

EU Lobbying

Case Study on the Biofuels Lobbying Campaign

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EU LOBBYING is perceived as legitimate and necessary because all businesses in the corporate area are influenced by the political acts and by the measures and decisions taken by governments. Tomorrow's law is, therefore, today's base for global business strategies. Politicians cannot govern without taking into account industry and other societal actors (Geiger, 2006). In these conditions, those having a decisive role in the EU legislative process considerably direct their attention towards representatives of industries, associations, NGOs, law firms, lobbying consultancies, etc. The aim is to obtain comprehensive information about technical, economic and legal matters, before decisions are taken, while this enables stakeholders to provide the legislators with constructive and substantive contributions during the decision-making process. European lobbying is a mutual political consultation process, where legal and societal actors exchange information about the discussed policies (Geiger, 2006). "An issue ignored is a crisis invented" said Henry Kissinger (Klemens, 2011). The best possible management of the issues of interest is essential for lobbying. In this respect, the function of good management is "to identify and solve potential crisis issues as early as possible" (Klemens, 2011).

"Interest representation has become crucial for all those seeking to influence the EU decision-making process, including actors within national and sub-national institutions and governments (...); persuasion is the way that ensures influence, and interest representation itself is an evolving practice that, at the same time, is shaping and is being shaped by the development of the European Union" (Warleigh, Fairbrass, 2002). The study of the phenomenon of interest representation can reveal much about the power relations existing in the EU: even if the European Union is a very complex and variegated system (...), it is still possible to understand how decisions are made, and by whom (Warleigh, Fairbrass, 2002).

The interaction between the government and the many societal interests takes place through interest groups. Therefore, analyzing them is of major importance for understanding the relationship between state and society. Interest groups not only provide an alternative to voting as political participation, or to being member of a political party, but, in some ways, they can provide a higher form of participation. Interest groups are helpful because they raise issues which are too detailed or specialized to be the concern of political parties or election campaigns (Wilson, 1990).

The institutionalization of interest groups relies on collective action, meaning the set of behaviors based on involvement, outreach, advocacy and negotiation, through which social interests are formed, and political influence is being exercised. It is, therefore, about a complex range of differentiated behaviors, of individual or collective actors, while, most often, they associate cooperation with conflict (Balme, Chabanet, Wright, 2002).

Lobbying is perceived and analyzed in direct connection with the democratic system of one society. Attention is being focused on the way in which interest groups can be integrated into the representative democratic systems “without destroying the democratic foundation of the decision-making mechanism” (Karr, 2008). In this context, “it is important to note the possible role and impact of the interest groups’ involvement in a democratic system, both theoretically and in terms of actual experience, through lobbying in the European Union” (Karr, 2008).

A balanced integration of lobbying interests is necessary within the processes and structures of representative democratic governance. This integration should, on the one hand, ensure that the various interests found in society can be organized and represented, in a substantial way, towards decision-making institutions and their officials, and help resolve a growing number of complex issues. On the other hand, democratic principles should be protected from the dominance of special interests, which, otherwise, would mock the freedoms offered by democracy, and could lead to political decisions that would not put all interests in balance, nor would take into account, in one way or another, the common interest (Karr, 2008).

Ideally, lobbying should be “integrated, in a sustainable manner, in a representative democracy,” while the concept of ‘legitimate lobbying interests’ in a democratic society should be developed; lobbying should be perceived as a “pertinent part of the modern political system” (Karr, 2008). Democratic representativeness is a fundamental feature of ‘the multi-level European civil society,’ as part of a governance system based on central-peripheral multiplied structures. European civil society—this “new constellation of peripheries that are intertwined, which react and interact in the poly-center of the European governance—is the mediation space of the EU actors’ interests representing their electoral constituency (the voters), in a direct exchange and negotiation process with the European decision-making structures” (Trenz, 2011). Including in the decision-making process all stakeholders that may be affected by a political decision is a fundamental principle of a democratic political debate. The inclusion of each interest is, therefore, a key issue for the democratic quality of the decision-making. Deliberative democracy requires that all arguments are equally included and considered for the development of public policies (Friedrich, Nanz, 2007). However, it is “problematic to take into account arguments in the case of interest groups being disadvantaged in terms of resources and their level of organization” (Friedrich, Nanz, 2007).

As announced at the beginning of the paper, the attention will be next given to the case study on “Lobbying Campaign on Biofuels,” providing a practical dimension with reference to the topic of this article. The Biofuels dossier is included in the “Climate and Energy Package” which is a set of binding legislation aiming to ensure the European Union meets its climate and energy targets for 2020:

These targets, known as the “20–20–20” targets, set three key objectives for 2020:

- a 20% reduction in EU greenhouse gas emissions from 1990 levels;
- raising the share of EU energy consumption produced from renewable resources to 20%;
- a 20% improvement in the EU’s energy efficiency (ec.europa.eu/clima/policies/package/index_en.htm).

The three main Directives on Biofuels are:

- Directive 2003/30/EC on the promotion of the use of biofuels or other renewable fuels for transport;
- Directive 2009/28/EC on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC;
- the 2009/30/EC Fuel Quality Directive.

The European Commission defines biofuels as “liquid or gaseous transport fuels made from biomass.” The most important biofuels today are bioethanol (made from sugar and cereal crops) used to replace petrol and biodiesel (made mainly from vegetable oils) used to replace diesel (europa.eu/rapid/press-release_MEMO-12-787_en.htm).

There are two types of biofuels:

- Conventional (first generation) biofuels: first generation or conventionally produced biofuels are biofuels produced from food crops, such as sugar, starch and vegetable oils. They are produced from land using feedstock which can also be used for food and feed.
- Advanced (second and third generation) biofuels: second and third generation or advanced biofuels are produced from feedstock that do not compete directly with food and feed crops such as wastes and agricultural residues (i.e. wheat straw, municipal waste), non-food crops (i.e. miscanthus and short rotation coppice) and algae.

Total biofuel consumption in the EU represented about 4.7% of transport fuel consumption in 2010, mainly first generation biofuels. Biofuel consumption differs significantly across Member States (europa.eu/rapid/press-release_MEMO-12-787_en.htm).

On 17 October 2012, the Commission published a proposal to limit global land conversion for biofuel production, and raise the climate benefits of biofuels used in the EU. According to the Commission, the use of food-based biofuels to meet the 10% renewable energy target of the Renewable Energy Directive would need to be limited to 5% (ec.europa.eu/energy/renewables/targets_en.htm).

The Commission states that:

- “scientific evidence on indirect land use change impacts of biofuels is indicating that some types of biofuels, such as those from waste and residues, are much better than others in terms of their climate impact. These biofuels, which are typically more expensive to produce, also do not pose problems related to increased food prices as they do not come from food crops. But unless action is taken now, they are not likely to be available in any significant amounts in 2020” (http://europa.eu/rapid/press-release_MEMO-12-787_en.htm);
- “all biofuels made from food crops and which do not lead to substantial greenhouse gas savings (when emissions from indirect land-use change are included) should not

be subsidized in the period after 2020. In the interim period, the proposal aims at stabilizing the consumption of first generation biofuels: (http://europa.eu/rapid/press-release_MEMO-12-787_en.htm).

On 11 September 2013, the European Parliament urged to limit the use of traditional biofuels and the rapid transition to next-generation biofuel from alternative sources such as marine onwards and wastes. Contrary to the Commission's text, the Parliament decided that first-generation biofuels must not exceed 6% of final energy consumption in the transport sector by 2020 as opposed to the target of 10% of the existing legislation (http://europa.eu/rapid/press-release_MEMO-12-787_en.htm).

A proposal to limit Europe's use of food-based fuel crops has been initially stalled by a vote on the European Parliament's environment committee on 17 October 2013. The European Parliament gave its final approval on 28 April 2015 to limit the use of crop-based biofuel in the transport sector. The new law will limit to 7% the use of harmful biofuels which compete with crops grown on agricultural land, while allowing member states to set lower national limits (<http://www.euractiv.com/energy/european-parliament-votes-block-news-531161>).

For a better understanding of this file, it is essential to take a look at the following aspects: the opinion expressed by the renewable energy industry (in favor of conventional biofuels) versus NGOs (in favor of advanced biofuels, just like the advanced biofuels industry). So the two groups are the main rivals in this lobbying case, having completely different interests. There are distinct visions with reference to biofuels developed within the European Institutions as well: on the one hand, the Directorate General for Energy of the Commission (DG ENER), directly responsible for the coordination of the file at the Commission which is pro-renewable energy industry and, on the other hand, the Directorate-General for Climate Action (DG CLIMA), also responsible for this file, and in favor of NGOs. DG AGRI and DG TRADE have been partially involved in this dossier within the European Commission.

In what concerns the European Parliament, the Committee on the Environment, Public Health and Food Safety (ENVI) which is directly responsible for the 'biofuels' dossier within this institution, takes the NGOs side. On the contrary, the Committee on Industry, Research and Energy (ITRE) sustains the renewable energy sector. As for the EU Member States' positions, these are formulated according to their specific national interests. EU Member States in the northwest are rather supporters of advanced biofuels, versus the EU Member States in the southeast, mainly encouraging the development of conventional biofuels.

As expressed by the experts interviewed, the position of the conventional biofuels industry on the proposed and debated new legislation regarding the future of the EU biofuels is based on the following arguments:

- the ILUC theory (indirect land use changes) is not based on valid scientific evidence, therefore ILUC should not be included at all in the abovementioned European legislation;
- any limit under 7% imposed on the use of conventional biofuels can enormously endanger industry;
- hundreds of thousands of jobs in the biofuels sector are now in great danger;

- investments of billions of euros are seriously threatened;
- the debate on ‘food versus fuel’ is a ‘non-issue’ because the impact of fuel production on the global increase of food prices is exaggerated and unrealistic;
- up to 1 million jobs can be created in the European biofuels sector;
- the production of first generation biofuels has a positive impact on the environment.

As expressed by the experts interviewed, the NGOs’ position on the new European legislation on biofuels is based on the following arguments:

- ILUC should be immediately included in the European legislation (it would be a mistake waiting until 2020 for this). ILUC does exist, with valid scientific evidence;
- the 6% limit voted by Parliament on the use of conventional biofuels should be reduced (the 5% limit initially proposed by the Commission would represent a possible compromise);
- first generation biofuels have a serious impact on the environment based on the large amount of carbon emissions, and also based on deforestation and land grabbing which they cause;
- first-generation biofuels are directly responsible for the global increasing of the food price, while the debate ‘food versus fuel’ is a real world problem to be solved;
- by encouraging the conventional biofuel production, land grabbing will be even more problematic, while food prices will significantly increase, and this will enhance the level of hunger and poverty which mostly strike poor countries in Africa.

Lobbying Campaigns on Biofuels —Opinions from the Experts Interviewed: Tactics and Strategies Used:

NIKOLAOS BROUZOS (Head of Biofuels trading, ‘Biofuels Supply and Sustainability,’ Galp Energia, Lisbon): “The lobbying campaigns for this particular decision can easily be classified as ‘realistic and factual’ from the industry point of view and as ‘emotional and lacking concrete arguments’ from the environmental NGOs’ point of view and the interest they represent. (...) Member States mainly used lobbying arguments that best reflected national operators’ interests while also reflecting some environmental dramatic echoes. Overall, the lobbying tactics used were employed to protect each party’s interests. The main difference consists on the quality of arguments used by the parties involved. Emotion and generic affirmations vs real concrete data accompanied with credible studies.”

David Laborde (Senior Research Fellow & leader Globalization & Markets research program, IFPRI – International Food Policy Research Institute, Washington DC): “I have seen constructive and destructive behaviors both from the green NGOs and the EU biofuel lobbies. Overall (...), the lobbyists on EU biofuels have never updated their strategy, tried to deny facts (land use change happening) or scientific consensus (ILUC exists), have collected low level arguments without strong quantitative evidences (rhetoric on energy security, trade balance, proteins dependency, most of these arguments are dan-

generously inaccurate), and rely on very weak expertise (...). So it was a demonstration of old techniques (based on the confidence of strong political support). The reason is that we are not dealing with a new industry that has no political capital initially. Biofuel industry is a young one. But it is built on the farm lobby network that is among the most powerful in Europe. So they do not dare to go for subtle strategy or adaptive one.”

Laura Sullivan (European Policy and Campaigns Manager, ActionAid, Brussels): “(...) What I have certainly observed—and even before—we know that in the four-five days previous to the launching of the EC’s proposal on the 17th of October 2012 there was a massive lobby towards the EC to water down the proposal (the previous version showed much stronger on ILUC). And this is obviously by the industry lobby. This is reported in the media publicly (...). We know that the industry in recent weeks in particular has been trying to discredit a number of fairly established knowledge that is out there.”

Rob Vierhout (Secretary General, ePURE – European Renewable Ethanol Industry, Brussels): “In our (ePURE’s) campaign we boiled down to a few simple core messages: high GHG savings (up to 90%), we produce food and fuel, we provide jobs. Additional messages were: ILUC science immature, advanced biofuel target needed to boost technology and investment, saving investments, no multiple counting. Our campaign logo was: Made in Europe.”

How Strategies and Tactics Changed over the Last Years in the Lobbying Campaigns Led on Biofuels

NIKOLAOS BROUZOS: “The biggest difference between lobbying activities during 2007–2008 compared to 2013 was that then there was less experience and knowledge of the implication, thus lobbying was performed via representation bodies only. This time lobbying occurred directly to people willing to hear our views using at the same time institutional and representation lobbying tactics.”

David Laborde: “As an observer, I will say that the private lobbyists have not really adapted their strategy to the evolution of the debate and have just tried to use their (...) lobbying power, at the EC level, but also putting the weights of key member states in the battle, and not try to use smart strategies. The alliance between the Ethanol (the small) and the Biodiesel (the big) sectors is also a dangerous strategy—with low relevance—that at the end will cost a lot to the ethanol one. They should have adopted a better, and independent strategy, earlier.

Laura Sullivan: “We don’t have a lobby strategy, we have a campaigning strategy. We started working on this in 2008 (...). When I say campaigning I’m talking about a whole range of activities including mobilizing citizens to put pressure on governments in particular, as well as parliaments to change things (...). In 2010, we started the public campaigning (...). In 2010–2011 we largely focused on the issue of ILUC, we started to build up our work with coalitions (...). Then when it came to the EP level, that’s where we really stepped up and used all kinds of different ways of working—engaging supporters, constituents going directly to the parliamentarians, we got the signatures

of 120,000 people across 6 countries, 6 EU Member States to sign they accept the policy going ahead (...).”

Rob Vierhout: “Yes, we certainly did change our tactics. We hired professional support to fine-tune our messages. We were also very selective in the MEPs we approached mainly through our member companies in the country of origin. I believe that the industry clearly underestimated the impact of the NGO lobby, more in particular the food/fuel issue. To a lesser extent the issue of ILUC. The industry commissioned many studies on ILUC to demonstrate that ILUC was far less an issue than originally believed. Since the existence of the 2009 Directive we have spent much of our time on how to implement the law into a workable system. As a consequence we did not clearly react to the food/fuel accusations.”

A series of strategies and tactics may be useful for some specific campaigns, but not very useful for others, depending on the lobbying priorities to be given to each file. Nevertheless, for lobbying to be really efficient (therefore with a strong influence over the political/governmental decisions), there are some general “rules” to be taken into account by lobbyists, like for instance: finding and talking to the right people, providing decision-makers with pertinent information, being transparent and honest in exposing arguments, and (most of the times) building lobbying coalitions.

Smart lobbying strategies and tactics are needed, but they are not sufficient. The final results truly count. So the question now would be: is lobbying really efficient in influencing the EU decision-making process? Here are the answers offered by some experts interviewed on this:

Elena Višnar-Malinovská: “Yes. (...) It is important that a lobbyist shows not only interest into a particular case, but also understands and knows to sell a wider political context—what are the wider implications/ramifications of such a decision.”

Koen Roovers: “It’s highly effective.”

Tamara Daltroff: “Lobbying in the EU ensures the possibility for interest groups to be represented and to have a say in the EU decision-making process. The European institutions can also benefit from the knowledge of the lobbying groups such as position and research papers. The consultation process in the European Commission allows lobbying organizations to contribute with information and data in a rapid and efficient manner. In this sense, lobbying can be regarded as a strong and efficient tool.”

Stefan Moser: “Lobbying can be very effective and efficient to the extent that it provides substantive arguments underpinning the respective points of view. The higher the technical quality of the input, the more it will be taken into account (i.e. “we don’t like it because we don’t like it” is not convincing).”

This case study shows that in general stakeholders involved in the biofuels dossier have built strategic coalitions for obtaining a bigger representativeness of the interest groups, thus aiming to maximize the chances to influence decision-makers. The most relevant lobbying strategies and techniques used in this specific case are: lobbyists approaching decision-makers both at the European and national level, intense research and monitoring, conducting scientific studies, formulating key messages and sending them both to the general public and especially to decision-makers; organizing strategic communication activities (seminars, conferences, debates), organizing outreach activ-

ities for the citizens or analyzing how the proposed legislation can be better implemented.

Lobbying actions were led in many directions which were considered relevant by the stakeholders involved in this file: lobbying the European Institutions, lobbying the EU Member States or different forums and institutions such as the G8, G20 and the UN—so far, G20 does not have a definite position on biofuels considering that the current situation will be further analyzed (<http://www.euractiv.com/energy/biofuels-industry-sent-mails-hou-news-519531>); the UN published a report in 2013 stating that biofuels can lead to a global food prices increase (<http://www.bigpictureagriculture.com/2013/06/un-report-biofuels-impact-food-prices-and-availability-390.html>). In addition, there was also the inter-institutional lobbying that took place (the type of lobby developed, for example, between the European Commission and the European Parliament for the preparation of the proposed legislation itself, political amendments, etc.) and intra-institutional lobbying (lobby led among different DGs of the European Commission with an interest in the file, or the lobbying conducted by the various committees in the European Parliament, having an interest in the file).

In general, the concerned interest groups have been rather influential in their dialogues with the decision-makers on the biofuels dossier. This is proved by the modifications included in the text of the European Commission's legislative proposal or by the political amendments inserted in the European Parliament's legislative proposal, all of these according to the positions expressed by the different stakeholders. Not to forget that, so far, quite everyone on the lobbying scene has gained some advantages in this file: the conventional biofuels industry has "obtained" a 6% limit on the use of conventional biofuels (true, not a minimum of 7%, as they were willing to get, but still better than the 5% which was initially planned by the Commission). As for the NGOs, and also for the advanced biofuels industry, introducing ILUC into the Directive represents a great achievement (even if the counting for the ILUC is not supposed to be done immediately, as hoped by this category of stakeholders, but just starting with 2020. Of course, this result is anyway better than not introducing ILUC at all in the legislative text).

Conclusion

OBVIOUSLY, EU policy-making is a comprehensive and nuanced process, a permanent interaction between decision-makers and the interest groups directly affected by the political decisions. The route is, therefore, quite long. This process involves—for both governmental and non-governmental actors—a lot of debating, communicating and negotiating, intense lobbying, while for achieving excellent results some excellent strategies are needed.

Lobbying is a strategic game, it is an art. And, again, it is, of course, about influencing. The better the game is conducted, the more valuable this art can be, and the chances for an influential lobbying rise. And that is successful lobbying.



Sources (experts interviewed):

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3. Dr. David Laborde, Senior Research Fellow & Leader Globalization & Markets research program, IFPRI (International Food Policy Research Institute), Washington DC.
4. Stefan Moser, Deputy Head of Unit, General Secretariat, European Commission, Brussels.
5. Koen Roovers, Advocacy Lead, Financial Transparency Coalition (ex-Outreach & Coalition Coordinator, ALTER-EU, Brussels—The Alliance for Lobbying Transparency and Ethics Regulation).
6. Laura Sullivan, European Policy and Campaigns Manager, ActionAid, Brussels.
7. Rob Vierhout, Secretary General, ePURE (European Renewable Ethanol Industry), Brussels.
8. Elena Višnar Malinovská, Member in the Cabinet (Potocnik Cabinet), European Commission, Brussels.

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Abstract

EU Lobbying: Case Study on the Biofuels Lobbying Campaign

Lobbying is part of the EU decision-making process—it is an institutionalized and legitimate act within a European democratic society. Interest groups organizing lobbying actions towards the EU decision-makers (EU institutions) can have a strong impact on influencing legislative and governmental decisions, according to their interests. Nevertheless, while some interest groups measure an impressive success, others fail, more or less systematically—some lobbyists win, some lobbyists lose when it comes to convincing governmental actors of the validity of the proposed arguments. What is it that can determine the success or the failure of a lobbying action? This material will refer to a series of lobbying strategies and methods conducted at the European level for emphasizing some relevant and efficient ones used in order to influence the decision-making process. In this sense, a case study on “Lobbying Campaign on Biofuels” has been prepared and inserted into the present article to better underline these aspects by also focusing on a practical approach.

Keywords

EU lobbying, lobbying strategies, lobbying coalitions, lobbying arena, biofuels case