EPP) (Grundfos & EPP, 2008) would signal the importance of this issue to the Commissioners for Energy (CabinetDN, 2013). This use of information politics as “signals” confirms what Beyers has pointed out as well (Beyers, 2004).

The Commissioner for Energy was very important during the formulation stage because he liked the idea so much that he gave Grundfos the access and the permission they needed to work directly with DG TREN on the policy proposal with their specific wishes (Grundfos, 2013a; Grundfos, 2013b). Coen have described how companies sometimes gain access because of the sympathetic political learning of a Commissioner (Coen, 2009). However in order for the Commissioner to learn about the case of Grundfos they had to find a way for him to learn about their case and this was what the voice strategy did. These things show a new way in which a company can use voice strategy/information politics to create access to the Commission via the Commissioner level.

**Exchanges with the EP**

Another reason for the importance of lobbying the EP in the formulations stage was because of Regulatory Procedure with Scrutiny (RSP). In RPS there was the possibility that the European Parliament and the Council both used the veto right (by QMV) to block the proposal. Grundfos wanted to make sure that their counter lobby didn’t mobilize too much resistance, even though that it is difficult to get a QMV (CabinetDN, 2013). So preparations for the EP scrutiny was another reasons it was effective and an important venue to lobby in the formulations stage. This doesn’t match too well with the studies that describe why the EP is important in the formulation stage. These scholars stress that the EP is an important venue to
lobby in relation to the co-decision procedure (Bouwen, 2002; Lehmann, 2009). In the co-decision procedure then the EP is important because of the committee system where rapporteurs and shadow rapporteurs form the opinion of the EP for the draft readings where they can make amendments to the proposal (Bouwen, 2004b; Marshall, 2010).

This could explain why the exchanges with the EP were based more on EK then on IEEI from an industry association or federation. Bouwen has described that the demand for IEEI coming from associations and federations makes it more likely for them to get access to the EP compared to companies. However Lehman has describes how there is an agreement between MEPs and civil servants that lobbying is normal and acceptable even though it is hard to quantify given the confidentiality of many contacts (Lehmann, 2009). This was also the case for Grundfos. It was not very difficult for Grundfos to get meetings with different MEPs despite what Bouwen found in his study on the access private companies has to the EP compared to national and European associations and/or federations. He found that “MEPs clearly prefer to talk to lobbyists from representative organizations. The fact that individual firms have difficulty providing encompassing access goods seriously reduces their capacity to gain access to the European Parliament” (Bouwen, 2004b). We saw in the case that after several meetings with different MEPs they found a couple of MEPs who took ownership of their case because it resonated with their political goals. The demand of access goods by individual MEPs hasn’t ben conceptualised in the concept of Bouwen who sees the EP as unified actor. So this could be a new addition to the concept.

The exchanges between Grundfos and the MEPs were more based on expert knowledge and how much energy that would be saved than how it could affect various sectors and the internal market (CabinetDN, 2013; Grundfos, 2013a; Grundfos, 2013b). Because this proposal - what Grundfos and Siemens wanted - would cut off many small and Medium manufactures from the electric motors market. They didn’t have the financial resources or know how to invest in the development of the EI3 motors (CEMEP, 2008a; CEMEP, 2008b). One of the MEPs that helped Grundfos open a lot of doors to other MEPs was Danish. The exchanges with the Danish MEP must not have been to difficult for Grundfos to obtain. There is a good chance that he was not interested in knowing how this would affect the internal market and its various sectors. But rather it was important for him to know how this would benefit Grundfos, which
was/is one of the national champions in Denmark. Bouwen has described how large companies with a national strategy can be called national champions (Bouwen, 2004a).

The exchange Grundfos did with the German MEP, who also was very important, was also based on other access goods then Bouwen has described in his supply and demand model. Peter Liese had been involved with the Ecodesign Directive before and he would like to see some success with this Directive, the saving potential that Grundfos presented to him was exactly that for him (Grundfos, 2013a). So the exchange in the EP was more a question of finding like-minded friends that had similar goals as described by Gullberg (Gullberg, 2008). She found that when business lobby on single policy issue they lobby their friends in order to further a common issue and to exert pressure (Gullberg, 2008). In this way access to the EP should not be too difficult for companies to obtain despite what Bouwen has found about their limited access.

**Exchanges with the Commission**

As a result of the exchanges in the EP Grundfos ended up having direct access and exchanges with the Commission. No longer having to access the Commission through the Danish Government. The Commissioner for Energy changed the demand for access goods so the previous earlier restricted access was now no longer restricted. When looking at this through the lenses of the supply and demand model then we can see that the change in demand for access goods went from “Encompassing Interests” to “expert knowledge”. During the short period of time from November 2008 to February 2009 Grundfos provided quick, sector specific and reliable EK information. And basically acted the way a trusted insider has been described by David Coen without having a long-term relationship with the Commission (Coen, 2009).

CEMEP and Orgalime who once were the trusted insiders as described earlier had now become “outsiders”. As we saw from the case then they had very different opinions about the IE3 motor, which created some conflict regarding the content of the proposal. Counter lobbying by an industry association where both parties have access to the policy-making
process hasn’t been dealt with explicitly in the supply and demand framework by Bouwen (Bouwen, 2002) Klüver however has explicitly dealt with counter-lobbying in the formulation stage. In her conceptualization of supply and demand she identifies why some interest groups are more successful at this stage then others to lobby the Commission. She argues that the “Lobbying camp” that can provide the relatively higher amount of the access good will win over the counter lobby camp (Klüver, 2013a). She defines three kinds of access goods: information supply (policy expertise and information on the preferences of the Council and the EP), citizen support and economic power. For this case we can apply what she has said about information while adding a new detail to it. She argues that: The higher the relative information supply by a lobbying camp, the higher the probability that an interest group belonging to this lobbying camp successfully lobbies policy formulation (Klüver, 2013a). The following section will look into how this applies to the counter lobbying in this case.

The conflict

Not every scholar believes that lobbying success is a matter of having the right access goods. Others such as Mahoney have studied how the issue characteristic affects lobbying. In her study on the effect of conflict it showed that the nature of the issue plays a significant role for the likelihood that companies will succeed or fail at getting what they want. The effect of conflict is part of the issue characteristics that has a significant effect on success or failure. Companies are not very likely to get what they want when they are facing an issue with direct competing perspectives (Mahoney, 2007a). However in this case Grundfos conflict didn’t have that big an impact. So maybe we can reduce the study to only look at supply and demand.

CEMEP and Orgalime and Grundfos were in direct opposition to each other on at least one of the very important issues of the proposal. As we saw CEMEP and Orgalime also got access to the two Commissioners. They also had the financial resources and the expert and sector specific knowledge that was needed by the European Institutions. CEMEP had a long-term relationship with the Commission and was heavily involved in the preparatory study as mentioned earlier. CEMEP were very strongly against the IE3 standard and presented different arguments both before, during and after the consultation forum meeting in May 2008.
CEMEP explained how the IE3 standard would terminate the European IE2 motor market, which was economically important for the industry. And how most of the European Manufactures are small and medium sized that were unable to afford the large investments required to develop and manufacture the IE3 motors. They also appalled to the fact that the shift from IE2 to IE3 would increase worldwide consumption of copper, iron, coal and varnish (oil) with 20%. And finally that the IE3 standard should be a voluntary self-regulation and they were commit to starting their own assessment for the development and manufacturing of IE3 motors (CEMEP, 2008a; CEMEP, 2008b). Orgalime supported the views of CEMEP and also expressed its concern regarding the impact that the proposal would have the European motor manufactures and their competitiveness because it would increase the consumption of raw material (Orgalime, 2008).

Despite their resistance towards the policy proposal, especially the IE3 standard, the Commission chose to go ahead as explained earlier. We can apply what Dür and De Bievre have found about the ability of NGOs to supply access goods to the EU institutions and their sub sequential lack of influence to the case of CEMEP and Orgalime. In their study they found that although NGOs have gained access to policy-makers and the policy-making process, they have largely failed to shift policy outcomes in their favour. This was because companies and their trade associations provide politicians and policy makers with much more detailed and precise information (supply of access goods – expert knowledge) than the NGOs who to appeal to general principles such as social justice, and environmental protection (supply of access good – European encompassing interest of civil society - instead of presenting alternative and concrete policy proposals that would help legislators to achieve their own preferences (demand for access goods) (Dür & De Bievre, 2007; Eising, 2007b). CEMEP and Orgalime did have expert knowledge about electric motors, the market and industry but they didn’t have expert and detailed knowledge about the IE3 motor the way Grundfos did. So they couldn’t help the legislators (Commissioner for Energy and MEPs) to achieve their own goals in this case. Grundfos on the other hand had already developed and manufactured electric motors that both meet and also exceeded the EI3 standard – for instance a new brand called Blueflux motors which they launched in 2010 (Grundfos, 2011a).
So they were able to give the Commissioner and other policymakers much more detailed and precise information (Expert knowledge) about the IE3 motor and what it takes to produce such a motor and how the proposal would be worded in relation to this knowledge (CabinetDN, 2013). Which confirms what Bouwen has described on the relation between financial resources and access goods. He says that large companies often have large Research and Development activities which gives them the opportunity to produce more expert knowledge then companies who doesn't (Bouwen, 2002). So in relation the supply and demand model where Klüver describes how the lobbying camp with the most access goods (expert knowledge) will win, then we can see in this case, that its not a question of the amount but rather the kind of expert knowledge. Because CEMEP did supply a lot of expert and technical knowledge throughout the policy-making process (CEMEP, 2008a; CEMEP, 2008b), it just didn't have the right kind of expert knowledge in the end. So in this way it makes sense to distinguish between different kinds of information as Bouwen and Klüver have done. Bouwen distinguish between three kinds of information: EK, IEEI, IDEI. Klüver distinguishes between two kinds of information: policy expertise and information on the preferences of the Council and the EP. This case suggests that it would be useful to distinguish between different levels or kinds of EK.

**Conclusion**

In general the findings suggests that the supply and demand model is very useful when studying how a large company lobbies in the EU. However the findings from the formulation stage suggests something new. Bouwen argues that companies only gain access if they posses the access good that is simultaneously demanded by that institution (Bouwen, 2002). The demand for access goods can be changed along the process from one kind to another. Which suggest that supply doesn't always follow demand as assumed by many scholars. Grundfos used their access good (EK) in exchanges with the EP and this lead to a meeting where they could continue to supply their EK to the Commissioner for Energy and that finally lead to a change in the demand for access good from “regular” expert knowledge (by CEMEP) to relatively “superior” expert knowledge by Grundfos. This suggests that it could be useful with different degrees or different kinds of Expert Knowledge (EK) in the concept.
The organizational form was also important for the ability to produce the access goods (EK) as Bouwen argues large companies have enough money to do R&D and produce relatively technological products. However producing the access goods (EK) wasn’t the same as the ability to supply the access good. The ability to supply the access goods was closely linked to the “intervening knowledge” from the professional lobbyists. Their role was important for Grundfos to supply their access goods in the right way at the right place at the right time. This suggests that there could be difference between being able to produce the access good (EK) and the ability to supply it in a strategic manner. Bouwen talks about quantity, quality and speed in relation to the supply (Bouwen, 2002) this case suggests that adding the strategic element would be a useful addition. Furthermore using Brussels consultants have been argued to be an option for less resourceful players, as it doesn’t require huge amounts of financial resources because the lobbying activity can be short and specific. This suggests that the ability to supply might not be as linked to the organizational form and resources as Bouwen expected (Bouwen, 2002).

5.2 The decision-making stage

How did Grundfos influence the decision-making stage to secure the approval of the proposal?

Alliance with NGOs

Creating an alliance with a group of Green NGOs was one of the important things that Grundfos did in order to get through the Regulatory Committee vote in the decision-making stage. The Green NGOs were important because they were able to reach out and lobby different member states in places where Grundfos didn’t have the contacts or the easy access (Grundfos, 2013a; Grundfos, 2013b). They used their network of sister organizations and member organizations in the different member states in order to lobby in for instance France and the UK before the Regulatory Committee Meeting (Grundfos, 2013b).
In order to get the alliance with the NGOs Grundfos didn’t have to pay a lot of money, so in this way access in the decision-making stage wasn’t very dependent on their organizational form and financial resources. It was rather dependent on finding friends who wanted to help them as Gullberg also has pointed out (Gullberg, 2008). The alliance with the NGOs was held together by a combination of purposive incentives and special material.

Which suggests that the power of network is indeed important in the decision-making stage for the ability to supply access goods. As Long and Lörinczi also has described it. They write that it was important for companies to form alliance with NGOs because they were more able to construct, maintain and mobilize broad coalitions across member states via their membership network or member organizations, which was much harder for companies that often face competitors in other countries (Long & Lörinczi, 2009). Greenwood and Szarka have also found that company and NGOs alliances are important for both parties as they each have something the other can use (Coen, 2004; Greenwood, 2011: 68; Szarka, 2010).

In relation to the supply and demand model then Bouwen has found that companies come together in ad hoc alliances in order to produce new or gain more access goods (Bouwen, 2002). Which is something that also could be applied to the case of Grundfos and the NGOs even though it is not a company-company alliance. The NGOs could widen its appeal to policy makers by getting the EK knowledge from Grundfos and in exchange Grundfos got access to new information about and access to in accessible member states that were important for the Regulatory Committee meeting. In order to engage in the alliance Grundfos need the knowledge that it took to find the cooperative NGOs. Identifying these kinds alliances was something that the professional lobbyists helped them with. So the Brussels Expert Knowledge proved to be important again for their ability to supply access goods. Even though the supply an demand model focuses on the exchanges in-between a company and the European Institutions, this case suggests that it can also be extended to include the exchanges in the decision-making stage that were in-between NGO and Business and in between NGOs and member states. In order to understand how Grundfos managed to get the approval of the proposal.
This important component in their lobbying strategy wasn't a result of their resource endowment but rather a result of the sympathetic and value based incentives by the NGOs who wanted something that could improve the environmental impact of products. So each organization required some kind of resources from the other organizations in order to get what they wanted or needed and so this resources dependency theory can also be used to explain the dynamics of the ad hoc coalitions. Most scholars have used the resource dependency theory to explain lobbying between interest groups and the European Institutions (Beyers, 2004; Bouwen, 2004a; Coen, 2009; Eising, 2007a; Klüver, 2013b) and this study shows that we can also use it to explain the way ad hoc alliances function and hence how large companies lobby individual through ad hoc alliances.

**Alliance with Business Partners**

Another very important thing for Grundfos in the decision-making stage was the alliance with Siemens. It would have been difficult for Grundfos to neutralize the strongest critical counter lobbying which came from CEMEP on their own because they were not member of CEMEP. It would also have been difficult and politically incorrect for Siemens to have a “loud” and high public profile in this lobbying effort, as they would offend many of their small and medium business partners. So the two companies exchanged “resources” both in order to neutralize the counter lobby from CEMEP, get the green light of Commissioner Verheugen and get through the Council meeting (Grundfos, 2013a; Grundfos, 2013b).

Many of the scholars that study ad hoc coalitions between companies have focused on how these ad hoc coalitions are used in combination with or in order to complement collective action. Coen describes how ad hoc coalitions are used in order to get access to forums in the policy-making process (Coen, 1997). However in this case we saw that the ad hoc alliance with Siemens was used for something different then what scholars have described in in their studies of ad hoc coalitions.

As an industry leader Siemens held many key positions or chairman positions in the working committees within the industry organization such as CEMEP and Orgalime and could practise
their influence in this way (Grundfos, 2013a). So Siemens removed much of the counter lobbying that Grundfos was facing in the decision making stage. This matches well with the findings that scholars have made about the use of federations or associations in lobbying work despite the collective action problems (Pijnenburg, 1998). Hart describes how federations and associations can be used to block counter-lobbying by rival companies (Hart, 2010). Coen stress that membership of these collective action arrangements is important for companies because it ensures the company that the federation or association doesn’t become a crucial countervailing force (Coen, 2009). However in this case we saw that Grundfos used a third party to remove the counter lobby instead of obtaining membership of CEMEP themselves to neutralize the counter lobby. This is different and adds a twist to what has been said the literature on how companies use and deal with federations and associations.

This suggests that the ad hoc alliance between Grundfos and Siemens also can be analysed by using the supply and demand concept even though it was developed to apply for the agenda setting and formulation stages in-between the European Institutions and Interests groups (Bouwen, 2002). Specifying what each company is depending on/missing in order to fulfil their lobbying goals. During the decision making stage Siemens also did their own low key lobbying and contacted the German Ministry and the staff of Commissioner Verheugen in order to let them know that they supported the idea of Grundfos. Without this German support from a major industry player it would have been difficult for Grundfos to get the green light from the German Commissioner Verheugen. Getting the green light from the German Commissioner Verheugen was necessary in order for the proposal to move along in the policy-making process and eventually be adopted. In relation to the supply and demand model then Grundfos only got access to certain parts of the decision-making stage by engaging in exchanges with third parties. The only place where they had direct access to the decision making stage was in the last part during the parliament scrutiny stage by ENVI. And as we saw these exchanges were not based on the kind of access good that Bouwen has described because the demand was formulated by individual MEPs who wanted something that could help their own career or advancement.
6. Conclusion

This thesis set out to answer the following research question:

How did Grundfos influence the policy making process in the Ecodesign Directive in line with their preferences?

In order to guide the process of answering the research question the following sub questions were asked:

1. How did Grundfos influence the work done in the formulation stage?

2. How did Grundfos influence the decision making stage in order to secure the approval of the proposal?

Answers

Grundfos managed to influence the work done in the formulation stage by using a combination of voice and access strategies developed by the Brussels knowledge of professional lobbyists who used their mapping tools to identify the key actors, actions and institutional opportunities. Grundfos leveraged their superior expert knowledge by using exchanges in the EP with individual MEPs. Their relative superior expert knowledge compared to CEMEP allowed them to have more detailed and precise suggestions for changes, which combined with the above, gave them what they wanted. Grundfos influence the decision-making process via the Danish Government and ad hoc alliance with their business partner Siemens and the green NGOs. So the overall answer to the research question is the above descriptions.
Implications

The model of supply and demand for access goods was originally developed from empirical data in EU financial sector and the intention was that it could be used elsewhere which this case study can confirm (Bouwen, 2002). This suggests that sector characteristics might not be as important for the study of lobbying as some scholars have argued (Falkner, 2000). The results also suggest that there is room for a further conceptualization of expert knowledge into for instance degrees of expert knowledge. Which also could be applied to Klüvers concept of supply and demand where she also has a one-dimensional categorization of expert knowledge. The also imply that there is a difference between the ability to produce access good and the ability to supply an access in a strategic manner. Bouwen and Coen both argue that the supply needs to be quick, reliable (high quality) (Bouwen, 2002; Coen, 2009) however considering that the supply also needs to be strategic could be something new that this case could add.

Future studies

To further our understanding of business lobbying in the European Union this case study suggests that it could be interesting and useful to look further into the competing stories that were used by CEMEP and Grundfos. Studying the use of stories and framing in their voice strategy could maybe tell us more about how this complex issue was framed to fit with the perceptions of the MEPs and the other partners they had. Scholars such as köppl, Daviter, Ackril, Kay and Zahariadis have looked into the use of creating frames with a problem, a challenge and solution in a way that allows them to disseminate them to policy-makers(Ackrill, Kay, & Zahariadis, 2013; Daviter, 2007; Köppl, 2012).

The findings also suggest that it could be interesting for future studies to look closer at the way exchanges with EP is used. As this case study has shown the use of the EP was not to get an immediate impact on the formulation of the proposal but rather to create political signals that would open doors, which might then open doors into the Commission. Some scholars have also looked into these different uses of the EP. Adamini, Versulis and Maarse have
studied how groups used the EP to create strategic of “escape routes” in a lobbying conflict about tobacco advertisement. Their analysis showed that the formal institutional setting allows for considerable manipulation by the use of different venues and that this was in fact a key for the decision-making in the EU in this case (Adamini, Versluis, & Maarse, 2011). Mazey and Richardson also argue that groups use the different institutions for other things then immediate influence on policy proposals. They use them to for instance gain information about the policy process (Mazey & Richardson, 2006).

The findings also suggest that the use of professional lobbyists is something, which scholars have to take seriously when they study business lobbying in the EU. Surprisingly few studies have been done on this topic. The scholars that have touched upon this issue don’t have to high hopes for this lobbying option. It would be interesting to look further into the way professional develop their lobbying strategies and how their staff is important for the use of a network that facilitates insider knowledge about who is important inside and outside the European institutions and why. Another thing that could be interesting is to look further into the exchanges with individual MEPs and how these collaborations work.

Finally the thesis was not intended to focus on the agenda setting stage or the implementation stage. Studying these stages would require more time and resources then was available for this thesis. So it could be interesting to look further into these stages. Grundfos has amongst others made efforts to place themselves as key players in the public debate after the adoption of the proposal in relation to the implementation of the requirements and the new electric motors market (Grundfos, 2013a; Kunde & Co, 2012). Students of business management and strategy could look into how these regulatory strategies firstly creates and secondly capitalizes on new markets for greener and more efficient products and how this relates to for instance the resource based theory on sustained competitive advantage (Barney & Clark, 2007). Student of political science could look into the role played by IEC as their standards played an important role in this case - looking at the question such as: are these standards technical or political and how are they linked? Only a few scholars have looked in to this such as Funk and Methe who studied standards the mobile communication industry in the EU (Funk & Methe, 2001)
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