



Determining sustainable economic activities: taxonomy regulation 2020/852

An analysis of financial and fossil fuel business association lobbying in the European Union

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Abstract

This research explores the relationship between Corporate Social Responsibility (CSR) and Corporate Political Activity (CPA) in the context of climate policy development. It does so by investigating to what extent the framework of deliberative lobbying, as initiated by Irina Lock and Peter Seele, can be applied to the case of how the International Association of Oil & Gas Producers (IOGP), FuelsEurope, and BusinessEurope lobbied to influence EU taxonomy regulation 2020/852, which was adopted on 18 June 2020. In this context, it asks the following question: to what extent can deliberative lobbying account for how fossil fuel and financial business associations in the European Union between 2011 and 2020 influenced taxonomy regulation 2020/852?

The research answers this question by making use of several relevant theoretical concepts, that together form the framework of analysis. In particular, David Lowery's theory on why organizations lobby, as well as the theory of access goods by Pieter Bouwen, prove to be useful. The analysis, furthermore, is executed by making use of Andreas Dür's method of degree of preference attainment, which determines the influence of interest groups by tracking a political process in which positions of interest groups shift and are shaped over time. While determining influence is perceived to be a difficult endeavour, it is also compelling, as a great variety of lobbying sources are consulted in the research process.

The main finding of this research, then, is that for the period between 2011 and 2020, deliberative lobbying formed a convincing framework for how fossil fuel and financial business associations were politically active in lobbying. The associations, through their lobbying, were able to put the economic activities of, and the sectors in general, in a favourable environmental CSR framework. However, the analysis has also raised the question of how long the fossil fuel and financial sectors will be able to convincingly construct a CSR-CPA relationship in a sustainability and climate policy context, as the analysis sees the development of a political context that increasingly demanded concretization and institutionalization of environmental CSR ambitions.

Abbreviations

CCS Carbon Capture and Storage

CCU Carbon Capture and Utilisation

CPA Corporate Political Activity

CSR Corporate Social Responsibility

EC European Commission

EK Expert Knowledge

EU European Union

GHG Greenhouse gas

IDEI Information about the Domestic Encompassing Interest

IEEI Information about the European Encompassing Interest

IOGP International Association of Oil & Gas Producers

TEG Technical Expert Group

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Introduction

In March 2019, InfluenceMap, a think tank that focuses on mapping corporate climate lobbying, published a report titled *Big Oil's Real Agenda on Climate Change*.¹ The report concluded that in the years following the 2015 Paris Agreement, the largest publicly traded oil and gas corporations 'invested over \$1Bn of shareholder funds on misleading climate-related branding and lobbying.'² Apart from executing public campaigns, fossil fuel corporations invest extensively in lobbying activities on a political level, trying to influence climate change policy.³ The results of the report point to at least two relevant trends in business lobbying and policy development. First, gathered sources suggest that big corporations dedicate large amounts of resources to political lobbying, thereby creating economic-political intertwining. Second, research suggests active involvement of the fossil fuel sector in climate change policy. A complementary report by InfluenceMap focused on a more specific policy field in which, next to the fossil fuel industry, financial industry associations were analysed on their efforts to influence the EU's sustainable finance policy, showing that lobbying activities also take place within the financial industry and on a European Union level.⁴

With perceiving European Union climate policy development and fossil fuel and financial business sectors to engage with each other, the question arises how lobbying activities by these interest groups influence climate policy. The urgency of EU's climate policy is exemplified by the European Green Deal, presented on 11 December 2019, which is the EU's 'plan to make the EU's economy sustainable.'⁵ The Deal is shaped by its several policy areas and has influenced many additional regulatory and strategy developments. One of these areas is the above named EU's sustainable finance policy, which is explained as finance supporting economic growth, while simultaneously reducing pressure on the environment and taking social and governance aspects into account.⁶ A concrete manifestation of the sustainable finance policy is the EU taxonomy, which is a classification system for sustainable economic activities

¹ InfluenceMap. *Big Oil's Real Agenda on Climate Change. How the oil majors have spent \$1bn since Paris on narrative capture and lobbying on climate*. March 2019.

² Ibidem.

³ Ibidem.

⁴ InfluenceMap. *Sustainable Finance Policy Engagement. An Analysis of Lobbying on EU Sustainable Finance Policy*. September 2020.

⁵ "A European Green Deal. Striving to be the first climate-neutral continent" European Commission. https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en#documents consulted 3-12-2020.

⁶ "Overview of sustainable finance" European Commission. https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/overview-sustainable-finance_en consulted 10-1-2021.

and serves as a way the EU aims to reach the Green Deal objectives.⁷ One of the most important documents in this context is taxonomy regulation 2020/852, which was initiated by the European Commission and presented on 18 June 2020 intending to set specific guidelines on sustainable economic activities.⁸ There has already been performed research on the ways fossil fuel and financial corporations and associations have aimed to influence the EU sustainable taxonomy. However, no research has been performed on the influence of the fossil fuel and financial lobby on the development of this particular regulation. Furthermore, there exists no comparative analysis between fossil fuel and financial business associations on this topic, even though, as the academic debate will show, business associations are the largest interest group lobbying in the EU.

Therefore, this research proves to be relevant in several ways. First, on a societal level, it should provide valuable insight into the actual achievements of fossil fuel and financial business lobbying on regulations related to the Green Deal, considering the number of contradictory articles and news items on this topic. Intensive qualitative research should furthermore provide insight into what lobbying activities business associations use to influence EU climate policy development. ‘Influence’, here, is perceived to be the ability to affect people or things and, in the context of this thesis, is pursued through lobbying.⁹¹⁰ Applying the method of degree of preference attainment, this research focuses on how fossil fuel and financial business associations active in the EU, as well as the European Commission, have developed their position and desires on the sustainable taxonomy, eventually resulting in taxonomy regulation 2020/852. To be clear, the thesis will solely focus on analysing this process from an academic perspective and will consciously aim to not offer normative implications. The aim is to lay bare this process of lobbying in the EU.

Academic debate

This thesis investigates how business associations in the EU through lobbying influenced political policy formation processes. Such processes are inseparably accompanied by different

⁷ “EU taxonomy for sustainable activities. What the EU is doing to create an EU-wide classification system for sustainable activities” European Commission. https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en consulted 10-1-2021.

⁸ Official Journal of the European Union. REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

⁹ “Influence” Cambridge Dictionary. <https://dictionary.cambridge.org/dictionary/english/influence> consulted 24-3-2021.

¹⁰ The difficulties and challenges that surround determining influence will be addressed in the methodological paragraph of the introduction.

types of interest groups in the EU. Gaining insight into interest group influence and how scholars perceive this concept differently, therefore, is a relevant first step in the historiography of this thesis. On an abstract level, Baroni et al. contend that interest groups can be defined either through their behaviour – by observable policy-related activities – or through their organizational characteristics, by membership associations.¹¹ In this research, both definitions are reflected. Put in a European perspective, then, interest groups – in Western Europe specifically – are said to have shifted their focus from national to EU levels during the 1970s and -80s, making EU policy processes ‘a multi-level, multi-arena, multi-venue game.’¹² With this statement, Jeremy Richardson points at the multitude of possible access points for both policy professionals and different types of interest groups, among which are business associations, policy-making institutions, and policymakers.¹³

However, even with many available access points, relatively little research has been done on the topic of interest group influence in the EU.¹⁴ Andreas Dür, being a prime scholar writing on the topic of determining interest group influence in an EU context, also notes the difficulty of defining power and influence when researching interest group influence. Reason is that there are several ways in which interest groups can (attempt to) exert influence and that there are different ways to measure this influence.¹⁵ This particular difficulty will be addressed in the methodology paragraph of the introduction. Still, it is contended that researching interest group influence can contribute to understanding policy outcomes in the European Union, making it a relevant research topic.¹⁶

Narrowing down the debate to the topic of this research, another contentious matter emerges, namely the specific position of business lobbying groups in policy-making processes. In this context, Heike Klüver researched whether some lobbying groups are structurally more successful in their policy-changing efforts than others. Klüver states that even though there is no equal representation of lobbying group types, as business associations and companies constitute the largest group, this bias in representation does not imply bias in lobbying success.¹⁷

¹¹ Laura Baroni, Brendan J. Carroll, Adam William Chalmers, Luz Maria Muñoz Marquez and Anne Rasmussen, ‘Defining and classifying interest groups’, *Interest Groups & Advocacy* 3 (2014) 2, 141-159, there 142.

¹² Jeremy Richardson, ‘Government, Interest Groups and Policy Change’, *Political Studies* 48 (2000) 1006-1025, there 1013.

¹³ *Ibidem*.

¹⁴ Andreas Dür, ‘Interest Groups in the European Union: How Powerful Are They?’, *West European Politics*, 31 (2008) 6, 1212-1230, there 1213.

¹⁵ *Ibidem*.

¹⁶ Heike Klüver, *Lobbying in the European Union: interest groups, lobbying coalitions, and policy change* (Oxford 2013) 2.

¹⁷ Heike Klüver, ‘Biasing Politics? Interest Group Participation in EU Policy Making’, *West European Politics* 35 (2012) 5, 1114-1133, there 1130-31.

This means that the European Commission is not systematically biased to specific organized interests, indicating that even on a politically sensitive topic such as climate policy, Klüver holds that, in principle, all lobbying groups have the same point of departure in their relation to EU institutions.¹⁸ Contrastingly, other scholars indicate that there exists a structural difference in lobbying group success. In this context, Maja Kluger Rasmussen contends that business interests dominate policymaking in the EU at the expense of the broader public, which she attributes to the aspects that business interests are very well organized, have access to technical information relevant for policymakers, and play a key role in economic aspects of policies.¹⁹ While Rasmussen then nuances the claim by mentioning that this statement is too generalized, she does recognize that business interest groups are more likely to be successful in their efforts when aforementioned aspects are in their favour.²⁰

Business interests, furthermore, are lobbied for by business associations, which can be defined as associations promoting the trade or professional interests of their members.²¹ These associations, according to Justin Greenwood and Ruth Webster, are historically considered to be the most significant and encompassing ‘sector’ of business interest representation in the EU.²² The scholars ascribe this to the fact that ‘economic muscle’ of industries alone does not constitute political significance. Rather, Greenwood and Webster argue that when interests are organized, in this case in industry-related business associations, they retain a politically more significant position.²³ Building upon this conclusion, Rainer Eising contends that business associations depend on several factors to be relevant actors in an EU context. According to Eising, they need a well-established status in an interest group system, strong negotiation capacity and financial resources, as well as the ability to profoundly represent their members’ interests.²⁴

Having distilled the debate on interest group influence to the role of business associations in the EU, the subsequent step is to consider their position within the context of climate policy formation. Business associations, according to Therese Gullberg, in general

¹⁸ Heike Klüver, ‘Biasing Politics?’, 1130-31.

¹⁹ Maja Kluger Rasmussen, ‘The Battle for Influence: The Politics of Business Lobbying in the European Parliament’, *Journal of Commercial Market Studies* 53 (2015) 2, 365-382, there 365.

²⁰ *Ibidem*, 379-380.

²¹ European Commission. “Internal Market, Industry, Entrepreneurship and SMEs” https://ec.europa.eu/growth/sectors/social-economy/associations-foundations_en consulted 1-3-2021.

²² Justin Greenwood and Ruth Webster, ‘The Governability of EU Business Associations’, *European Integration* 23 (2000) 63-92, there 63.

²³ *Ibidem*.

²⁴ Rainer Eising, *The Political Economy of State-Business Relations in Europe: Interest Mediation, Capitalism and EU Policy Making* (London 2009) 125.

consider they have more access to climate policymaking than other interest groups, most notably environmental organizations.²⁵ Simultaneously, Gullberg contends that environmental organizations consider their access to policymaking less than business associations. She attributes this to the fact that decision-makers value more highly the information business associations offer about political consequences of certain policies than environmental organizations offering information about the same topic.²⁶ Accordingly, business associations being able to provide technical information are key in gaining access to climate policy decision-making.²⁷ Interestingly, this fits with the theory of access by Pieter Bouwen, who will be discussed in the theoretical chapter. Moreover, in a similar context Fagan-Watson, Elliott and Watson conclude that EU climate policy also matters greatly to business – and therewith associations representing business – as climate change deeply impacts the global economy, and influences both reputational and regulation related risks.²⁸

Building upon the issue of climate policy relevance for business, a concrete manifestation hereof is to be found in the concept of Corporate Social Responsibility (CSR). CSR here is understood to be ‘the responsibility of enterprises for their impact on society’²⁹, which aligns with the definition by the European Commission. According to Alexander Dahlsrud, CSR consists of a social, economic, stakeholder, voluntariness, and environmental dimension, with the latter being the most relevant for this research.³⁰ Concerning this dimension, Jeremy Moon notes that corporations increasingly claim responsibility for sustainable development agenda items, among which is climate change.³¹ According to José Carlos Marques, then, CSR has also become critical for an increasing amount of business associations.³² At the same time, Marques argues this field has remained understudied.³³

However, even with this topic being understudied, it is concluded by several scholars that there exists a structural discrepancy between how corporations endorse CSR principles and

²⁵ Anne Therese Gullberg, ‘Access to climate policy-making in the European Union and Norway’, *Environmental Politics* 20 (2011) 4, 464-484, there 477.

²⁶ Ibidem.

²⁷ Ibidem.

²⁸ Ben Fagon-Watson, Bridget Elliott and Tom Watson, *Lobbying by Trade Associations on EU Climate Policy* (London 2015) 5.

²⁹ https://ec.europa.eu/growth/industry/sustainability/corporate-social-responsibility_en consulted 2-4-2021.

³⁰ Alexander Dahlsrud, ‘How Corporate Social Responsibility is Defined: an Analysis of 37 Definitions’, *Corporate Social Responsibility and Environmental Management* 15 (2008) 1-13, there 4.

³¹ Jeremy Moon, ‘The Contribution of Corporate Social Responsibility to Sustainable Development’, *Sustainable Development* 15 (2007), 296-306, there 298.

³² José Carlos Marques, ‘Industry Business Associations: Self-Interested or Socially Conscious?’, *Business Ethics* 143 (2017) 733–751, there 747.

³³ Ibidem.

how they act politically.³⁴ Bart Slob and Francis Weyzig in this political activity context refer explicitly to lobbying, demonstrating that powerful transnational corporations ‘support lobbying efforts that are not in line with their own public policy statements or CSR policies.’³⁵ Moreover, Irina Lock and Peter Seele, addressing the arduous relation between CSR principles and actual political activities of business interest groups, ask how corporations could align CSR and political activity and strategies to endorse their legitimacy in society and assist in solving public issues.³⁶ As an answer to such questions, Lock and Seele introduce the concept of deliberative lobbying. Hereby, it is argued that corporations can be political actors in the way it is proposed by political CSR theory if their corporate political tactics are changed to what is understood to be deliberative lobbying. This type of lobbying aims to manage normative CSR demands, to be known as discourse, transparency, and accountability.³⁷ As such, deliberative lobbying consists of a combination of CSR with Corporate Political Activity (CPA).

With the conflicting relationship Moon, Slob and Weyzig point at between the principle of sustainability in a CSR context and the reality of business interest groups acting within a political context, the question rises whether deliberative lobbying, as introduced by Lock and Seele, provides a realistic framework for business associations in a climate policy framework. This thesis aims to contribute to the understanding of the relationship between CSR and CPA in a policy context that is heavily influenced by CSR principles, namely, the field of sustainability and climate change. By doing this, this thesis adds to the currently rather unexplored field of deliberative lobbying in a climate policy context. Furthermore, as lobbying is generally considered to be part of CPA, analysing a lobbying process should provide valuable insight into the CSR-CPA relationship. Focussing on a normative regulation such as taxonomy regulation 2020/852, which determines what is considered a sustainable economic activity, should consequently demonstrate how economic sustainability principles of business associations shape their lobbying activities.

³⁴ José Carlos Marques and Peter Utting (eds.), *Business, Politics and Public Policy Implications for Inclusive Development* (London 2010) 178.

³⁵ *Ibidem*.

³⁶ Irina Lock and Peter Seele, ‘Deliberative Lobbying? Toward a Noncontradiction of Corporate Political Activities and Corporate Social Responsibility?’, *Journal of Management Inquiry* 25 (2016) 4, 415-430, there 416.

³⁷ *Ibidem*.

Research questions

Following the academic debate, this research aims to gain insight into the unexplored field of deliberative lobbying in a climate policy context. It will do so by analysing how fossil fuel and financial business associations lobbied to influence the understanding of sustainable economic activities, embodied in taxonomy regulation 2020/852. The context of lobbying, furthermore, is determined by the climate change and sustainability dimension of Corporate Social Responsibility, while lobbying itself is part of Corporate Political Activity. Serving to explore this CSR-CPA relationship, the research question is: to what extent can deliberative lobbying account for how fossil fuel and financial business associations in the European Union between 2011 and 2020 influenced taxonomy regulation 2020/852?

In order to answer this question, first, it is necessary to understand why associations lobby. What is their motivation to engage with policymakers on the topic of sustainability? What could it mean for the associations? In this light, the sub question is asked: what accounts for the lobbying activities by fossil fuel and financial business associations in the EU within the context of sustainable economic activities?

Furthermore, it is expected that the level of influence on the taxonomy regulation process indicates the applicability of deliberative lobbying in a climate policy context. An indication of influence is shown in the process of how positions on sustainable economic activities changed. Did the associations remain with their initial position, trying to get the European Commission on similar grounds? Did their position change as the associations were unable to get their vision reflected in EU policy? Such matters are touched upon in the second sub question: what did fossil fuel and financial business associations between 2011 and 2020 understand to be sustainable economic activities, and how was this reflected in their lobbying?

Finally, to understand how the relationship between the associations and EC determined taxonomy regulation 2020/852, it is necessary to grasp the information and positions exchanged. This will become evident in the final sub question: what access goods were exchanged between fossil fuel and financial business associations and the European Commission in the context of taxonomy regulation 2020/852?

Methodology and primary sources

As stated, this thesis aspires to determine how fossil fuel and financial business associations influenced taxonomy regulation 2020/852 through lobbying. To narrow down the scope of analysis, three business associations will be discussed in relation to the European Commission.

The choice for the latter is straightforward, as the EC proposed relevant policies in the lead-up to the taxonomy, as well as the regulation itself. The International Association of Oil & Gas Producers (IOGP), FuelsEurope, and BusinessEurope have been chosen because they to a great extent represent the fossil fuel and financial sectors in the EU. Further, a substantive amount of sources exists on these associations, as well as relevant supporting literature. To determine how business associations influenced the taxonomy is a challenging endeavour, meaning that methods used for measuring influence are often not all-compassing. As David Lowery contends, ‘influence – in all its forms – is very complex and hard to observe. At best, our research designs capture only brief snapshots – however important – of influence in democratic systems.’³⁸ Specifying how influence is measured is, therefore, critical.

Andreas Dür explains there to be three methods for measuring interest group influence, being process-tracing, determining attributed influence, and determining the degree of preference attainment.³⁹ Given the qualitative focus of this research, as well as potential flaws of the first two methods, this thesis will apply the third method. Dür explains the degree of preference attainment to be the distance between the ideal point of an actor and the outcome of a political process, with the distance between these two reflecting the influence of the actor.⁴⁰ Concretely, this method consists of determining the initial position of different interest groups on a matter and comparing it to their final position, for example when a specific regulation has been adopted.⁴¹ This method is deemed relevant and accomplishable for this research. Both fossil fuel and financial business associations and the EC have explicitly or implicitly made their preferences and position on sustainable economic activities known during the development of the taxonomy regulation, as such being a trackable process.

However, the method also contains drawbacks. First, initial preferences or positions on a matter might not be evident.⁴² Second, by measuring influence this way, it can be difficult to control how other factors coincidentally explain preferences and outcomes. Last, it is difficult to determine through which exact channels influence is exerted.⁴³ Considering these drawbacks, and to structure the developing positions and channels of influence, the analysis is divided into three periods, each defined by a process leading up to a key sustainable economic policy. It

³⁸ David Lowery, ‘Lobbying influence: Meaning, measurement and missing’, *Interest Groups and Advocacy* 2 (2013) 1, 1–26, there 19.

³⁹ Andreas Dür, ‘Measuring Interest Group Influence in the EU: A Note on Methodology’, *European Union Politics* 9 (2008) 4, 559–576, there 560.

⁴⁰ *Ibidem*, 566.

⁴¹ *Ibidem*, 567.

⁴² *Ibidem*.

⁴³ *Ibidem*, 568.

focuses on such key policies, as multiple interest groups, including business associations, were publicly engaged in the lead-up to the policy adoptions. The initial positions were defined between 2011 and 2015, a period characterized by an increasing understanding of the relationship between the global ambition to lower greenhouse gas (GHG) emissions and the need to mobilise financial resources to support climate change efforts, exemplified in the 2011 Durban Conference.⁴⁴ Accordingly, this conference laid the foundation to negotiate the 2015 Paris Agreement, which had the objective to redirect finance flows to a sustainable and climate-resilient path.⁴⁵ The road to the second key policy was characterized by the translation of global to European climate goals during 2015 and 2019. Resulting in the 2019 European Green Deal, which provided the pathway to a sustainable EU, the Deal also laid the foundation for taxonomy regulation 2020/852. The latter being adopted in June 2020, 2019-2020 will be the final period of analysis. As such, the three periods show a concretization of global climate change goals in the adoption of a specific regulation, providing the right basis for the ever more narrowing analysis on how the positions of IOGP, FuelsEurope, and BusinessEurope developed in relation to key sustainable economic policies.

Primary sources

An important way in which business associations aim to influence the policy-making process is through publishing press work and open letters, as well as through consulting with policymakers.⁴⁶ Therefore, the primary source material is mainly made up of press releases, position papers, and governance and policy recommendations by IOGP, FuelsEurope, and BusinessEurope, to be found on the websites storing publications on different policy topics. An example hereof is the IOGP online archive on EU position papers.⁴⁷ The EU Transparency Register will accordingly be consulted, as this register provides insight into meetings between EC members and business association lobbyists. Insight into the developing position of the EC will be generated through consulting policy documents, website pages, and press releases surrounding the three key sustainable economic policies. Last, the introduction already mentioned the existence of think tank reports on the lobbying efforts of financial and fossil fuel

⁴⁴ Lavanya Rajamani, 'Ambition and differentiation in the 2015 Paris agreement: Interpretative possibilities and underlying politics', *International and Comparative Law Quarterly* 65 (2016) 2, 493-514, there 494.

⁴⁵ United Nations. PARIS AGREEMENT. 2015.

⁴⁶ Fagon-Watson, Ben, Bridget Elliott and Tom Watson, *Lobbying by Trade Associations*, 7.

⁴⁷ "EU position papers" IOGP. <https://www.iogp.org/blog/category/position-statements/eu-position-papers/> consulted 23-6-2021.

business associations on EU's sustainable finance policy. Such reports provide a strong point of departure for approaching primary source material that is not easily accessible.

Structure research

The structure of analysis is shaped by the sub questions and divided according to the proposed timeline (2011-2015; 2015-2019; 2019-2020). The first chapter elaborates on the theoretical framework of this thesis, aiming to create a thorough understanding of corporate lobbying in an EU context. The second chapter introduces IOGP, FuelsEurope, and BusinessEurope and analyses their initial position on sustainable economic activities in relation to the 2015 Paris Agreement formation. The third chapter provides insight into the road from the Paris Agreement to the 2019 Green Deal, while the fourth chapter deals with the adoption of taxonomy regulation 2020/852 and determines the influence the associations had on the regulation. The conclusion, finally, answers the main research question, reflects on the analytical process, and gives recommendations for additional research.

Chapter I: Understanding corporate lobbying in an EU context

This chapter forms the necessary and relevant base for analysing how fossil fuel and business associations lobbied to influence taxonomy regulation 2020/852. It does so by explicating a set of key theoretical concepts, which are tied to the sub questions of this thesis. For each theoretical concept, its relevance for the attached sub question will be explained. To create a sufficient and encompassing theoretical framework, concepts of various scholars are elaborated on. It sets off with David Lowery's theory on lobbying from an organization's perspective. Then, the concept of deliberative lobbying, as described by Irina Lock and Peter Seele is addressed. Specific attention is paid to the notions of Corporate Social Responsibility (CSR) and Corporate Political Activity (CPA), addressed by Sheely, Dahlsrud and Lawton, McGuire and Rajwani, as the concepts together shape deliberative lobbying. Finally, an explanation is given of Pieter Bouwen's theory of access. The conclusion reflects on the chapter and sets the stage for the following ones.

Explaining lobbying from the organization's perspective

To analyse how fossil fuel and business associations lobby in the EU, it is relevant to gain insight into what lobbying entails. David Lowery has created a lobbying theory specifically from the perspective of the organization⁴⁸, as it is the organization that decides to and how to lobby.⁴⁹ Considering the focus of the analysis, namely lobbying from the perspective of business associations, the interpretation of Lowery is fitting, as he forms his theory from the basis of the incentives for organizations to lobby. The most important benefit of lobbying for organizations is being to survive as an organization.⁵⁰ For membership groups and trade associations whose primary focus is lobbying, it applies that the survival of the represented organizations and the survival of the lobbying function of the association are inextricably conflated.⁵¹ A relevant note Lowery places, though, is that this focus on survival should not be too narrowly defined. While lobbying by organizations is often defined in terms of a transaction perspective, focussing on the profit-maximizing model, a broader variety of concerns applies.⁵²

⁴⁸ 'Organization' in this context can also refer to 'firm'.

⁴⁹ David Lowery, 'Why Do Organized Interests Lobby? A Multi-Goal, Multi-Context Theory of Lobbying', *Polity* 39 (2007) 1, 29-54, there 46.

⁵⁰ *Ibidem*.

⁵¹ *Ibidem*, 47.

⁵² *Ibidem*.

To structure the multi-context of lobbying for organizational survival, Lowery uses two theories. Niche theory, first, requires a specification of which resources enable the lobby organization to survive, such as members, financial resources, access to decision makers, and the issues that are lobbied for. As there exists competition over such resources with other interest groups, it is the task of the lobby organization to create a niche comprised of elements of all fundamental resources.⁵³ A complementary theory Lowery suggests is resource dependency theory. Sharing characteristics with niche theory, this theory also assumes the essentiality of organizations to survive. Adding hereto, resource dependency theory holds that actors who control vital external resources – whether being similar organizations or other actors – have the potential to mould the behaviour of an organization by threatening to constrain access to these resources. Through this, an external actor can potentially exert much control over an organization and influence what is lobbied for.⁵⁴ First, it is relevant to mention the emphasis put on access to resources by niche and resource dependency theory, as this is also reflected in the later discussed theory of access by Pieter Bouwen. Second, Lowery’s lobbying theory, shaped by niche and resource dependency theory, provides the relevant context for the analysis, as it guides what to consider in terms of lobbying decisions and motivations by IOGP, FuelsEurope, and BusinessEurope.

In his conclusion, interestingly, Lowery refers to what indicates lobbying success. In terms of securing or blocking public policy, Lowery contends, lobbying is often not successful. However, the act of lobbying in itself can be successful when it assisting the organization’s survival.⁵⁵ With this, Lowery again addresses the complexity of both lobbying incentives and outcomes. While this is a relevant conclusion, it must be remembered that this thesis, through using the method of the degree of preference attainment, will aim to show how lobbying efforts did influence public policy. The theory of lobbying by Lowery is not perceived to be unfit, but rather a good point of departure, as it can assist in grasping the complex nature of lobbying by business associations. With this in mind, the theory of Lowery is linked to the first sub question: what accounts for the lobbying activities by fossil fuel and financial business associations in the EU within the context of sustainable economic activities? It is expected that the answer to this question will indeed be multi-dimensional, as the theory of Lowery suggests. To link lobbying more explicitly to deliberative lobbying, the next paragraph discusses the concepts of CSR and CPA.

⁵³ Lowery, ‘Why Do Organized Interests Lobby?’, 48.

⁵⁴ *Ibidem*, 50.

⁵⁵ *Ibidem*, 54.

Corporate Social Responsibility and Corporate Political Activity

The theory of Irina Lock and Peter Seele was already touched upon in the academic debate. It was contended that Lock and Seele introduced the concept of deliberative lobbying to bridge the gap between Corporate Social Responsibility and Corporate Political Activity.⁵⁶ To understand these concepts, then, is to understand how together they can constitute deliberative lobbying. So what does CSR theoretically entail and how can it be used for this thesis? With the only indication of CSR by Lock and Seele being that it is comprised of discourse, transparency, accountability, and the aim to resolve public issues, it is useful to turn to additional interpretations of the concept.⁵⁷

While the concept was already debated over in the 1930s, a more updated interpretation of CSR is deemed fit. Having reviewed the complexities of CSR, Benedict Sheely concisely defines CSR as ‘international private business regulation’.⁵⁸ From Sheely’s viewpoint, this definition provides a unifying framework of CSR and accounts for the political nature of a regulation, the normative objects of CSR, and its critical behavioural focus.⁵⁹ Such focus on regulation, furthermore, is related to reducing and mitigating industrial harm and to providing good public moves, therewith calling for a real-life application.⁶⁰ Virtually, this interpretation allows putting the activities of business associations in a normative and behavioural framework, which will be assisted by putting the case in a specific CSR dimension. Aforementioned Alexander Dahlsrud, in his work having analysed 37 definitions of the concepts, explains the common denominators of CSR through its five dimensions.⁶¹ Of the stakeholder, social, economic, voluntariness, and environmental dimension, the last is deemed most relevant for this thesis. While Dahlsrud does not explain in detail what this dimension entails, he does show some example phrases that are part of this dimension. They are “a cleaner environment”⁶², “environmental stewardship”⁶³ and “environmental concerns in business operations”.⁶⁴ These examples show that as such, environmental CSR can be concretized in the sources explored in the analysis.

⁵⁶ Lock and Seele, ‘Deliberative Lobbying?’, 416.

⁵⁷ Ibidem.

⁵⁸ Benedict Sheely, ‘Defining CSR: Problems and solutions’, *Journal of Business Ethics* 131 (2015) 3, 625-648, there 643.

⁵⁹ Ibidem.

⁶⁰ Ibidem.

⁶¹ Dahlsrud, ‘How Corporate Social Responsibility is Defined’, 4.

⁶² Ibidem.

⁶³ Ibidem.

⁶⁴ Ibidem.

Turning to the subject of CPA, according to the literature review of Lawton, McGuire, and Rajwani, CPA consists of activities such as ‘campaign contributions, direct lobbying, government membership on company boards, voluntary agreements, [and] political action committees’⁶⁵, built around the aim to influence governments. Evidently, the lobbying aspect of CPA is most relevant for this thesis. Turning again to how lobbying is explained by Lowery, lobbying in this thesis is perceived to be one of the political activity instruments business associations use to influence governments, and, therewith, policy processes, aiming to create the best circumstances possible for the represented organizations. Herein, the environmental dimension of CSR, and especially how this dimension shaped the interpretation of sustainable economic activities, provides the normative context for the business associations to apply CPA. This relationship will be researched through the following sub question: what did fossil fuel and financial business associations between 2011 and 2020 understand to be sustainable economic activities, and how was this reflected in their lobbying? It is expected that this CSR-CPA relationship will become evident in the analysis of business associations’ lobbying, as the environmental dimension of CSR played a decisive role in policy development between 2011 and 2020.

The theory of access

The term ‘access’ has already been mentioned in this chapter in relation to different concepts, the most important being Lowery’s theory on lobbying. Pieter Bouwen has developed a theory of access, which will assist the analysis in gaining insight into how business associations and the European Commission between 2011 and 2020 exchanged relevant information, services, and knowledge with each other to provide the best possible outcome of the taxonomy regulation.

The theory of access is explained in terms of the supply and demand of access goods, whereby business interests provide access goods demanded by an EU institution to get access to that institution.⁶⁶ Access goods concern information crucial for the EU policy-making process and are divided into three types. First, there is Expert Knowledge (EK) the private sector has by understanding the market, which is indispensable in developing EU legislation in a particular policy area.⁶⁷ Second, Information about the European Encompassing Interest

⁶⁵ Thomas Lawton, Steven McGuire and Tazeeb Rajwani, ‘Corporate Political Activity: A Literature Review and Research Agenda’, *International Journal of Management Reviews* 15 (2013) 86–105, there 86.

⁶⁶ Pieter Bouwen, ‘Exchanging access goods for access: A comparative study of business lobbying in the European Union institutions’, *European Journal of Political Research* 43 (2004) 337-369, there 337.

⁶⁷ *Ibidem*, 340.

(IEEI) refers to the information needed from the private sector on the European Encompassing Interest (EEI). Bouwen explains IEEI as related to the clustered needs and interests of a sector in the EU's internal market.⁶⁸ An example of this is information provided by BusinessEurope on the interests of its members concerning sustainable investing. Finally, there is Information about the Domestic Encompassing Interest (IDEI), concerning information needed from the private sector on the Domestic Encompassing Interest (DEI). DEI, in turn, is related to the needs and interests of sectors in the domestic market, which makes it less relevant for this thesis.⁶⁹

Importantly, Bouwen explains that the relationship between business interests and EU institutions should be conceived of as an exchange relationship between interdependent organizations, instead of perceiving business lobbying as a one-way stream of input towards EU institutions. EU institutions are eager to interact with business interests, as they need relations with the private sector to carry out their institutional role.⁷⁰ It is, therefore, crucial to investigate what access goods were exchanged between fossil fuel and financial business associations and the EC, as the relationship reflects the developing positions on sustainable economic activities. This matter is investigated in the final sub question: what access goods were exchanged between fossil fuel and financial business associations and the European Commission in the context of taxonomy regulation 2020/852?

In his explanation of the theory, Bouwen also specifically mentions European business associations. He mentions that associations are not as good as individual firms to provide Expert Knowledge (EK), as associations deal with a wider range of issues and stand less close to market realities than firms. Still, as will become evident in the analysis, business associations through publishing informative documents can provide a form of EK. Business associations are, moreover, specialized in forming consensus positions through channeling the opinions of different member firms.⁷¹ Therefore, the focus of analysing access goods between business associations and the EC is not solely on EK, but mostly on Information about the European Encompassing Interest (IEEI). As such, the theory of access provides a concrete framework for the analysis.

⁶⁸ Bouwen, 'Exchanging access goods for access', 340.

⁶⁹ Ibidem.

⁷⁰ Ibidem, 339.

⁷¹ Ibidem, 344.

Conclusion

Having elaborated on lobbying from the organization's perspective, Corporate Social Responsibility, Corporate Political Activity, and the exchange of access goods, the foundation for the following analytical chapters has been laid. Lowery's theory on lobbying asks to specify how associations use different sets of resources to create the best possible circumstances in the EU for their member organizations. The concepts of CSR and CPA, furthermore, determine the analysis by asking how business associations formulate their vision on sustainable economic activities, and how this is reflected in their CPA. Understanding CSR and CPA theoretically furthermore enables exploring the applicability of deliberative lobbying to the case. The theory of access, finally, lends itself to analyse what were considered access goods in the process of creating taxonomy regulation 2020/852 and how this was translated into lobbying actions by the business associations. It should also give insight into how these access goods were used to influence the policy development process. The next chapter, taking the theories discussed in this chapter as a basis, analyses the initial positions on sustainable economic activities in relation to the 2015 Paris Agreement.

Chapter II: The business associations' initial positions on sustainable economic activities (2011-2015)

As the method of degree of preference attainment holds, one way to indicate the influence of different actors on policy outcomes is to compare the initial position of different interest groups to their final position on the topic. This chapter, therefore, considers the initial positions of IOGP, FuelsEurope, and BusinessEurope on sustainable economic activities, through analysing their involvement in the process of the Paris Agreement and its EU policy implications. The 2015 Paris Agreement was both the climax of years of laborious negotiations and failures of implementation of ambitions, as well as the beginning of an era in which the world's largest players put their hands together to take on the challenge of climate change.⁷² Accordingly, the EU's role in brokering the agreement was, in its own words, instrumental, indicating the agreement's importance for EU climate policy.⁷³ It is expected that all business associations expressed their support for the agreement, but that their interpretation of how the objectives should be reached differed from each other and the EC. For the structure of this chapter, after having given a concise overview of who IOGP, BusinessEurope, and FuelsEurope are, an analysis follows of the initial positions of these business associations on sustainable economic activities.

The International Association of Oil & Gas Producers (IOGP)

The International Association of Oil & Gas Producers, established in 1974 in London, calls itself 'the voice of the global upstream industry'⁷⁴, with member corporations being responsible for producing forty percent of the world's oil and gas.⁷⁵ Additionally, IOGP is said to stand for improving safety, environmental and social performance, while also sharing knowledge and good practices to improve, among others, the environment and social responsibility.⁷⁶ This image provided by the association's website, at a first glance, seems to fit within the environmental dimension of the CSR context, provided by Dahlsrud. Moreover, as will become evident, IOGP has been politically active in the EU through deploying lobbyists, publishing press releases and position papers on EU policy matters, and through providing informative

⁷² See, for example : Cara A. Horowitz, 'Paris Agreement', *International Legal Materials* 55 (2016) 4, 740-755.

⁷³ "Paris Agreement" European Commission.

https://ec.europa.eu/clima/policies/international/negotiations/paris_en consulted 30-4-2021.

⁷⁴ "About us" IOGP. <https://www.iogp.org/about-us/> consulted 5-5-2021.

⁷⁵ Ibidem.

⁷⁶ Ibidem.

documents on topics related to the upstream industry. The latter two are considered to fall under Expert Knowledge (EK) and Information about the European Encompassing Interest (IEEI), both sub-categories of access goods, which were explained by Bouwen to be information crucial for the EU policy-making process.

To determine the initial position of IOGP on sustainable economic activities, it is necessary to gain insight into how IOGP reacted to the Paris Agreement, as it significantly impacted EU climate and energy policy.⁷⁷ In a position paper on climate change, IOGP welcomes the agreement, supporting the international commitment to addressing the global challenge of climate change.⁷⁸ Additionally, IOGP believed ‘the oil & gas industry is part of the solution to this challenge’⁷⁹, emphasizing the ‘availability, reliability and affordability of energy to society’.⁸⁰ Reminiscent of Lowery’s explanation of why organizations lobby, IOGP’s paper tellingly stresses the importance of oil and gas for long-term steadiness in energy supply, thereby indicating the continued existence and need of fossil fuel corporations.

Furthermore, in a press release of 15 December 2015, three days after the adoption of the agreement, IOGP states that the Paris Agreement is in line with the association’s policy on climate change, ‘which recognizes the inherent risks of greenhouse gas emissions and views our industry as part of the solution to the climate change issue.’⁸¹ It also mentions the advantages of burning natural gas in reducing GHG emissions, as well as the essentiality of oil in the foreseeable future.⁸² The focus on burning natural gas is one of the ways, as Fagan-Watson points out, in which IOGP’s position on climate policy is shaped.⁸³ While being put forward as a way to diversify EU’s energy supply, other organizations emphasize the risk of shale gas extraction for the environment.⁸⁴ As such, the narrative of IOGP on reduction of GHG emissions is in line with the Paris Agreement, while the focus on the future necessity of oil and gas strikes against the EU Energy Union’s ambition – a February 2015 EC initiative to move away from fossil fuels by mobilising climate change finance – as well as other organizations’ claims on what clean energy is.⁸⁵ Here, a discrepancy between the position of IOGP and the EC

⁷⁷ See, for example: European Commission. Brussels, 4.3.2015 COM(2015) 81 final/2 CORRIGENDUM. The Paris Protocol – A blueprint for tackling global climate change beyond 2020 {SWD(2015) 17 final}.

⁷⁸ IOGP. Position statement. “Climate change: IOGP position paper. IOGP’s view on a lower carbon future”.

⁷⁹ Ibidem.

⁸⁰ Ibidem.

⁸¹ IOGP. Press release. “Oil & gas producers welcome historic Paris agreement” 15 December 2015.

⁸² Ibidem.

⁸³ Fagan-Watson, Elliott and Watson, *Lobbying by Trade Associations*, 34.

⁸⁴ Ibidem, 35.

⁸⁵ European Commission. Brussels, 4.3.2015 COM(2015) 81 final/2 CORRIGENDUM. The Paris Protocol – A blueprint for tackling global climate change beyond 2020 {SWD(2015) 17 final}.

on energy policy manifests. Namely, the EC's initial position deemed sustainable economic activities as characterized by a decreasing fossil fuel dependency in the EU through investing in low carbon alternatives, while also aspiring to ensure sustainable energy consumption and integration of climate finance in all EU policies and regulations.⁸⁶

Besides releasing papers and statements, IOGP engaged with EU policymakers through multiple channels. According to Fagan-Watson's report on EU climate policy lobbying by trade associations, IOGP engaged with policymakers through, among others, policy briefings, events, and the provision of technical expertise.⁸⁷ The latter particularly relates to the concept of access goods, as it was established that the EC needs knowledge from the private sector to shape policy. As shown by the EU Transparency Register, from December 2014 to late 2015, while having ten lobbyists deployed at the EU, IOGP had five registered meetings with either Commissioners, Members of their Cabinet, or Director-Generals. Among the discussed topics was the Energy Union.⁸⁸ With the meeting taking place on 12 January 2015, it was both before the adoption of the Paris Agreement and the Energy Union, indicating IOGP's activeness throughout the process of creating the Energy Union. This alone, however, does not imply an active exchange relationship between the EC and IOGP during this time. Both a position paper and a press release on the Energy Union published around the same time do, however, provide insight into how IOGP offered fossil fuel sector IEEI during this period.

The position paper, first, states that for the viability of the Energy Union, all three elements of the energy climate framework – sustainability, security, and competitiveness – should be balanced.⁸⁹ This view is elaborated on through five main policy recommendations, recognizing 'the vital role of gas in helping to achieve the EU's energy objectives'⁹⁰, and stressing that 'the European Commission must acknowledge and support exploration and production of European oil and gas resources'.⁹¹ The press release, furthermore, emphasizes also that the key to success of the Energy Union is that exploration and production of oil and gas should be backed, implying the needs of the European fossil fuel industry.⁹² Moreover,

⁸⁶ European Commission. Brussels, 25.2.2015 COM(2015) 80 final. A Framework Strategy for a Resilient Energy Union with a Forward-Looking Climate Change Policy.

⁸⁷ Fagan-Watson, Elliott and Watson, 65.

⁸⁸ EU Transparency Register. "List of meetings "International Association of Oil & Gas Producers Europe" has held with Commissioners, Members of their Cabinet or Director-Generals since 01/12/2014".

⁸⁹ IOGP. Position paper. "IOGP Position Paper on Energy Union" 23 February 2015.

⁹⁰ Ibidem.

⁹¹ Ibidem.

⁹² IOGP. Press release. "Oil & gas exploration and production, strong markets key to Energy Union success" February 24 2015.

while the specific content of the EC meetings remains unclear, the communications of IOGP on the Energy Union indicate how the association through different channels aimed to offer access goods to the EC. What the sources indicate, then, is that IOGP was actively involved in the road to and from Paris in the EU through different lobbying activities, including meetings with EC members and the provision of expert insights from the fossil fuel sector. The initial position on sustainable economic activities is, therefore, shaped by its focus on the long-term stability of oil and gas supply, necessitating to keep investing in such energy supply sources for the years to come.

FuelsEurope

FuelsEurope was established in 1989 and represents the interests of corporations conducting oil refinery operations in the EU at EU institutions.⁹³ It aim to ‘promote economically and environmentally sustainable refining, supply and use of petroleum products in the EU’⁹⁴ through providing expert advice to EU institutions, thus contributing to ‘the development and implementation of EU policies and regulations.’⁹⁵ This general statement reflects the politically engaged position of FuelsEurope in the EU, of which the analysis will testify. The active position is also reflected in the publication of position papers, press releases, and longer informative documents.⁹⁶

Turning to FuelsEurope’s position on the Paris Agreement, a website statement comments that the association supports the international efforts on addressing climate change risks, simultaneously recognizing that the represented European refiners are on a competitive playing field ‘uniquely qualified to contribute to these efforts.’⁹⁷ The focus on competitiveness, according to Fagan-Watson, fits with the general trade associations discourse wherein the weight in climate change policy discussions is put on the importance of industrial competitiveness.⁹⁸ For FuelsEurope, being the representation of the oil refinery industry in Europe, decreasing competitiveness could negatively influence the represented organizations, which is one reason Lowery puts forward as to why private interest groups lobby. In a December 2015 press release on the same topic, the EU’s leadership in the Paris Agreement is recognized

⁹³ “About us” FuelsEurope. <https://www.fuelseurope.eu/about-us/> consulted 5-5-2021.

⁹⁴ “Mission” FuelsEurope. <https://www.fuelseurope.eu/about-us/mission/> consulted 5-5-2021.

⁹⁵ Ibidem.

⁹⁶ Fagon-Watson, Elliott and Watson, 63.

⁹⁷ “CONFERENCE OF PARTIES (COP)” FuelsEurope. <https://www.fuelseurope.eu/policy-priorities/climate-energy/conference-of-parties-cop/> consulted 7-5-2021.

⁹⁸ Fagon-Watson, Elliott and Watson, 34.

and impartial commitments stimulated to ensure ‘a competitive level playing field among world economies’⁹⁹, again fitting with the general discourse on competitiveness.

While these statements are relatively vague, FuelsEurope also released more specific Paris-related position papers. In an October 2015 position paper on COP21, published during the lead-up to the event, FuelsEurope assesses the consequential risk of carbon leakage caused by the absence of global alignment on the agreement’s commitments.¹⁰⁰ The document tells of a more general climate policy trend, shaped by business associations, that stresses the risk of industries moving away from Europe, due to the impact and restrictions of new climate and energy policy.¹⁰¹ In this context, the EU in 2015 constructed a carbon leakage list, in which sectors considered to be at a high risk of carbon leakage were adopted. Manufacturers of ‘refined petroleum products’¹⁰² were also named. The risk of carbon leakage, moreover, relates to the risk of decreasing industrial competitiveness. The paper also addresses how the EU refinery industry can play an important role post-Paris by, among others, leading the energy-efficient manufacturing of oil products, supporting research, and developing technologies to reduce emissions and environmental impact.¹⁰³ The combination of risk analyses and emphasis on the leadership of the refinery industry is considered IEEI, as FuelsEurope offers both insights from the refinery industry on a policy matter and proposes a role in it.

In an even more explicit EU context, it can be argued that there existed an exchange relationship between FuelsEurope and the EC, in which FuelsEurope aimed to disperse IEEI to policymakers, who in turn considered this knowledge in creating climate and energy policy.¹⁰⁴ This relationship existed in meetings the association’s then six lobbyists had with Commissioners on energy policy, the Energy Union, and the fuel industry between the start and end of 2015.¹⁰⁵ In addition to these meetings, FuelsEurope published a position paper with its recommendations to the Energy Union on 5 February 2015. Herein, it is explicitly stated that ‘oil products [...] are essential to the EU security of energy supply’¹⁰⁶, necessitating this should

⁹⁹ FuelsEurope. Press release. “COP21 - EU negotiators should be proud of what has been achieved in Paris, and should renew their efforts to ensure that it results in effective global action” 17 December 2015.

¹⁰⁰ FuelsEurope. Position paper. “Climate change: a critical challenge calling for a global response” 8 October 2015.

¹⁰¹ Fagon-Watson, Elliott and Watson, 33.

¹⁰² Official Journal of the European Union. L 308/114. 29.10.2014. COMMISSION DECISION of 27 October 2014 determining, pursuant to Directive 2003/87/EC of the European Parliament and of the Council, a list of sectors and subsectors which are deemed to be exposed to a significant risk of carbon leakage, for the period 2015 to 2019. 2014/746/EU.

¹⁰³ FuelsEurope. Position paper. “Climate change: a critical challenge”.

¹⁰⁴ EU Transparency Register. “List of meetings "FuelsEurope" has held with Commissioners, Members of their Cabinet or Director-Generals since 01/12/2014”.

¹⁰⁵ Fagon-Watson, Elliott and Watson, 63.

¹⁰⁶ FuelsEurope. “FuelsEurope’s recommendations on the European Energy Union” 5 February 2015.

be recognized by the Energy Union. Moreover, the paper emphasizes the importance of self-sustainability and the economically competitive position of the EU.¹⁰⁷

Both the statements and publications of FuelsEurope around 2015 focus on the importance of oil for EU's energy supply, insinuating its instrumentality for EU's industrial competitiveness. Accordingly, they tell of how Europe's oil refinery industry can contribute to an energy-secured future, partly by ensuring minimal carbon leakage. Therefore, following IOGP, the initial position of FuelsEurope is to be brought back to the vision that investing in fossil fuels remains crucial for the long-term stability of energy supply, while, at the same time, the refinery industry can take the lead in driving development towards reducing GHG emissions in the EU. Herewith, investing in the fossil fuel sector is by FuelsEurope considered an inextricable part of sustainable economic activities.

BusinessEurope

BusinessEurope, finally, was established in the aftermath of the Second World War out of the need for reconstruction of economic development in Europe.¹⁰⁸ Its members consist of both national business confederations, as well as private sector corporations.¹⁰⁹ With the general mission being to represent the voice of business in European policy-making by advocating for growth and competitiveness at a European level, BusinessEurope's current pillars are prosperity, people, and planet.¹¹⁰

Concerning the Paris Agreement, BusinessEurope stated its support on several occasions, most importantly during COP21, attended by president of the association, Emma Marcegaglia. The presence of BusinessEurope at such a relevant global event in itself reflects an active political position. Apart from stating her support, Marcegaglia advocated for the agreement's text to stimulate 'markets and market-based instruments to support the most cost-effective emission reductions.'¹¹¹ In a press release of 12 December 2015, furthermore, BusinessEurope states that the agreement's legally binding provisions are 'fundamental to improving trust between countries undertaking mitigation.'¹¹² Interestingly, BusinessEurope

¹⁰⁷ FuelsEurope. "FuelsEurope's recommendations on the European Energy Union" 5 February 2015.

¹⁰⁸ "History of the organisation" BusinessEurope. <https://www.busesseurope.eu/history-organisation> consulted 5-5-2021.

¹⁰⁹ "Members" BusinessEurope. <https://www.busesseurope.eu/members> consulted 5-5-2021.

¹¹⁰ "Mission and priorities" BusinessEurope. <https://www.busesseurope.eu/mission-and-priorities> consulted 5-5-2021.

¹¹¹ BusinessEurope. Press release. "Emma Marcegaglia at COP21: Ministers' last chance to reach meaningful agreement" 8 December 2015.

¹¹² BusinessEurope. Press release. "Climate Summit COP21 deal: An important step forward, but not (yet) the full answer" 12 December 2015.

strongly focuses on how other countries have to catch up EU's ambition levels, because as 'long as the EU is doing a solo run, our competitiveness remains at risk.'¹¹³

The press release additionally fits the aforementioned discourse on climate policy in relation to EU competitiveness. Namely, it reflects the more general perspective of several European business associations, finding that the EU should not take unilateral action on climate change, but should first expect similar climate action as major EU trading partners.¹¹⁴ Thus, support for the agreement exists, however, hesitantly. In the same statement, BusinessEurope mentions that European corporations will play a leading role in developing low-carbon and energy-efficient solutions, 'provided that international carbon markets are allowed to work effectively.'¹¹⁵ An indication of BusinessEurope's initial position on sustainable economic activities, then, is that the competitiveness of European business in the global economy is equally important as investing in the development of low-carbon solutions.

InfluenceMap, having performed research on BusinessEurope's vision on climate change, is critical of the association's commitment to Paris. It contends that BusinessEurope attempted to temper the political discussion that could have led to an increase in EU's ambition after COP21.¹¹⁶ The conclusions of InfluenceMap are based partly on two highly similar letters in February 2016 from BusinessEurope's director-general, Markus J. Beyrer, to European Commissioner Miguel Arias Cañete and then Chair of the EU Environment Council Sharon Dijksma, in which Beyrer asks to 'refrain from re-opening the political debate on those [EU] targets [...] This is crucial to avoid undermining long-term investment security for European industries. The priority for the upcoming years [...] is that other major economies embark on mitigation actions comparable to those of the EU'.¹¹⁷ Here, the previously described position of BusinessEurope is confirmed, characterized by Fagan-Watson as the focus on other parties having to catch up before the EU should implement ambitious climate change policies. It is evident, furthermore, that BusinessEurope aimed to voice this concern through other lobbying means next to open letters and pieces of advice.

As the EU transparency register shows, BusinessEurope's lobbyists between early 2014 and late 2015 had eighty meetings with EC members and others on, among others, the Energy

¹¹³ BusinessEurope. Press release. "Climate Summit COP21 deal: An important step forward, but not (yet) the full answer" 12 December 2015.

¹¹⁴ Fagan-Watson, Elliott and Watson, 32.

¹¹⁵ BusinessEurope. Press release. "Climate Summit COP21 deal".

¹¹⁶ InfluenceMap. *BusinessEurope's narrow climate change vision*. October 2016.

¹¹⁷ The Director General. "BUSINESSEUROPE views on the impact of the Paris agreement on the 2030 framework for climate and energy policies" 29 February 2016.

Union and energy policy.¹¹⁸ As was established, the Energy Union initiative focused on decreasing fossil fuel dependence by changing EU's economy with its reliance on old technologies and outdated business models. BusinessEurope, in contrast to this change-oriented ambition, in its lobbying prioritized that other economies catch up with European ambitions before the EU would take ambitious, unilateral climate change action. Representing a wide variety of businesses in Europe, BusinessEurope can here be put in the framework of providing IEEI to the EC through its different lobbying means. The initial position of BusinessEurope on sustainable economic activities, then, is characterized by ensuring a competitive long-term investment environment for European industries, in combination with a slightly optimistic but guarded vision on ambitious EU's climate change policy.

Conclusion

The initial hypothesis of this chapter stated that all business associations would express their support for the Paris Agreement, but that their interpretation of how the objectives should be reached would differ from each other and the EC. In this light, the chapter mainly provided insight into the second sub question, focussing on how IOGP, FuelsEurope, and BusinessEurope understood sustainable economic activities between 2011 and 2015 and how this was reflected in their lobbying activities. For IOGP, its initial position was shaped by the focus on the long-term stability of oil and gas supply, signalling the need to keep investing in such energy sources in the future. For FuelsEurope, the position was characterized by the emphasis, complying with IOGP, on the long-term stability of fossil fuel energy supply, wherein, additionally, the EU refinery industry could take the lead in climate change initiatives. Also subtly present at FuelsEurope, BusinessEurope's initial position determined European business' competitiveness and effectiveness should primarily be protected in the global market. Investing herein should at least be equally important as the development of low-carbon initiatives and technologies, which was in agreeance with Fagan-Watson's findings on EU business associations' involvement in climate change policy. Furthermore, relating to the theory of Bouwen on access goods, all associations in their lobbying activities aimed at dispersing Information about the European Encompassing Interest (IEEI). The engagement of IOGP, FuelsEurope, and BusinessEurope with the EC indicated the importance of an exchange relationship between these interest groups. Last, with the initial positions of the business associations emphasizing either the importance of fossil fuels or business competitiveness in

¹¹⁸ EU Transparency Register. "List of meetings "BUSINESSEUROPE" has held with Commissioners, Members of their Cabinet or Director-Generals since 01/12/2014".

the EU, the position of the EC rose to be more progressive. The next chapter will investigate further the compatibility of the business associations' activities with EU climate and environmental policy, specifically in relation to the 2019 European Green Deal.

Chapter III: The road from Paris: the 2019 European Green Deal (2015-2019)

On 11 December 2019, the European Green Deal was presented by the EC as the ‘plan to make the EU’s economy sustainable’¹¹⁹, aspiring for Europe to become the first climate-neutral continent by 2050.¹²⁰ Where the Paris Agreement of 2015 strived for acting upon climate change globally, the Green Deal specifically voiced Europe’s climate ambitions. The deal received both enthusiasm from different political, societal, and private sector parties,¹²¹ as well as substantial criticism, for example being called ‘a grey deal’ for the supposed influence of Europe’s fossil fuel industry in the process.¹²² Therefore, the deal lends itself to analyse how IOGP, FuelsEurope, and BusinessEurope were involved in its process and implications. To gain insight into the developing positions of the associations on sustainable finance and taxonomy, the analysis focuses on what accounted for the associations’ lobbying activities, their understanding of sustainable economic activities within the broader CSR context, and on the exchanged access goods on the road to the Green Deal. The structure of this chapter, then, is as follows. First, the Green Deal is contextualized by highlighting several key moments and policies that determined its content. Hereafter, this content is discussed and its criticism addressed. Then, the role of IOGP, FuelsEurope, and BusinessEurope in the formation process of the deal is analysed. The conclusion reflects on the implications of the analysis for the sub questions.

Contextualizing the European Green Deal

The Green Deal did not follow a specific path to its adoption, which is why this paragraph discusses some, but not all contributing factors to the deal. First, after the adoption of the Paris Agreement in 2015, the EU formally ratified it on 5 October 2016, entering into force on 4 November of that year.¹²³ During this time, the EU released several COP21-inspired initiatives. Among them were the Energy Union and 2016 Clean Energy for All Europeans package, both

¹¹⁹ “A European Green Deal. Striving to be the first climate-neutral continent.” European Commission. https://ec.europa.eu/info/strategy/priorities-2019-2024/european-green-deal_en consulted 19-5-2021.

¹²⁰ Ibidem.

¹²¹ See, for example: Brady, Jeff, ‘Despite Few Details And Much Doubt, The Green New Deal Generates Enthusiasm’. February 8 2019. <https://www.npr.org/2019/02/08/692508990/despite-few-details-and-much-doubt-the-green-new-deal-generates-enthusiasm?t=1621417331635>

¹²² Corporate Europe Observatory, ‘A Grey Deal? Fossil fuel fingerprints on the European Green Deal’. 7 July 2020. <https://corporateeurope.org/en/a-grey-deal>.

¹²³ Official Journal of the European Union. L282/1. 19.10.2016. COUNCIL DECISION (EU) 2016/1841 of 5 October 2016.

aiming to accelerate the clean energy transition in Europe.¹²⁴ The Paris Agreement, moreover, was formed into rules, procedures, and guidelines in the Katowice package, adopted at COP24 in December 2018. Herein, topics such as limiting and reducing GHG emissions were addressed.¹²⁵ After the adoption of the Katowice package, European Commissioner for Climate Action and Energy Miguel Arias Cañete, mentioned that the ‘EU will continue to lead by turning our commitments into concrete action [...] inspiring other countries to make this necessary transition.’¹²⁶ Parker and Karlsson contend that through its effective alliances and negotiations with other key players, the EU during this period worked at being an instrumental leader in climate negotiations. Accordingly, both the climate ambition of the EU, as well as its strive to get others on this level of ambition, were determining factors in the road to the Green Deal.¹²⁷

A last key moment in the road to the Green Deal was the adoption of the EU’s strategic agenda for 2019-2024 in June 2019. Of the four priorities, the third, ‘building a climate-neutral, green, fair and social Europe’¹²⁸ is specifically related to the Green Deal. In the strategic agenda, the priority is explained to be the green transition of Europe, with its success depending on ‘significant mobilisation of private and public investments [...] and an integrated, interconnected and properly functioning European energy market that provides sustainable, secure and affordable energy’.¹²⁹ The focus on a strong European energy market, but especially on the sustainable investment flows, shares important similarities with both the content of the Green Deal and taxonomy regulation 2020/852.

The Green Deal, its content and received criticism

On 11 December 2019, the EC released its communication on the Green Deal, aiming to transform the EU into a society ‘with a modern, resource-efficient and competitive economy where there are no net emissions of greenhouse gases in 2050’.¹³⁰ The communication sketches

¹²⁴ European Commission. Press release. “Clean Energy for All Europeans – unlocking Europe’s growth potential” 30 November 2016.

¹²⁵ “The Katowice climate package: Making The Paris Agreement Work For All” UNFCCC. <https://unfccc.int/process-and-meetings/the-paris-agreement/katowice-climate-package#eq-7> consulted 19-5-2021.

¹²⁶ European Commission. Press release. “UN Climate talks: EU plays instrumental role in making the Paris Agreement operational Katowice” 16 December 2018.

¹²⁷ Parker, Charles F. and Christer Karlsson, ‘EU climate leadership in Katowice helped deliver the deal on the Paris Agreement rulebook’. 20 December 2018. <https://blogs.lse.ac.uk/euoppblog/2018/12/20/eu-climate-leadership-in-katowice-helped-deliver-the-deal-on-the-paris-agreement-rulebook/>

¹²⁸ European Council. A NEW STRATEGIC AGENDA. 2019 – 2024.

¹²⁹ Ibidem.

¹³⁰ European Commission. Brussels, 11.12.2019 COM(2019) 640 final. The European Green Deal.

the initial roadmap of key policies necessary to fulfil the aim of the deal, focusing on areas such as clean energy, sustainable industry, and eliminating pollution.¹³¹ Two parts of the Green Deal stand out in particular. Both show an intertwined and co-dependent relationship between the private sector, represented by business associations sharing the perspective of their sectors, and EU policymakers, needing such input to create realistic and broadly-carried climate change policy. Such a relationship tells of Bouwen's access goods theory, pointing at the importance of an exchange relationship between such interest groups.

First, a section discusses that the EC aims to tackle so-called false green claims, through providing legislation and guidelines for consumers and governments to reduce greenwashing.¹³² Relevantly, it shows the process of the EC attempting to determine what is and what is not classifiable as 'green', impacting the vision on sustainable economic activities. As will become evident, IOGP, FuelsEurope, and BusinessEurope did not explicitly address greenwashing during this period but aimed for a flexible interpretation of green and sustainable economic activities. Second, the deal's section on green finance and investment reflects the importance of sustainable finance flows and, therewith, taxing sustainable economic activities. With the deal calling upon both the public and private sector, part of this ambition was to be put in a 'taxonomy for classifying environmentally sustainable activities.'¹³³ This both shows the relationship between the Green Deal and taxonomy regulation 2020/852 – the deal initiates the creation of a taxonomy – as well as the close relationship of the deal with EU's private sector. Again, the business associations were actively lobbying for a broad interpretation of sustainable finance. Interestingly, Marco Siddi addresses the issue that the deal's financial process depended largely on private financiers, of which many had substantial investments in the fossil fuel industry, therefore unlikely to prioritise long-term climate considerations, as evident in the Green Deal, over short-term profit.¹³⁴ With specific notice to greenwashing and EU's green taxonomy, Siddi mentions how private lobbying seemingly led to the inclusion of a broader category of assets, providing loopholes for non-sustainable activities.¹³⁵

Furthermore, the relationship between the EC's stated ambitions in the Green Deal with actual regulatory implications for EU's industry is complex. Eckert and Kovalevska assessed this issue, finding that EU institutions, most notably the EC, through their discourse on

¹³¹ For the timeline, see: European Commission. Brussels, 11.12.2019 COM(2019) 640. The European Green Deal.

¹³² Ibidem.

¹³³ Ibidem.

¹³⁴ Marco Siddi, 'The European Green Deal: assessing its current state and future implementation', *The Finnish Institute of International Affairs* 14 (2020) 4-14, there 9.

¹³⁵ Ibidem.

sustainability in the Green Deal endorsed their presence – similarly acknowledged by Parker and Karlsson – and disabled important environmental issues.¹³⁶ This is partly attributed to the fact that the discourse on sustainable development, shaped by environmental and social science scholarship and environmental organizations, faced obstruction from ‘corporate and industrial interests blocking efficient legislative changes’.¹³⁷ Considering the EC’s position on sustainable economic activities between 2015 and 2019, it can be stated that the EC in its communication thought of the deal as part of a new economic strategy, focussing on a swift transformation towards both sustainable investments and a green economy. The prioritization of sustainable finance flows fits with the EC’s position during 2011-2015, which aimed at moving away from fossil fuels.

IOGP’s two-sided position on sustainability

In 2020, Transparency International EU released an article on interest group lobbying in Brussels.¹³⁸ The Green Deal was by far the most lobbied on topic during this time, with IOGP being one of the most active associations.¹³⁹ As was established in the previous chapter, the initial position of IOGP on sustainable economic activities was primarily shaped by the focus on the long-term stability of oil and gas resources for Europe’s energy supply, signalling the continuing relevance of investing in such resources. For the 2015-2019 period, IOGP’s lobbying is characterized by a strong channeling of Information about the European Encompassing Interest (IEEI) on sustainable energy and finance, as well as the provision of Expert Knowledge (EK) on fossil fuel industry topics. This position, first, is found in an October 2015 recommendation by IOGP, stating that resilience and long-term stability of the European energy system are to be stimulated through continuing ‘exploration and production of European oil and gas’.¹⁴⁰ Put in more general terms, IOGP determined that to ‘meet the demand of reliable and affordable energy, to remain competitive and to fight energy poverty the future EU policy will have to attract investments in all energy sources, including oil and gas.’¹⁴¹

¹³⁶ Eva Eckert and Oleksandra Kovalevska, ‘Sustainability in the European Union: Analyzing the Discourse of the European Green Deal’, *Journal of Risk and Financial Management* 14 (2021) 80, 1-22, there 1.

¹³⁷ *Ibidem*, 19.

¹³⁸ “100 days of Commission lobbying”. Transparency International EU. <https://transparency.eu/100-days-lobbying/> consulted 24-5-2021.

¹³⁹ *Ibidem*.

¹⁴⁰ IOGP. Governance Recommendations. “IOGP recommendations for a reliable and transparent governance system of the Energy Union” October 2015.

¹⁴¹ *Ibidem*.

Primarily, this communication forwards information about the encompassing interest of the fossil fuel sector, while aligning with the principal aim of lobbying as determined by Lowery, being industry sector survival. Interestingly and also relevant for FuelsEurope and BusinessEurope, the EC in March 2016 addressed above-mentioned issues in a communication to the Council and Parliament. It states the ambition to rebalance investment across industry sectors, striving to invest in renewable energy sources almost three times more than investing in fossil-fuel power plants.¹⁴² Though not explicitly striking against IOGP's vision, it is clear that EC aims to invest in renewable energy sources, while IOGP necessitates the need to invest in fossil fuels. Also telling of this relationship is the process that took place between 2017 and 2018 during which the EU designing a revised renewable energy directive. In May 2017, IOGP in a position paper on this directive essentialized gas-fired power plants as a reliable source for the heating and cooling sector, meeting the EU's climate goals, simultaneously proposing amendments to and deleting parts of the EC's proposed directive 'on the promotion of the use of energy from renewable sources'.¹⁴³ While the December 2018 EU directive reached more towards the EC's text than to IOGP's proposed changes, the case of the renewables directive does indicate IOGP's proposed part in the policy formation process, reflecting the ambition for an exchange relationship with the EC.

In general, the above communications resemble IOGP's ambition for fossil fuels to remain part of Europe's energy supply, as well as to keep upgrading the image of fossil fuel as an integral, stable, and sustainable energy supplier. Creating such an image is important both for the survival of Europe's fossil fuel industry, as well as for adapting to the political context accelerated by the Paris Agreement and Green Deal, in which sustainability increasingly integrates with CPA. IOGP shows its complex relationship in remaining with fossil fuels while needing to fit within a corporate sustainable context in two particular instances. First, as a response to the EC's package on sustainable finance, IOGP in August 2018 proposed to establish 'a flexible approach towards defining "green/sustainable projects"¹⁴⁴ by developing a graduated rating scale instead of a binary and simplistic approach for the "taxonomy".¹⁴⁵ For the first time referring to a sustainable taxonomy, the proposed flexible approach towards this concept is telling of Siddi's concern on how private lobbying led to the inclusion of a broader

¹⁴² European Commission. Brussels, 2.3.2016 COM(2016) 110 final. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL. 5.

¹⁴³ IOGP. Position Paper. "Integration of renewables under market conditions: IOGP response to the revised Renewables Directive" May 2017.

¹⁴⁴ IOGP. Position paper. "IOGP response to the European Commission's package on sustainable finance: call for a "Talanoa Platform" to guarantee a smart, inclusive and technology-neutral taxonomy" August 2018.

¹⁴⁵ Ibidem.

category of economic activities that by other standards would not classify as ‘green’.¹⁴⁶ Moreover, IOGP also lobbied on sustainable economic activities through organizing events with global and European political actors. A telling example of this is IOGP’s presence at COP24 in 2018. During this annual UN climate change conference, IOGP EU director François-Régis Mouton and Brussels colleagues emphasized to delegates that the oil and gas industry ‘offers solutions to climate change challenges.’¹⁴⁷ Furthermore, Mouton, mentioned that it is “our job to raise awareness, particularly among policymakers and international bodies [...] If we don’t portray our industry in a positive, pro-active way in the climate change debate, who else will?”¹⁴⁸ In line with the written publications, this quote reflects IOGP’s lobbying direction from Paris to the Green Deal, characterized by putting the oil and gas sector forward as a stable factor for Europe’s energy supply, acting within a sustainable and progressive framework. This shows a two-sided position, as IOGP both emphasizes to remain investing in traditional fossil fuels, while also ensuring the progressiveness of the sector, aiming to invest in semi-similar energy resources such as natural gas. In conclusion, a shift from emphasizing fossil fuel stability towards including such fuels in a greener and sustainable taxonomy framework is realized.

The short- and long-term vision of FuelsEurope for the EU refinery sector

FuelsEurope’s initial position on sustainable economic activities stood out in several ways. First, following IOGP, FuelsEurope envisioned the fossil fuel sector as a long-term player in the field of European energy supply. Second, FuelsEurope considered the refinery sector to be fit for leading the climate change transition in Europe. The period between 2015 and 2019 for FuelsEurope is characterized by envisioning both a short- and long-term perspective of the refinery sector in Europe, expressing both IEEI and EK.

Considering the Energy Union once more, FuelsEurope in February 2015 gave several recommendations to the initiative that point at a relatively stable future for the refinery sector. A telling instance, complying with sources discussed in the previous chapter, is the statement that ‘oil products [...] are essential to the EU security of energy supply.’¹⁴⁹ The transition to a low carbon economy, referring to the Energy Union’s ambition, is supported, but is urged to be

¹⁴⁶ Siddi, ‘The European Green Deal’, 9.

¹⁴⁷ “COP24: oil & gas feature at Katowice” IOGP. <https://www.iogp.org/blog/news/cop24-oil-gas-feature-at-katowice/> consulted 14-6-2021.

¹⁴⁸ Ibidem.

¹⁴⁹ FuelsEurope. Recommendations. “Energy Union. FuelsEurope’s recommendations on the European Energy Union” 5 February 2015.

based on ‘realistic assumptions and - until competitive alternative energies are available - without compromising existing infrastructures.’¹⁵⁰ Interestingly, when analysing the EC communication of March 2016, it is hinted that investing in the fossil fuel sector through subsidies forms the biggest obstacle to innovation in clean technologies. Accordingly, it is suggested to move away from such subsidies.¹⁵¹ This strikes against FuelsEurope’s ideas, which later, in 2019, emphasized that the refining sector should be compensated ‘for indirect emission costs to prevent carbon leakage via EU product substitution by imports.’¹⁵² In turn, indirect cost compensation would ensure the sector’s contribution to a low carbon economy.

Even with the terms ‘subsidies’ and ‘compensation’ not referring to the same financial concept, it does become evident that FuelsEurope lobbies to ensure a stable future for its represented sector. In a similar context, the association in October 2018 released a position paper on sustainable finance in which the overall importance of fossil fuels in the coming decades is emphasized.¹⁵³ Interestingly, FuelsEurope also holds that a sustainable finance taxonomy ‘should adopt an inclusive approach towards different technologies, namely defining what activities could be generally considered “sustainable”, rather than a closed list of specific “sustainable activities”.’¹⁵⁴ This, in turn, would lead to the inclusion of a broader set of sustainable activities, fitting with the findings of Siddi.

A final illustration of FuelsEurope’s evolving position on sustainable economic activities between 2015 and 2019, is its provision of a combination of IEEI and EK on so-called Carbon Capture and Storage (CCS) and Carbon Capture and Utilisation (CCU) as sustainable technologies in the European transition towards a clean environment. At the seventh EU Refining Forum, held in February 2017, FuelsEurope’s Director General John Cooper gave a presentation on the outlook of fossil fuel market changes, concluding that the ‘refining industry and liquid fuels can be part of the solution for the longer term’.¹⁵⁵ In the presentation, CCU and CCS are formulated to form part of new business models, supported by novel technologies.¹⁵⁶

¹⁵⁰ FuelsEurope. Recommendations. “Energy Union. FuelsEurope’s recommendations on the European Energy Union” 5 February 2015.

¹⁵¹ European Commission. Brussels, 2.3.2016 COM(2016) 110 final. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL. 5.

¹⁵² “Feedback from: FuelsEurope. F16637” European Commission. https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/2041-Emissions-trading-scheme-State-aid-guidelines-update/F16637_n1 consulted 15-6-2021.

¹⁵³ FuelsEurope. Position Paper. “Sustainable Finance: Regulation on a framework to facilitate sustainable investments” 18 October 2018.

¹⁵⁴ Ibidem.

¹⁵⁵ FuelsEurope. Presentation. “Refining Petroleum Fuels & Products in Europe Outlook | Proposals | Requests. John Cooper, Director General. 7th EU Refining Forum” 2 February 2017.

¹⁵⁶ Ibidem.

These technologies, accordingly, form part of FuelsEurope's 2018 *Vision 2050. A pathway for the evolution of the refining industry and liquid fuels*. In this extensive document, which discusses the future of the European refinery industry, CCU and CCS are presented as 'leading technologies to mitigate climate change.'¹⁵⁷ The technologies form part of FuelsEurope's long-term vision in which the EU refining system plays an essential part in the climate transition.¹⁵⁸ Moreover, *Vision 2050* shows the long-term intent of FuelsEurope for its represented industry, which is to remain an essential player through representing an expert perspective on developing such novel technologies. While FuelsEurope creates a favourable image in position papers and press releases of CCS and CCU, the technologies have been deeply criticized. Corporate Europe Observatory, for example, emphasizes in an article on how the fossil fuel industry influenced the Green Deal, that CCS is 'an unproven and dangerous technology that defers the phase out of fossil fuels with promises that are always a decade away.'¹⁵⁹ Accordingly, environmental engineer Mark Jacobson emphasizes CCS and CCU technologies increase or hold air pollution damage and reduce little carbon.¹⁶⁰ Concisely put, while FuelsEurope puts the technologies forward as a major player for EU's climate transition, the technologies have a less favourable image with other interest groups involved in the transition. Still, in 2020, FuelsEurope together with other major EU fossil fuel players, among which was IOGP, wrote a joint letter urging European Commissioners to consider CCS and CCU as 'breakthrough technologies for EU's industrial transition to a climate neutral future'.¹⁶¹

The above raises the question of why FuelsEurope, but also IOGP, put forward these contentious technologies as part of their climate change approach. Putting the matter into the context of why organizations lobby, such technologies both offer short- and long-term opportunities for the European fossil fuel sector. It concretely shows how to remain an important sector in which should be invested, even within a CSR context where sustainability is increasingly gaining importance. Therefore, the position between 2015 and 2019 of FuelsEurope, in accordance with IOGP, is shaped by both the acknowledgement that the fossil fuel sector will have to increasingly act within a sustainable framework, while also aiming to ensure both a short- and long-term stable and profitable future for the represented sectors.

¹⁵⁷ FuelsEurope. "Vision 2050. A pathway for the evolution of the refining industry and liquid fuels" 2018.

¹⁵⁸ Ibidem.

¹⁵⁹ Corporate Europe Observatory, 'A Grey Deal? Fossil fuel fingerprints on the European Green Deal'. 7 July 2020. <https://corporateeurope.org/en/a-grey-deal>

¹⁶⁰ Mark Z. Jacobson, 'The health and climate impacts of carbon capture and direct air capture', *Energy & Environmental Science* 12 (2019) 3567-3574, there 3567.

¹⁶¹ FuelsEurope and IOGP. Joint letter. "CCS and CCU: Breakthrough technologies for EU's industrial transition to a climate neutral future" 09 March 2020.

BusinessEurope's vision on EU industry competitiveness

What became evident in the previous chapter about BusinessEurope, was the association's lobbying for EU business to retain its economic competitiveness, ensured by a favourable long-term investment climate for European industries. The period between 2015 and 2019 shows a continuation of this position, with an additional focus on what sustainable finance should entail. Concerning the Energy Union, the first instance in which BusinessEurope expressed its vision was at an open debate organised by Eurogas and Gasterra – both representatives of the European gas sector – in February 2015. Markus Beyer, Director General of BusinessEurope, emphasized that to be a success, the Energy Union should pay sufficient attention 'to cost-competitiveness challenges of EU's energy and climate policy.'¹⁶² Furthermore, in a press release not long after, Beyer emphasizes BusinessEurope "will be vigilant on future decisions"¹⁶³, expecting "concrete action on the challenge of high energy prices, which is undermining the competitiveness of our industry"¹⁶⁴. The emphasis on competitiveness is reminiscent of BusinessEurope's vision of before 2015 and forms an integral part of BusinessEurope's IEEI. Further, in a position paper published in March 2015, the focus on competitiveness is concretized, becoming evident in the concern that the European industry is negatively affected by high energy prices in the context of cost-competitiveness.¹⁶⁵

Even more interesting is the urgency with which BusinessEurope lobbies for oil and gas resources in the energy supply for the EU, stating that barriers 'to the exploration, development and production of such indigenous resources [...] should be removed'.¹⁶⁶ BusinessEurope's plead for removal of barriers for the use of fossil fuels strikes against the ambition of the Energy Union and relates to Eckert and Kovalevska's concern that industrial interests aimed to hamper effective climate change regulations. Considering the EC's communication on the Energy Union in March 2016 once again, its position on European competitiveness is shaped by the recognition that research and innovation lead to 'greater competitiveness of present and future European low carbon and energy efficiency technologies.'¹⁶⁷ Again and contrastingly, BusinessEurope during this time understood investing in fossil fuels to contribute to EU's

¹⁶² "What will the Energy Union look like?" BusinessEurope. <https://www.busesseurope.eu/news/what-will-energy-union-look> consulted 15-6-2021.

¹⁶³ BusinessEurope. Press release. "Energy Union must fit with Europe's industrial ambitions" 25 February 2015.

¹⁶⁴ Ibidem.

¹⁶⁵ Ibidem.

¹⁶⁶ Ibidem.

¹⁶⁷ European Commission. Brussels, 2.3.2016 COM(2016) 110 final. COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL. 5.

competitiveness and explicitly lobbied for a more flexible approach to what could contribute to competitiveness. In the years following the Energy Union initiative, BusinessEurope kept emphasizing the former. A July 2017 statement, for example, urges that solutions should be less burdensome and more flexible for companies, therewith contributing to the EU's industrial competitiveness.¹⁶⁸

Moreover, another crucial part of the Green Deal for BusinessEurope was its vision of sustainable finance. According to InfluenceMap, BusinessEurope engaged in different streams of sustainable finance policy, among others lobbying for lower thresholds for in-transition economic activities and against specific corporate requirements.¹⁶⁹ This interpretation, which can be perceived in the broader context of BusinessEurope lobbying to ensure the most favourable and flexible environment for financial investment in Europe, is embodied among others in a November 2018 position paper. Discussing the EC's sustainable taxonomy proposal, BusinessEurope is supportive of the Sustainable Finance Action Plan, but also expresses it is crucial that the taxonomy proposal 'facilitates access to finance rather than making it more difficult. [...] It is crucial to keep a flexible approach that prevents prescriptive categories which do not take the dynamic evolution of technology into account.'¹⁷⁰

While this focus on flexibility in interpreting sustainable finance and investment is interesting in itself, it also fits with what Dirk Schoenmaker addresses in his *From risk to opportunity. A framework for sustainable finance*. In this work, where Schoenmaker provides relevant insights for the future of sustainable finance, he points at the difference between the so-called traditional shareholder model, which places finance first and has a short-term vision, and the stakeholder model which seeks to balance, with a focus on the long term, financial, social and environmental aspects.¹⁷¹ Considering BusinessEurope's lobbying, the combination of supporting sustainable finance policy, while also emphasizing optimizing the European financial investment climate, appears to have a place between the two models. BusinessEurope is aware of the relevant sustainable economic context, but also provides the encompassing industry interest aiming at maximizing financial opportunities. Considering as well that green

¹⁶⁸ BusinessEurope. Statement. "GOVERNANCE OF THE ENERGY UNION: DELIVERING ON ENERGY & CLIMATE PLANS, WHILE KEEPING COMPETITIVENESS IN CHECK" July 2017.

¹⁶⁹ "BusinessEurope" InfluenceMap. <https://influencemap.org/influencer/Business-Europe/projectlink/BusinessEurope-in-Sustainable-Finance-5d3075a15ec128e894f1e605105c8060> consulted 15-6-2021.

¹⁷⁰ BusinessEurope. Position paper. "Sustainable Finance EU Action Plan: the "Taxonomy" proposal". November 2018.

¹⁷¹ Dirk Schoenmaker, *From risk to opportunity. A framework for sustainable finance* (Rotterdam 2017) 53.

finance forms part of BusinessEurope's 2019 five-year strategy, Prosperity, People, Planet¹⁷², this instance of industry competitiveness acting in an increasing climate- and sustainability-aware is telling of BusinessEurope's position on sustainable economic activities during this period. Concisely put, the importance BusinessEurope puts on industry competitiveness in context of the Paris Agreement remained strong in the lead-up to the Green Deal, ensuring a flexible approach to what ought to be considered 'sustainable' in financial investment.

Conclusion

Reflecting on the purpose of this chapter, which was to analyse and gain insight into the developing position of the EC and business associations on sustainable finance and taxonomy, several conclusions can be drawn. First, the EC between 2015 and 2019 expressed strong ambitions in the field of sustainable and green economic development and finance, with the Green Deal concretizing these ambitions. A different image of IOGP, FuelsEurope, and BusinessEurope was sketched. All three associations optimistically saw a strong future for the fossil fuel sector. IOGP put forward the fossil fuel sector as a potential leader in the climate transition, similar to FuelsEurope, through ensuring its fit in a sustainable framework. This shows awareness of the evolving CSR context, which necessitated private sector actors to act in an increasingly sustainable economic environment. For FuelsEurope, lobbying for a favourable image of CCS/CCU technologies provided a way to exert Expert, or at least industry-specific, Knowledge to EU institutions. Finally, BusinessEurope between 2015-2019 kept being recognizable for its focus on EU industry competitiveness. Ensuring such favourable circumstances was determined a way of expressing IEELI, concretized through lobbying for a flexible approach on what would be considered sustainable in financial investment. The following and final chapter plays into this sustainable finance topic, through analysing the evolving position of the business associations in relation to the regulation that would affect all European industries, namely taxonomy regulation 2020/852.

¹⁷² BusinessEurope. "PROSPERITY PEOPLE PLANET. Three pillars for the European Union agenda in 2019-2024" November 2019.

Chapter IV: Determining a sustainable taxonomy: regulation 2020/852 (2019-2020)

In early 2018, the EC set out an action plan on sustainable finance, urging for a ‘unified EU classification system – or taxonomy – [that] will provide clarity on which activities can be considered “sustainable”.’¹⁷³ In the following years, this initiative was constructed and eventually, on 18 June 2020, adopted by the European Parliament and Council in taxonomy regulation 2020/852. During the lead-up to the regulation, IOGP determined the ‘EU Taxonomy Regulation will contribute to making European Green Deal a success’¹⁷⁴, while FuelsEurope contended adopting ‘the Taxonomy is an important step towards mobilising investments for low-carbon technologies.’¹⁷⁵ BusinessEurope mentioned how a ‘well-designed taxonomy could [...] help to establish a common language for Sustainable Finance.’¹⁷⁶ Despite such positive notes on the regulation, the associations in the previous chapters also became known to lobby for a flexible taxonomy approach, for inclusion of contentious fossil fuel technologies, and for having an industry- and competitiveness-oriented standpoint. In this context, this chapter analyses how IOGP, FuelsEurope, and BusinessEurope lobbied in this final developmental stage of the regulation. Concretely, the final positions of the business associations are discussed and their influence on taxonomy regulation 2020/852 analysed, with the purpose of serving Dür’s methodology. As such, the chapter aims to provide insight into the process of how both the EC and fossil fuel business associations lobbied in an environment wherein CSR, notably the field of environmental sustainability, concretized in the adoption of the regulation.

The final stage: adopting taxonomy regulation 2020/852

As mentioned, in March 2018 the EC released a communication on the sustainable finance action plan. Context for creation was, among others, the ambitions set out in the Paris Agreement.¹⁷⁷ At its core, the aim was to finance a sustainable world, among others through reorienting capital flows in this direction, whereby a taxonomy was deemed the most important step to offer clear guidance on this path.¹⁷⁸ The taxonomy was, accordingly, a necessary step in

¹⁷³ European Commission. Brussels, 8.3.2018 COM(2018) 97. Action Plan: Financing Sustainable Growth.

¹⁷⁴ IOGP. Press Release. “New EU Taxonomy Regulation will contribute to making European Green Deal a success” 18 December 2019.

¹⁷⁵ FuelsEurope. Press release. “Fuelling the energy transition: The EU taxonomy as an important step in mobilising climate finance to develop and deploy low-carbon technologies” 19 December 2019.

¹⁷⁶ BusinessEurope. Position paper. “Sustainable Finance EU Action Plan: the “Taxonomy” proposal”. November 2018.

¹⁷⁷ European Commission. Brussels, 8.3.2018 COM(2018) 97. Action Plan: Financing Sustainable Growth.

¹⁷⁸ Ibidem.

implementing the Green Deal.¹⁷⁹ After adopting the first version of the taxonomy in 2019, the European Parliament and Council, ‘having regard to the proposal from the European Commission’¹⁸⁰, adopted taxonomy regulation 2020/852 on 18 June 2020. Considering the EC proposed the taxonomy in May 2018, it is deemed reasonable for the EC’s final position to be largely reflected in the regulation. This assumption is strengthened by a press release published by the EC on the day the regulation was adopted, which states the Commission welcomes the adoption of the regulation, contending the regulation ‘will be instrumental for the EU to become climate neutral by 2050.’¹⁸¹

Concerning who is addressed in the regulation, Article 1 states the taxonomy applies to measures adopted by EU member states setting out requirements for financial market participants or issuers, to those participants themselves¹⁸², and to corporations that already had to provide non-financial statements, now having to disclose how their business activities align with the environmental objectives.¹⁸³ With the latter two being represented by associations like IOGP, FuelsEurope, and BusinessEurope, the regulation proves its direct relevance. Accordingly, it indicates why, according to InfluenceMap, finance and corporate sector business associations lobbied intensively on EU’s sustainable finance objectives.¹⁸⁴

Another key finding by InfluenceMap on this topic is that corporate industry associations, including IOGP, FuelsEurope, and BusinessEurope, ‘are an obstacle to progressive sustainable finance policy’.¹⁸⁵ The high engagement, again, can be explained by the direct impact policies had on the activities of represented corporations, causing to lobby for the inclusion of sector-related economic activities in the taxonomy’s list of sustainable activities.¹⁸⁶ This lobbying focus is visible in the final stage leading up to taxonomy regulation 2020/852. Consider FuelsEurope and IOGP in this regard. To start, both associations between

¹⁷⁹ “EU taxonomy for sustainable activities. What the EU is doing to create an EU-wide classification system for sustainable activities” European Commission. https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en consulted 17-6-2021.

¹⁸⁰ Official Journal of the European Union. REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

¹⁸¹ “Sustainable Finance: Commission welcomes the adoption by the European Parliament of the Taxonomy Regulation” European Commission. https://ec.europa.eu/commission/presscorner/detail/en/IP_20_1112 (consulted 18-6-2021).

¹⁸² Ibidem.

¹⁸³ “Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (Taxonomy Regulation)” Green Finance Platform. <https://www.greenfinanceplatform.org/policies-and-regulations/regulation-eu-2020852-establishment-framework-facilitate-sustainable> consulted 17-6-2021.

¹⁸⁴ InfluenceMap. *Sustainable Finance Policy Engagement. An Analysis of Lobbying on EU Sustainable Finance Policy*. September 2020. 2.

¹⁸⁵ Ibidem, 18.

¹⁸⁶ Ibidem.

2018 and 2020 met with Commissioners several times on topics including the taxonomy, CCS technologies, and long-term implications for or transformation of the represented sectors, implying the taxonomy's relevance for the associations.¹⁸⁷ IOGP and FuelsEurope additionally lobbied for 'inclusive and technology-neutral'¹⁸⁸ taxonomy benchmarks and for developing 'technical screening criteria in a way that is mindful of the individual needs of different sectors'.¹⁸⁹ Finally, IOGP in a press release opted for the oil and gas industry deploying CCS and CCU technologies at scale, "given its decades of experience in subsurface technologies and underground storage".¹⁹⁰ Here, an interesting type of access good becomes evident. IOGP disperses information about the sector's interest (IEEI), while simultaneously emphasizing the sector-specific knowledge (EK), making it more interesting for the EC to reach out to the fossil fuel sector for information about taxonomy-related technologies.

The optimistic perspective on the future of the fossil fuel sector characterizing IOGP and FuelsEurope's lobbying during this period is not reflected by other EU interest groups. The EU Technical Expert Group on sustainable finance (TEG), which assisted the EC in developing the taxonomy, in their final report for the taxonomy ruled that 'the transition to a low carbon economy will involve phase-out of some economic activities, such as unabated fossil fuel-based power generation'¹⁹¹, referring to the latter's long-term undermining of climate change mitigation objectives.¹⁹² This seeming discrepancy in perspectives on the fossil fuel sector is relevant, as the following paragraph will show the final regulation gravitates somewhere between the optimistic and more pessimistic vision on the future of fossil fuels.

Furthermore, BusinessEurope also engaged with Commissioners often in this final stage, focussing on the sustainable finance action plan and the challenge for EU's competitiveness and sustainability.¹⁹³ Most notably, BusinessEurope engaged in this process through its membership of the Platform on sustainable finance, which is an advisory body to

¹⁸⁷ See: EU Transparency Register. "List of meetings "FuelsEurope" has held with Commissioners, Members of their Cabinet or Director-Generals since 01/12/2014", and: EU Transparency Register. "List of meetings "International Association of Oil & Gas Producers Europe" has held with Commissioners, Members of their Cabinet or Director-Generals since 01/12/2014".

¹⁸⁸ "Sustainable finance" FuelsEurope. <https://www.fuelseurope.eu/policy-priorities/climate-energy/sustainable-finance/> consulted 18-6-2021.

¹⁸⁹ FuelsEurope. Press release. "Fuelling the energy transition: The EU taxonomy as an important step in mobilising climate finance to develop and deploy low-carbon technologies" 19 December 2019.

¹⁹⁰ IOGP. Press release. "New EU Taxonomy Regulation will contribute to making European Green Deal a success" 18 December 2019.

¹⁹¹ EU Technical expert group on sustainable finance (TEG). Taxonomy: Final report of the Technical Expert Group on Sustainable Finance. March 2020.

¹⁹² Ibidem.

¹⁹³ EU Transparency Register. "List of meetings "BUSINESSEUROPE" has held with Commissioners, Members of their Cabinet or Director-Generals since 01/12/2014".

the EC.¹⁹⁴ Having known to opt for ‘harmonising existing standards rather than creating new ones’¹⁹⁵ previously, through membership of different subgroups in the Platform, BusinessEurope was able to directly engage with the EC.¹⁹⁶ The taxonomy document refers to the participants, of which BusinessEurope was one, as ‘experts representing both the private and public sectors’¹⁹⁷, reflecting the importance of the association as a provider of EK to the EC. At the platform, BusinessEurope emphasized the measures would have to be ‘proportionate, practicable and well-designed to facilitate the transformation of both the financial markets and the real economy’¹⁹⁸, ensuring favourable circumstances for Europe’s industry. Not explicitly striking against but also not participating in the EU’s high ambitions, BusinessEurope held its focus on what the most ideal short- and long-term circumstances for European business were, being less affiliated with long-term climate change impact.

On the final positions: analysing taxonomy regulation 2020/825

In general, the taxonomy regulation considers an economic activity to be environmentally sustainable if it contributes to one of six objectives, with the most relevant being objective ‘(a) climate change mitigation’.¹⁹⁹ Objective (a) is considered especially relevant for the fossil fuel sector, as Article 10 includes in this objective innovations in the area of ‘switching to the use of sustainably sourced renewable materials’²⁰⁰, ‘increasing the use of environmentally safe carbon capture and utilisation (CCU) and carbon capture and storage (CCS) technologies that deliver a net reduction in greenhouse gas emissions’²⁰¹, as well as economic activities ‘for

¹⁹⁴“Platform on sustainable finance” European Commission. https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/overview-sustainable-finance/platform-sustainable-finance_en consulted 18-6-2021.

¹⁹⁵ Guéguen, Daniel, ‘The EU’s green finance taxonomy: an Orwellian mechanism’ 20 November 2020. <https://www.euractiv.com/section/energy-environment/opinion/the-eus-green-finance-taxonomy-an-orwellian-mechanism/>

¹⁹⁶ European Commission. “Members and Observers of the Platform on Sustainable Finance. Overview of plenary and subgroups”.

¹⁹⁷ Official Journal of the European Union. REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

¹⁹⁸ BusinessEurope, European Banking Federation. “Re: Industry and banking representation in the Platform on Sustainable Finance”. 14 January 2020.

¹⁹⁹ The other objectives are to be found in Article 9 of taxonomy regulation 2020/852 and are: (b) climate change adaptation; (c) the sustainable use and protection of water and marine resources; (d) the transition to a circular economy; (e) pollution prevention and control, and; (f) the protection and restoration of biodiversity and ecosystems.

²⁰⁰ Official Journal of the European Union. REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020.

²⁰¹ Ibidem.

which there is no technologically and economically feasible low-carbon alternative²⁰² but do support the climate-neutral economy transition.²⁰³ This gradual change facilitated by the regulation, as well as the room provided for economic activities that are not particularly sustainable, endorses that the regulation gravitates between IOGP's and FuelsEurope's optimistic long-term and the TEG's more pessimistic vision on this climate-mitigation approach. The EU aims to eventually shift away from GHG emission-heavy industries while recognizing that this shift is not to take place in the short term. Moreover, while this appears to be sensible, the low threshold and criteria for the emission-intensive basic materials sector²⁰⁴ in the taxonomy have been of concern.²⁰⁵ Schütze et al. in this regard state how the low thresholds for this sector 'do not present a path to climate neutrality'.²⁰⁶ Concisely put, the regulation's generous approach facilitates favourable circumstances for the fossil fuel sector, while it appears to strike against ambitions of the Paris Agreement and Green Deal.

For BusinessEurope, the gradual shift is important, as it safeguards European business competitiveness. Accordingly, the flexible approach the regulation sets out refers to BusinessEurope's focus on economic profitability and the stated need for proportionality. This perspective is reflected, among others, in the regulation's statement that 'sustainability and the transition to a [...] climate-resilient, more resource-efficient and circular economy are crucial to ensuring the long-term competitiveness of the Union economy.'²⁰⁷ Interestingly, here a transition towards sustainability is deemed a prerequisite for competitiveness, while BusinessEurope repeatedly emphasized the risks of a swift transition for economic competitiveness. Further, the proposed transition is to be stimulated by private sector funding, 'in particular by putting in place incentives and methodologies that stimulate companies to measure the environmental costs of their business and profits derived from using environmental services.'²⁰⁸ While the focus on incentives and methodologies does not imply flexible compliance mechanisms in itself, the later stated focus on the gradual adaptation of the financial

²⁰² Official Journal of the European Union. REGULATION (EU) 2020/852 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 18 June 2020.

²⁰³ Ibidem.

²⁰⁴ In general, the basic materials sector is also known to include energy sources such as natural gas, crude oil and coal.

²⁰⁵ Franziska Schütze, Jan Stede, Marc Blauert, Katharina Erdmann 'EU taxonomy increasing transparency of sustainable investments', *DIW Weekly Report* 10 (2020) 41, 485-492, there 492.

²⁰⁶ Ibidem.

²⁰⁷ Official Journal of the European Union. REGULATION (EU) 2020/852.

²⁰⁸ Ibidem.

system does facilitate a relatively easy transformation of the financial system, for which BusinessEurope has been known to lobby.²⁰⁹

The degree of preference attainment in taxonomy regulation 2020/852

So how does the regulation reflect the final positions of IOGP, FuelsEurope, and BusinessEurope on sustainable economic activities, and what does this show about the degree to which their preferences were attained? Reorientating on Dür's methodology, the degree of preference attainment is to be decided by determining the distance between an outcome of a political process – taxonomy regulation 2020/852 – and the ideal point of an actor.²¹⁰ Explicitly, Dür's method asks to determine the initial position of different interest groups on a matter and comparing it to their final position. For this reason, it is relevant to disclose the final positions of the EC, IOGP, FuelsEurope, and BusinessEurope on sustainable economic activities.

As established, the final position of the EC was reflected in the taxonomy regulation, while its initial position on sustainable economic activities held that fossil fuel dependency in the EU had to decrease, mainly concerning energy supply, by researching and investing in low carbon alternatives. What can be contended, then, is that there is little distance between the initial and final position of the EC on sustainable economic activities. Rather, the taxonomy regulation served as a concretization of the EC's initial position. However, as will become evident, this does not mean fossil fuel and financial business associations did not influence the regulation.

The initial position of IOGP held that, because of the relevance of long-term stability of oil and gas supply, financially investing in fossil fuel energy sources would remain necessary in the coming years. Following IOGP, FuelsEurope's initial position added to show that the fossil fuel sector, fit to lead the development towards GHG-emission reduction, forms an inextricable part of the transition to a sustainable economy. For IOGP and FuelsEurope, the final positions again reflect great similarities, which can be explained by the associations both representing the fossil fuel sector, and are shaped by the determination to put the fossil fuel sector in a favourable sustainable framework. Their final position on sustainable economic activities, then, is the conviction that the fossil fuel industry is intertwined with and can contribute to EU's sustainable economic transition. Concretely, this means to financially invest in industry-specific technologies that, in line with the taxonomy's expectation, should

²⁰⁹ Official Journal of the European Union. REGULATION (EU) 2020/852.

²¹⁰ Dür, 'Measuring Interest Group Influence in the EU', 566.

contribute to climate mitigation. Even with such technologies, including CCS and CCU, being criticized by other EU interest groups, IOGP and FuelsEurope succeeded in having it included in taxonomy regulation 2020/852. Therewith, the ideal point of desiring to continue being an important player in EU's climate change transition, in this case, appears to be realized, as the taxonomy offers, for the coming years, ways for the fossil fuel sector to attract financial investments and carry out economic activities within the proposed sustainable framework.

For BusinessEurope, the initial position was characterized by ensuring a competitive long-term investment environment for European industries. Accordingly, its final position is characterized by both supporting the sustainable economic transition, while being concerned about how applying specific regulations could negatively affect EU's industry. Consequently, BusinessEurope's final position on sustainable economic activities is cautiously positive, however, to remain determined by putting competitiveness at an equal ambition level as pursuing a swift transition to a sustainable economy. With taxonomy regulation 2020/852 explicitly addressing industry competitiveness, it is possible to argue that BusinessEurope's influence in the political process towards the regulation is visible to the extent that it formulated a way to favour the position of BusinessEurope. Accordingly, the ideal position of BusinessEurope on a flexible approach to determining sustainable economic activities stands close to the regulation's broad range of activities that are considered sustainable, aligning with how FuelsEurope and IOGP envisioned the taxonomy.

Conclusion

What can be concluded, then, is that the final stage of the political process leading to taxonomy regulation 2020/852, taking place between 2019 and 2020, remained to portray an active image of IOGP, FuelsEurope, BusinessEurope. Aiming to engage in an exchange relationship with the EC, the associations during this time particularly dispersed Expert Knowledge on fossil fuel-related topics, aiming to ensure a flexible and inclusive taxonomy. With the final position of the EC being translated in the taxonomy regulation, the business associations' influence through lobbying is visible in its encompassing approach as to what are deemed sustainable activities. As such, the taxonomy favoured a continuation of financially investing in the fossil fuel sector, while the broad range of sustainable activities included in the taxonomy provided a flexible environment for the financial sector. However, as will be reflected on in the conclusion, determining influence is, even using a structural method like Dür's, a debatable process.

Conclusion

This research set out with the purpose to explore the relationship between Corporate Social Responsibility and Corporate Political Activity in the context of climate policy development. Concretely, it asked: to what extent can deliberative lobbying account for how fossil fuel and financial business associations in the European Union between 2011 and 2020 influenced taxonomy regulation 2020/852? The difficult but compelling task to determine how IOGP, FuelsEurope, and BusinessEurope influenced the regulation was assisted by sub questions asking what accounted for fossil fuel and financial business associations to lobby, what their understanding of sustainable economic activities was, and what access goods were exchanged with the European Commission during different periods.

David Lowery's assumption that organizations lobby to survive translated in the associations' Information about the European Encompassing Interest, dispersed to ensure the most favourable circumstances possible for the associations' represented sectors. Accordingly, through providing Expert Knowledge, the associations implicitly and explicitly indicated the need for their involvement in EU's transition to a sustainable economy. Moreover, the period between 2011 and 2015 saw IOGP and FuelsEurope envisioning a stable and substantial role for the fossil fuel sector in EU's transition to a sustainable economy, because of the long-term stability of and need for fossil fuel energy resources. However, a second lobbying trend emerged from 2015 onwards, in which the associations sought their activities and sectors to fit within a political framework that increasingly institutionalized the necessity to act upon environmental CSR. BusinessEurope, different from IOGP and FuelsEurope, saw between 2011 and 2020 a continuous position that on the one hand shared the EU's sustainability ambitions, but on the other hand aimed to ensure EU's industry competitiveness remained unchallenged. As such, BusinessEurope placed the role of economic competitiveness equally high as economic sustainability.

Turning to the proposed framework of Lock and Seele, can deliberative lobbying indeed account for this thesis' case? Or, put more plainly, did fossil fuel and financial business associations act in a convincing environmental CSR-CPA relationship? Two conclusions can be drawn. First, on a political discourse level, evident in the associations' publication of press releases, position papers, and informative documents, the deliberative lobbying framework is convincing. Between 2011 and 2020, the associations generally stated to share the EU's high

sustainability ambitions and desired for their represented sectors to actively partake in EU's transition to a sustainable economy. However, as became evident, these ambitions and desires existed in a context that evolvingly concretized and institutionalized to act upon environmental CSR, notably through EU policies and regulations. This could indicate – and this cannot be stated with strong certainty – that the environmental CSR context increasingly will ask to move away from certain activities that are not sustainable, strongly related to, and executed by the fossil fuel sector. Therefore, it is questioned whether the environmental CSR context will remain favourable towards and practicable for this sector. Relevantly, it should also be asked if this evolving context will allow the financial sector to keep investing in fossil fuel technologies and developments. Relating to the latter, if competitiveness through sustainable investments is possible, as the taxonomy indicates, EU's financial sector could integrate with this sustainable transition, providing long-term opportunities.

With answering the main research question, then, this thesis integrated into the academic debate on the contentious relationship between CSR and CPA that Lock and Seele aimed to reunite in deliberative lobbying. It provided a novel perspective on deliberative lobbying by analysing a case on a heavily CSR-induced topic, namely, the field of sustainable economy. While several academics, notably Bart Slob and Francis Weyzig, perceived the relationship of private sector organizations between political activities and stated CSR principles to be conflicting, this research, following Lock and Seele, has shown that CSR and CPA can be united under the framework of deliberative lobbying. However, and this relates to the above, deliberative lobbying only forms a compelling framework when the prerequisite is met that activities of interest groups wanting to engage in this type of lobbying are compatible with the general norm defined by the CSR-CPA relationship. Concisely put, this thesis contributed to the academic debate by showing that deliberative lobbying is possible in heavily CSR-induced contexts for sectors often questioned for executing little sustainable practices, however only for as long as these sectors can convince they act according to environmental CSR to the broader political context in which they exist.

Proceeding, Andreas Dür's method of determining the degree of preference attainment proved useful for answering this thesis' questions. It allowed for structural analysis by making the developing positions of the EC and business associations trackable. However, specifically in relation to the stated drawbacks of the method, it remained difficult to determine through which channels influence was exerted, as well as what the exact contribution of IOGP, FuelsEurope, and BusinessEurope was the inclusion of several parts of taxonomy regulation

2020/852. Telling examples of this are the taxonomy mentioning the term ‘competitiveness’, which BusinessEurope repeatedly used in its lobbying discourse, as well as the inclusion of CCS and CCU technologies in the list of sustainable economic activities. Therefore, further research is needed on interest groups influencing EU’s sustainable finance policy. Determining the influence of other interest groups could, among others, contribute to drawing a complete image of the relationship between different private and political interest groups in creating sustainable economic policy. This, in turn, could stimulate the transparency of EU’s policy formation processes, which is relevant both for academic and democratic purposes. It would also be insightful to apply the deliberative lobbying framework to other private sector actors, notably fossil fuel and financial corporations, to consider the applicability of the framework in other contexts. As of yet, though, deliberative lobbying has gained a novel climate policy dimension, embodied in taxonomy regulation 2020/852.

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