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TARGETED LOBBYING ON TRADE NEGOTIATIONS:

FIRMS, LEVELS, STRATEGIES

Margaux Kersschot

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ABSTRACT

This paper addresses the question at which levels firms lobby on EU external trade policy and why. Do Flemish and Belgian firms lobby at the regional, national, or European level? It also seeks to uncover when and why they lobby directly or via associations. In order to identify the relevant issues on the negotiation agenda in which firms might have a stake, two analyses were conducted, one media analysis of specialist trade sources and one of in-depth interviews with firms and associations. The findings are that only large firms in highly concentrated sectors lobby, that they target multiple levels, usually first the EU and then the national level, turning them into ‘European nationalists’. Some firms also contact the regional level in third instance, but only in the exceptionally politicized case of the Transatlantic Trade and Investment Partnership, out of fear the regional authorities would be captured by counter-lobbying competitors. Contrary to theoretically derived expectations, smaller firms or firms in dispersed sectors do not lobby on trade negotiations. These firms therefore remain ‘latent interests’, failing to mobilize and lobby at any level of government. They remain largely unaware of the content of trade negotiations and do not defend any interests of their own in them. With regard to associations, all firms investigated do lobby via associations, as these provide them with a larger voice, information, anonymity, and a networking platform. In painting this picture, the paper identifies the numerous conditions that need to be fulfilled for firms to become active and voice their interests on EU external trade policy making, and thus highlights why many firms fail to lobby at all. As lobbying is costly, most firms do not target the regional level when this is not deemed crucial.

KEY WORDS

EU trade negotiations, firm lobbying, multilevel lobbying, direct lobbying, sector associations

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SAMENVATTING

Dit paper vertrekt vanuit de vraag waarom firma's bepaalde overheidsniveaus (regionaal, nationaal, Europees) al dan niet benaderen om hun belangen inzake vrijhandelsonderhandelingen kenbaar te maken. Bovendien rijst de vraag welke strategie firma's hanteren, werken ze direct of via associaties en waarom? De literatuur over mobilisatie op handelsbeleid en de literatuur over belangengroepen en belangenvertegenwoordiging in de Europese Unie (EU) dienen als basis om theoretisch coherente verwachtingen op te stellen, nodig als richtwijzer doorheen de empirische gegevens in dit exploratieve onderzoek. Als basisassumptie geldt dat bedrijven werken vanuit een kosten-baten perspectief en zo min mogelijk niveaus in het vizier nemen aangezien belangenvertegenwoordiging een intensieve en kostelijke activiteit is.

Drie kenmerken sturen de theoretische verwachtingen. Ten eerste speelt de mate van concentratie van een sector. Dit is gelinkt aan de representativiteit van een bedrijf ten opzichte van de sector en beïnvloedt de inschatting die het bedrijf maakt van de kans dat het gehoord zal worden door de overheid. Ten tweede zal de grootte van bedrijven een invloed hebben. Lobbyen is kostelijk, dus hoe groter het bedrijf hoe meer kans dat het een deel van de middelen kan of wil besteden aan belangenvertegenwoordiging. Ten derde zullen bedrijven de neiging hebben om enige continuïteit aan de dag te leggen, ze zullen vertegenwoordigen op het niveau waar ze gewend zijn te lobbyen (voor andere zaken, of voor handel). Aan de basis kan gewoontegedrag liggen of een bewuste keuze om terug te keren naar actoren waar successen werden geboekt.

Door middel van twee dataverzamelingen werd het mogelijk bovenvermelde theoretische verwachtingen te toetsen aan de empirische werkelijkheid. Ten eerste werd een media-analyse doorgevoerd, op basis van de meest voorkomende termen in artikels uit gespecialiseerde mediabronnen over de onderzochte vrijhandelsonderhandelingen van de EU met de VS, Canada, Z-Korea en Japan. Het doel van deze analyse was tweeledig. Ze diende om te ontdekken welke onderwerpen het meest relevant zijn in de onderhandelingen en welke sectoren er bijgevolg belangen bij hebben. Daarenboven was de analyse nodig om bedrijven te kunnen selecteren voor de diepte-interviews. Als basiscriterium voor selectie geldt dat de firma's buitenlandse activiteiten en een belang hebben in de onderhandelingen, anders hoeven ze er natuurlijk niet op te lobbyen. De bevindingen uit de preliminaire media-analyse werden gecombineerd met een sampling methode gebaseerd op de theoretische criteria, namelijk de mate van concentratie van de sector en de grootte van het bedrijf. Vijftien bedrijven werden geïnterviewd. De topics uit de preliminaire analyse werden naderhand ook gebruikt tijdens de interviews om te peilen naar de mate waarin de firma's op de hoogte waren van de onderhandelingstopics.

De analyse van de bedrijven toonde in eerste instantie aan dat de firma's onder de volgende noemers vielen: 'latent interests', 'European oriented player', 'national Europeanists' en 'all-round multilevel players'. De bedrijven hadden dus respectievelijk geen vertegenwoordigingsactiviteiten, namen enkel het Europese niveau in het vizier, vertegenwoordigden op nationaal en Europees niveau, of gingen zowel naar het regionale, nationale en Europese niveau. De eerste verwachting, die stelde dat grote bedrijven in geconcentreerde sectoren lobbyen op meerdere niveaus, werd bevestigd in de empirie. De

grote bedrijven met activiteiten in geconcentreerde sectoren vertegenwoordigden hun belangen inzake de vier handelsakkoorden op meerdere niveaus. Van deze bedrijven vielen de meeste in de categorie 'national Europeanists', ze contacteerden het nationale en Europese niveau om hun belangen kenbaar te maken. De activiteiten van bepaalde bedrijven beantwoordden echter niet aan het verwachtingspatroon. Eén bedrijf in het sample communiceerde handelsbelangen voornamelijk op Europees niveau. Omwille van ontwikkelingen specifiek aan de sector en het associatielandschap geldt dit echter als een uitzondering op de regel.

De verwachting dat grote firma's in hoog geconcentreerde sectoren eerst het Europese en in tweede instantie het nationale niveau benaderen werd eveneens bevestigd met de uitzondering van de activiteiten van twee bedrijven op de onderhandelingen van het Trans-Atlantisch Handels en Investeringsakkoord (TTIP). Deze bedrijven namen, naast het Europese en nationale niveau, in derde instantie ook het regionale niveau in het vizier. Dit was echter een reactie op het lobbyen van tegenstanders van het akkoord bij de regio. Een bedrijf zal een regionale overheid pas opnemen als doelwit wanneer tegenstanders diezelfde overheid benaderen, m.a.w. in het geval van 'counter-lobbying'. De politisering en mediatisering van TTIP, alsook de omvang van het akkoord liggen aan de basis voor grote aandacht en bijgevolg een meer uitgebreide strategie.

Tegen de verwachting in dat kleine firma's of firma's in minder geconcentreerde sectoren één niveau zouden benaderen, meer specifiek het niveau van overheid waar ze gewend zijn te lobbyen, blijkt dat deze bedrijven geen vertegenwoordigingsactiviteiten uitbouwen op vlak van handelsakkoorden. Als unicum bestudeert men hier het hele spectrum van actieve en niet-actieve bedrijven, in de plaats van enkel aandacht te besteden aan actoren die lobbyen. Dit maakt het interessant om te zien welke redenen bedrijven aangeven om al dan niet te vertegenwoordigen inzake handelsakkoorden. Sommige bedrijven doen überhaupt niet aan belangenvertegenwoordiging. De firma's vermeldde dat ze hun goederen nagenoeg over de hele wereld konden exporteren (omwille van internationale standaarden of het aanbieden van unieke oplossingen), of ze omzeilden barrières door 'ex works' te leveren (de klant moet zelf het goed vervoeren). Een bedrijf dat nieuwe producten kan ontwikkelen in drie maanden tijd vermeldde dat het de juiste overheidsactor nog niet zou kunnen identificeren in die tijdspanne. Andere firma's gaven dan weer aan dat ze altijd samenwerken met lokale partners. Bovendien verwachtten enkele bedrijven niet dat de overheid hen werkelijk in acht zou nemen, een politicus kan immers maar weinig punten scoren met een kleine niche. De overheid heeft bovendien niet persé een diepgaande kennis over elke sector. Desalniettemin blijkt duidelijk hoe moeilijk zulke firma's het kunnen hebben in het buitenland (bv. om garantie te voorzien) en vooral hoe gelimiteerd ze op de hoogte zijn van (de inhoud van) vrijhandelsakkoorden.

Nagenoeg alle bedrijven in het sample werkten het liefst via associaties, op één uitzondering na. Werken via associaties brengt verscheidene voordelen. Ze voorzien anonimiteit, informatie, een luidere stem, een netwerkplatform en kunnen gevoelige onderwerpen aankaarten. Firma's riskeren hun cliënteel ook niet voor de borst te stoten dat misschien andere voorkeuren heeft. Een implicatie die voortkomt uit de analyse, en die mede mogelijk werd gemaakt door de identificatie van de latente belangen, is dat zelfs wanneer de meeste bedrijven lid zijn, ze niet allemaal zulk een actieve rol spelen in die associaties. Hieruit volgt dat men onderscheid moet maken tussen de actieve en passieve leden van een associatie.

De actieve leden lobbyen actief via de associatie – en eventueel ook direct – om beleidsdoelen na te streven. De latente belangen zijn echter amper op de hoogte van handelsonderhandelingen en kennen hun eigen handelsbelangen niet altijd. Toekomstig onderzoek over het functioneren van associaties zou deze indirecte implicaties mogelijks bevestigen.

Tot slot springen twee belangrijke conclusies naar voren uit het onderzoek. Bij vele bedrijven wordt niet aan de minimumvoorwaarden voldaan om een kostelijke belangenvertegenwoordigingsactiviteit op te zetten, zeker niet op vlak van handelsakkoorden. Het is bijgevolg niet verwonderlijk dat de overheid niet gecontacteerd door hen wordt. Bovendien blijkt counter lobbying door tegenstanders als trigger te werken voor bedrijven om uitzonderlijk het regionale niveau in het vizier te nemen.

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TARGETED LOBBYING ON TRADE NEGOTIATIONS: FIRMS, LEVELS, STRATEGIES

1. INTRODUCTION¹

EU domestic decision-making on trade negotiations is marked by a complex pattern of interactions at multiple levels. On the one hand, public actors at several levels coordinate. On the other, societal actors try to filter their input into the process. Research on coordination of public actors at regional, national and European level was conducted as a first step to uncover the interplay of decision-making on EU trade negotiations. This paper addresses the second part and explores how firms obtain information on trade negotiations and how they represent their interests. In previous research on public actor coordination or more specifically on regional control over the EU external economic policies, I found that the regions of Flanders, and to a lesser extent Hesse and Scotland, are monitoring the negotiations of Free Trade Agreements that the EU concludes with third (non-EU) countries – despite a partial lack of knowledge on Flemish economic interests. On the other hand, the region of Catalonia was not demonstrating much interest in this policy domain (Kersschot, De Bièvre, & Kerremans, 2014). Whether or not firms and interest groups have a clear contact point to communicate their interests should have an effect on regional control over EU external economic policy. Previous research on Flemish public actors' monitoring of EU FTAs has revealed that the information provision by firms and economic interests exerts a decisive influence on whether regional or national authorities (as principals) are able to exert control over the European Commission negotiator (as agent). The mere existence of a clear contact point (as fire-alarm mechanism) does not entail that firms will make use of it, as it has been observed that these actors are not heavily lobbied by the private sector. This stands in contrast with research focusing only on the lobbying that has been observed at the national, but especially at the European level in matters of trade policy and that assumes there is no lobbying deficit (see for example Beyers & Kerremans, 2007; De Bièvre & Dür, 2005; Dür, 2008, 2010; Eckhardt, 2011). Why this difference? Why do companies (not) lobby certain levels of government (more specifically the regional level)? By trying to answer the question above, I need to address the following two questions: which

¹ I would like to thank research assistant Evelien Willems for help on executing the preparatory empirical analysis, identifying potential firms, contacting respondents and co-conducting the interviews. I was able to conduct a much more ambitious project than initially planned, which remained viable thanks to her assistance.

level (regional, national or European) do firms target in their lobbying on trade policy? Do they target one level or several? Do they do this directly or do they work through an association, and why? In order to find out, more information is needed on firms and the associations representing them, and the targets that they choose in their lobbying strategies. Firm and sector characteristics are expected to have an effect on the levels that are targeted. I argue that firms in highly concentrated sectors more likely will target multiple levels of government and will lobby directly. Small firms or firms operating in less concentrated sectors are expected to lobby at one level, the level at which they are used to lobbying, and to work via associations. Lastly, it is in that case expected that those national associations filter the input from the smaller firms to the associations at EU-level.

2. FIRM LOBBYING ON TRADE NEGOTIATIONS

In the literature on trade policy mobilization, the so-called ‘pressure group model’ has attempted to delineate societal (business) preferences, more specifically the groups who should favor and oppose protection and the conditions under which they may be most influential. Based on the comparative advantage of two countries and the opening up of these, factoral (Heckscher-Ohlin, Stolper-Samuelsson) and sectoral (Ricardo-Viner) theories show which distributional consequences there would be on abundant and scarce factors within a country, and how this would lead to the mobilization of such factors. This literature has mainly focused on who mobilizes, under which circumstances, and the role of the expected benefits and losses of trade liberalization, ... In this paper, I try to connect this literature with insights from the literature on interest representation in the EU and the literature on EU trade policy lobbying. The idea of an exchange between the government and those representing interests, where both parties have something to offer to each other forms one of the basic starting points (as developed in Bouwen’s (2002, 2004) theory where access goods are provided by private interests in exchange for access to the institutions). As much of the literature centers attention on the actions of interest groups and of sectors or industries, not necessarily only of individual firms, this difference in level analysis was taken into account when deriving theoretical expectations. Where firms are expected to behave differently than interest groups or sectors, the theoretical expectations are transformed to fit for firm behavior.

To unravel the picture of firm lobbying at multiple levels, I discuss the following three relevant characteristics that may affect lobby-decisions: the concentration of a sector in relation with the perceived probability of success, the size of a firm, and the role of continuity: a firm may target a certain

level, because it is used to targeting that level for other issues and simply goes there for all issues, or because it was successful in its lobbying at that level in the past.

In order to draw expectations on the level(s) that firms target and the order of preference, I first draw expectations on whether firms target only one or several levels. In case of several levels, I want to find out which levels they contact and in which order of preference. So first, I always ask the question of how many levels they target, in order to be able answer the real questions: which specific levels do they target, and why. Based on the expectations outlined above, I then formulate expectations on the strategy used by firms. Which ones work directly and which ones work indirectly?

Before moving on to the theoretical explanation in the next section, I make one basic assumption explicit. It is assumed that firms have a preference towards targeting the legally competent level over trade negotiations, as they operate from a cost-efficiency point of view. Lobbying multiple levels is not likely to be a goal in itself. Only in second order can firms be expected to lobby at multiple levels, when they feel there is a need for it. For example, when lobbying at one level alone does not produce any result or not the desired result. For this reason hypotheses on the preference order of targeting each level will be drawn, as a firm will not contact a second level if not deemed necessary. Only then can one reasonably draw conclusions about which characteristics drive decisions on the type and number of governance levels firms target.

2.1 SECTOR CONCENTRATION & THE PERCEIVED PROBABILITY OF SUCCESS

Firms operating in highly concentrated sectors form a small group, which implies that they can more easily overcome collective action problems (Olson, 1965). Sectors with a small number of large corporations have the greatest potential to lobby directly. Where these sectors are very small, and where the association is small and the majority of companies is large, and hence the sector is concentrated, a high level of direct lobbying occurs (Bennett, 1999). Market concentration is an important aspect in a firm's incentives to lobby and will, hence, also affect the levels they target. Hansen & Park (1995), for example, look at concentrated industries and argue that these are more likely to receive protection than less concentrated industries. Concentrated industries with a handful of dominant firms will be more effective in obtaining protection than industries with many small firms, because they have fewer free rider problems, more opportunities to reach a consensus, and fewer

communication problems among members. Consequently, they may be more organized and better at pressuring policy makers. (p. 185)

As my main level of analysis is the individual firm, why would this sector characteristic have an impact on firm lobbying? Firm behavior is influenced by the firm's perception of the likelihood of success of its lobbying actions. A firm in a highly concentrated sector, with only two other firms for example, may feel the government will listen as the firm in itself represents a third of the whole sector. A firm in a highly dispersed sector may not be inclined to lobby at all, as it is only one out of many players. Therefore, it may expect that the doors of decision-makers will remain closed. Indeed, why would they listen to a player that is far from representative for the wider sector? A firm's expectation about the probability of lobbying success therefore matters in its decision to invest in lobbying.

Market concentration may vary across levels, even in the same sector. A sector may be lowly concentrated at the EU-level, but highly in an individual member state or region. A firm in a sector concentrated at EU-level, will be inclined to target that level. The EU is competent over conducting the trade negotiations, and the sector will perceive its chances to be heard high as it represents a big chunk of a sector. Furthermore, as the firm is a player at EU-level, it will also be able to go down to the national and/or regional level. In case the sector is geographically concentrated in a country or region, the firms will lobby those authorities in that specific country or region on top of the EU authorities.

Based on the level of concentration of a sector, I could already start drawing certain expectations. However, importantly, Bennett (1999), in his study on business lobbying to the EU-institutions, mentions that 'company size interrelates with the form of the sector in which the company is located, particularly its level of concentration'. This means that concentration of a sector should be discussed together with the size of firms, which is not so surprising if we know that highly concentrated sectors will often consist of a few large firms, and sectors marked by a low degree of concentration will often consist of a wide array of smaller firms.

2.2 FIRM SIZE & THE COST OF LOBBYING

According to Bernhagen & Mitchell (2009), 'firms become significantly more likely to take up political activity in Brussels the bigger they are' (p.171). Bennett (1999) has observed that direct influence in Brussels is more likely where associations cover large corporate businesses, in sectors with a high degree of market concentration with large companies, and where their associations have a small number of members. Firm size matters therefore. Larger firms have more resources that they can spend

on public relations. 'Smaller actors have to rely on collective action to be able to undertake political action at different levels. Participating in collective action is less resource-intensive than undertaking individual political action' (Bouwen, 2002, p. 374). Nonetheless, companies with an extensive presence or interests in markets abroad (as Manger (2009), Woll (2008) and Siles-Brügge (2011) suggest) have a much stronger incentive to lobby on trade negotiations.

Lobbying is a costly activity for firms, it requires an effort and the necessary resources. Firms will only engage in lobbying actions when they expect a certain amount of success. Because a huge effort is required for achieving access (certainly when employing a multi-channel strategy), in the literature on interest groups, some authors argue that resource rich groups achieve better access to institutions (e.g. Coen & Richardson, 2009; Dür & Mateo, 2012), whereas others have found that simply the amount of resources is not the main determinant of lobbying strategies of interest groups (Beyers & Kerremans, 2007). Rather, the latter stress the role of critical resource dependencies, which may tie interest groups to the level from which they obtain most of their resources. These authors argue that even with enough resources, interest groups may keep lobbying at the national level when they are well embedded in the domestic representational system. Beyers & Kerremans (2007) show that critical resource dependencies play a crucial role in interest associations' networking behavior towards multiple levels. They analyze where several types of interest associations get their resources from, and see whether correlations exist with the levels they target in their lobbying (and they do). One main reason for their investigation of critical resource dependencies is that most interest groups are not self-sufficient and get public funding (Beyers & Kerremans, p. 264). I assume the majority of firms, however, are self-sufficient and get their resources mainly from economic activities. The other possibilities, getting resources from members do not seem to be applicable to firms, but firms can get subsidies from the government to provide support for developing activities abroad, for R&D, ... It is very unlikely the government would grant subsidies to companies in order to lobby. That being said, it could happen that a firm is highly subsidized and has an extra incentive to lobby on trade policy and/or trade negotiations, but only in a marginal number of cases. For now, based on the size of a firm and the concentration of the sector in which it operates, I draw the following expectation on whether multiple levels are targeted and on the order of preference of which level will be targeted:

Expectation 1: Large firms in highly concentrated sectors lobby at multiple levels.

Expectation 1a: Large firms in highly concentrated sectors target the EU-level first, and in second instance the national level.

Expectation 2: Smaller firms or firms in less concentrated sectors lobby at one level.

On whether the firms will lobby directly or through associations, I can now hypothesize the following.

Expectation 3: Large firms in highly concentrated sectors lobby directly.

Expectation 4: Smaller firms or firms in less concentrated sectors lobby indirectly via associations.

Even though large firms in concentrated sectors may also be members of associations, and lobby via them, I expect them to lobby directly as well. They could lobby only on their own, or pursue a double strategy (direct lobbying and via associations).

These expectations stem from economic theory on mobilization of firms/sectors - firms in a highly consolidated sector are more likely to mobilize and overcome collective action problems. In addition, it adds the aspect of multilevel governance. While if government officials have nothing valuable to offer to interest groups, these organizations will not engage in political activities.

Now, in order to identify at which precise level the smaller firms or firms in less concentrated sectors lobby, I need to look at other factors than the characteristics that mark the firm and the sector in which it operates.

2.3 CONTINUITY

Firms lobbying on trade policy may also lobby for other issues. It is likely that they simply contact the same level of government for all their policy preferences, either because this is the level where they (can expect to) realize most of their policy preferences (besides the ones on trade policy), or because they are used to lobbying at that level. Interest groups tied to policy sectors where EU competencies are weak or non-existent and where most benefits are realized by national governments are less inclined to Europeanize, because they are still able to realize many of their political goals at the domestic level (Beyers & Kerremans, 2007). The authors pointed to the importance of policy fields and the fact that interest associations may lobby at the level where they can reach most of their policy goals. Beyers (2002) demonstrated that the Europeanization of network strategies of domestic interest groups follows a cumulative pattern. In general, networking among domestic interest groups prevails and seeking access to national officials, especially the national government, is crucial. Only after the establishment of domestic networks do interest groups start to extend their networks to the European level. In short, this leads to the expectation that as the national level or regional level is important to firms on other policies, firms contact that level as well on the topic of trade negotiations. The underlying causal mechanism for contacting the same level can be related to habitual behavior or to the experience of past success. Hathaway (1998) argues that when industries obtained success in the past in their demands for protection, this constituted an incentive for them to try again in the future. As mentioned before, it is expected that smaller firms or firms in non-concentrated sectors target one level in their lobbying on trade negotiations. I expect firms target the same level for all their issues, and the national level is most likely the level at which they already lobby most for other policies. I can therefore hypothesize the following:

Expectation 2a: Smaller firms or firms in less concentrated sectors lobby at the same level where they are used to lobbying for other policies, being the national or regional level.

If I combine this expectation on the lobbying at the national or regional level, with the expectation that smaller firms or firms in less concentrated sectors will lobby indirectly through associations, I can also specify expectation 4:

Expectation 4a: Smaller firms or firms in less concentrated sectors lobby via the national associations, which then communicate their interests to their EU-federations.

2.4 SUMMARY OF THE EXPECTATIONS

In short, in order to answer the questions at which level(s) firms lobby on trade negotiations, whether they lobby directly or via associations, and why, I drew my expectations on the basis of three characteristics: the level of sector concentration in which a firm operates, the size of the firm, and the continuity of the lobbying operations.

On the number of levels targeted, and on the preference order, I expected:

Expectation 1: Large firms in highly concentrated sectors lobby at multiple levels.

Expectation 1a: Large firms in highly concentrated sectors target the EU-level first, and in second instance the national level.

Expectation 2: Smaller firms or firms in less concentrated sectors lobby at one level.

Expectation 2a: Small firms or firms in less concentrated sectors lobby at the same level where they lobby for other policies, being the national or regional level.

On firms' lobbying strategy, more specific on direct lobbying or indirect lobbying via associations, I formulated the following hypotheses:

Expectation 3: Large firms in highly concentrated sectors lobby directly.

Expectation 4: Smaller firms or firms in less concentrated sectors lobby indirectly via associations.

Expectation 4a: Smaller firms or firms in less concentrated sectors lobby via the national associations, which then communicate their interests to their EU-federations.

3. FIRMS' OPTIONS IN MULTILEVEL LOBBYING

A firm may decide to target the regional, national and EU-level for their lobbying actions. I identify the following options that a firm can contact to represent their interest, with a combination of several options as a possibility. A firm can contact multiple levels, solely one level, or no one at all.

Firstly, there are three levels of 'targets', namely the regional, national and European government authorities. First of all, there are the firms that do not lobby. I call them the 'latent interests, following Mancur Olson (1965). Second, there can be firms that target one level of government only, the subnational level (the 'subnational oriented players'), the national level (the 'national oriented players'), or the European level (the 'European oriented players'). Third, actors can communicate their interests to several levels at once. If they focus their lobby efforts on targeting governments within a state at both the national and subnational level, I called them the within-state multilevel players, if they focus on the regional and European level, they are the regional Europeanists; whereas the ones I dubbed the national Europeanists focus on the national and European level. Fourth and last, firms may target all government levels at once, for now I call them the 'all-round multilevel players'. In table 3 all the possibilities (targets and strategies) are combined.

Table 3: Firm targets

	Regional	National	European
Latent interests			
Regional oriented players			
National oriented players			
European oriented players			
Within-state multilevel players			
National Europeanists			
Regional Europeanists			
All-round multilevel players			

4. METHOD

This project is conducted under the auspices of the Flemish Policy Research Centre on Foreign Affairs, International Entrepreneurship and Development Cooperation. Originally, a team of economists was going to calculate the export potential of Flemish firms. It would have been possible to match the export potential of all firms to data on the mobilization of interest groups in Flanders/Belgium, and to analyze how the two relate. Unfortunately, the economists could not obtain the firm-level data, making it impossible to build upon their work. Therefore, a qualitative exploration into the motivations behind firms' lobbying on trade negotiations was conducted. In order to be able to investigate precise lobbying actions of firms, and to discover for what reasons they undertook certain actions, it is adequate to ask questions concerning specific topics in trade negotiations. Therefore, recently conducted or ongoing trade negotiations are picked as the central focus. The chosen negotiations are those between the EU and the US (Transatlantic Trade and Investment Partnership - TTIP), the EU and Canada (Comprehensive Economic and Trade Agreement – CETA), the EU and Japan, and the EU and South-Korea (KOREU). In those cases, interview respondents would still be able to answer promptly. Then, it was decided to look at a set of Free trade negotiations the EU has concluded or is discussing, and where it is plausible to expect that the firms in question to have lobbied on them. Therefore, the number of FTAs served the purpose of increasing the number of potential empirical observations – as a firm may be active only in certain foreign markets.

In order to uncover which firms and sectors have stakes in the trade negotiations, a preliminary analysis needed to be conducted to identify the issues that arise in those four sets of free trade negotiations.

This paper focuses on where, at which level, companies direct their lobbying efforts on trade policy, and on the reason behind it. To understand this complex process, taking place at different levels, a qualitative case study seems to be the most appropriate method. 'Case studies are useful in providing answers to 'How?' and 'Why?' questions, and in this role can be used for exploratory, descriptive or explanatory research' (Rowley, 2002, p. 16; see also Yin, 1994). In addition, the exploratory nature of this research makes qualitative case studies useful to discover how the different firms each engage in activities to communicate their interests and why they do it in a certain way.² In the following sections, I first explain the preparatory empirical analysis, after which I explain the purposive sampling method used and the firms that were selected and contacted in the end.

² These paragraphs are based on Gerring (2007), George & Bennet (2005), Yin (1994), Eckhardt (2011), Rowley (2002)

5. PRELIMINARY EMPIRICAL ANALYSIS: ISSUES IN FTAs

In order to identify important issues and sectors in the four FTA negotiations, especially relevant to the ones with Canada and the US, I first did a thorough analysis of specialized media outlets, for which I received help of a research assistant. Having an understanding of all the issues in the negotiations, allows to match this to the firms that have an interest and should be aware of this. It allows to investigate the extent of information asymmetry between types of firms, and discover the firms that are unaware but have an interest in the negotiations, or that are aware but do not act upon their interests, the so-called 'latent interests' (Olson, 1965).

The result of the preliminary empirical analysis served as a guide towards finding relevant interview respondents, and identifying precisely the extent to which they were knowledgeable on the negotiations. First, information was gathered on the state of each of the negotiations, and looked at the following sources: World Trade Online / Inside US Trade, websites of the EU Commission, the European Parliament, and position papers from stakeholders. Most of the information, especially on TTIP, was gathered from Inside US Trade / World Trade Online, a US-based specialized website on trade policy. This website is the best source for monitoring negotiations as it goes into detail, and is much more thorough than other media. The main goal was to identify the issues that were contentious and important in these negotiations, and to have an overview of the timeline of negotiations.

5.1 *IDENTIFYING THE ISSUES (AND SECTORS) IN THE NEGOTIATIONS*

5.1.1 Gathering of media-sources

To discover the most relevant (i.e.; most debated or contentious) issues in the negotiations, all relevant articles of Inside US Trade / World Trade Online were gathered. Although this is a US-focused news outlet, this is a source of remarkably high quality. No other source is as detailed in trade politics. The documents provided on the news site are various: self-written articles by the redaction; Commission, Council and EP documents such as press releases, memo's, resolutions, position papers and press releases of stakeholders; lists and positions of stakeholders that participated in a consultation, meeting or briefing; official documents of the other negotiating government; leaked negotiating documents and adopted final texts; think tank reports; reports published by the House of Lords and other national parliaments, etc. A sufficiently large amount of documents for TTIP and CETA were obtained right away. For Japan and Korea additional sources had to be consulted, as Inside US Trade alone did not provide enough documentation for the analysis. For Korea and Japan, Bridges News - the freely available news section of The International Centre for Trade and Sustainable Development, a Geneva-based NGO- and DG Trade's website provided the necessary documents. On DG Trade's website document searches and the news archive provided an additional 25 documents (which are mainly speeches of De Gucht, official Commission documents and press releases, and documents with regard to the public consultation and

stakeholder meetings³). Furthermore all the position papers of the stakeholders that participated at the public consultation and stakeholder meetings, published on the Commission website, were stored. This resulted in 33 documents.

The period covered for the documents starts at the first article published on the FTA, and ends with the last article published in the case of Japan and South-Korea, or on 31/10/2014 for Canada and the USA.

Table 3: Total number of documents stored for the different FTAs:

FTA	Total number of stored documents
TTIP	1872
CETA	165
JAPAN	100
KOREU	117

5.1.2 Method of analysis

Three major steps were taken in the analysis of the texts. The first step entailed an exploratory limited manual coding in Nvivo of a number of articles for CETA (16) and TTIP (59) to gain a basic understanding of issues at stake in the FTAs. These coded texts were used to write a report on both FTAs. Second, after filtering out the most frequently used words in the various documents per FTA and manually picking out the relevant words (based on the results from the manual coding), Nvivo could present word trees in order to detect word pairs (words that are often used in each other's proximity) and then executed a text search query to find the frequencies of those word combinations. Third, groups of issue areas were defined in which all the 'concepts' could be placed, using the results of the text search query to see which issues were very contentious and which were less so. For more information on how exactly the word frequency analysis and text search queries were conducted, please consult Annex II.

5.1.3 The issues

With regard to the issues, more general terms encompassing broader topics showed up more frequently in the analysis than more specific terms (e.g. an umbrella term such as intellectual property was counted more often than the more specific issues it contains, like patents).

The topics mentioned most frequently in the **TTIP** negotiations, during the period analyzed, were in descending order: food safety (more specifically: sanitary and phytosanitary standards, US beef, the

³ Civil Society Dialogue meeting on Services Provisions in Forthcoming US and Japan negotiations 24/06/2013, Civil Society Dialogue meeting on IP Provisions in forthcoming US and Japan negotiations 27/05/2013, Ad hoc meeting – Public consultation on future framework of EU-Japan trade and economic relations 19/10/2010.

precautionary principle), regulatory cooperation, appropriation, ISDS, gas, market access, SPS (Sanitary and phytosanitary standards was so important as a specific topic it showed up in the lists between more general terms), oils, intellectual property (more specifically: geographical indications, rules of origin, patents), data protection, non-tariff barriers, technical barriers, a number of 'sensitive sectors' or issues that are relevant to certain sectors (financial services, auto and motor vehicles, machinery and equipment, transport equipment, audiovisual services, air transport, etc.), tariff barriers, terms related to goals of the agreement/public goals, and so on. For the full list of issues, see annex III.

The most relevant issues in **CETA** were market access (especially for cheese), cross-border services, a number of sensitive sectors (financial, transport, business, insurance, legal, health and social services,...), regulations (on performance requirements, economic needs test, non-originating materials, commercial presence, rights and obligations, mutual recognition, terms and conditions, ...), dispute settlement (investor-to-state, fair and equitable treatment, treatment of investors, dispute settlement mechanism, ...), intellectual property rights (protection or enforcement of intellectual property), natural or legal person, rules of origin, investment (foreign investment, investment services, covered investments, investment protection, ...), most-favored nation obligation, environment issues, and so on (cfr. Annex III).

The analysis for the **KOREU** negotiations resulted in the following issues: market access, the entry into force, safeguard measures (safeguard clauses or regulation, Korea-specific safeguard regulation, provisional safeguard measures, safeguard investigation), regulations (non-tariff barriers, vehicle safety standards, regulatory issues, Korean safety standards, provisional application, technical barriers or regulations, automotive non-tariff barriers, sanitary and phytosanitary, automotive standards or provisions, regulatory barriers, approval process, non-tariff measures), tariffs and duties (duty drawback, customs duties, import duties, tariff lines, tariff elimination, percent tariff, duty free, etc.), rules of origin, sensitive sectors (auto industry, agricultural sector, auto and motor vehicles parts, financial services, consumer electronics, industrial and agricultural goods, dairy products, legal services, parts or components, food products), environment (Korean regulations for greenhouse gas emissions standards, sustainable development, emission standards, climate change, etc.), transparency, equivalence, geographical indications (protection, cheese names, generic names), intellectual property rights, government/public procurement, competition policy, negotiation mandate, investment (foreign direct investment, dispute settlement mechanisms), etc. (See annex III)

For the **EU-Japan** negotiations, the following topics popped up: market access (trade barriers), regulations (non-tariff barriers, technical regulations and standards, regulatory cooperation, mutual recognition, conformity assessment procedures, EU-Japan regulatory reform dialogue, ...), transparency, public/government procurement (railway procurement), intellectual property rights (protection, enforcement, infringements), investment (barriers to direct investment, foreign investment, protection, rules, investor-to-state dispute settlement, fair and equitable treatment, ...), tariffs and duties (customs procedures, tariffs on industrial goods, tariff rates, tariff peaks, tariff protection, ...), domestic service suppliers, energy and raw materials, sensitive sectors (electrical products, food and beverage export, financial services, food and drink, information and communication technology, dairy, pharmaceutical industry, railway and urban transport, manufacturing, automotive, telecommunication, construction,

consumer electronics, technology industry, maritime transport, machinery and transport equipment, retail, leather, digital technology, chemical industry), labor rights and public health, competition policy (anti-trust, mergers and acquisitions, competition rules, etc.), economic integration and growth, negotiating mandate, rules of origin, human rights, safeguard clause, research and development, equal treatment of foreign and domestic suppliers/national treatment, consumer preferences, import penetration, and positive list (see annex III).

In sum, the document analysis allowed to identify an extensive array of issues and sectors in the four FTA negotiations. These results served as a guide towards finding relevant interview respondents in the next section on the sampling strategy, and to discover the amount of information asymmetry among different categories of firms by using the issues as benchmarks during the interviews.

5.2 *SAMPLING STRATEGY*

In this section, I explain the sampling strategy for the choice of firms to be interviewed in depth. The newly gained knowledge on sectors that have issues at stake in the negotiations (identified through the preliminary analysis) was combined with a sampling strategy based on the above-mentioned theoretical expectations. This resulted both in theoretically suitable and empirically relevant interview partners. This means that the firms will be active in sectors with stakes in the Free Trade negotiations, or should have been.

For qualitative research, probability sampling is inappropriate, as it is impossible to know the probability of selection for each element. The sample is not intended to be statistically representative. Rather, 'units are deliberately selected to reflect particular features of or groups within the sampled population, the characteristics of the population are used as the basis of selection. It is this feature that makes them well suited to small-scale, in-depth studies' (Ritchie & Lewis, 2003, p. 78). There are several ways of sampling in qualitative research. The first one is criterion-based (a.k.a. purposive) sampling. For purposive sampling, '[t]he sample units are chosen because they have particular features or characteristics which will enable detailed exploration and understanding of the central themes and puzzles which the researcher wishes to study. (Ritchie & Lewis, 2003, p.78) The reason is to achieve two principal aims: the first is to ensure that all the key constituencies of relevance to the subject matter are covered. The second aim is to ensure that, within each of the key criteria, some diversity is included so that the impact of the characteristic concerned can be explored. (p 79) Theoretical sampling, a particular kind of purposive sampling in which the researcher samples incidents, people or units on the basis of their potential contribution to the development and testing of theoretical constructs. The process is iterative: the researcher picks an initial sample, analyses the data, and then selects a further sample in order to refine his or her emerging categories and theories. This process is continued until the researcher reaches 'data (or theoretical) saturation', or a point where no new insights would be obtained from expanding the sample further. The key criteria for selection are theoretical purpose and theoretical relevance. A third type is opportunistic sampling, in which the researcher makes use of the opportunities that may arise during the process of e.g. interviewing. Fourth, convenience sampling is based on no specific sampling strategy, but on matters of easy accessibility and availability.

For this project, a purposive sampling approach fits best, as no overview of the whole population of firms exists due to access constraints and other limitations of the data from the National Bank of Belgium. I apply a hybrid approach in which the aim is to select groups that display variation on a particular phenomenon, but each of which is fairly homogeneous, so that subgroups can be compared (stratified sampling).⁴ In addition, one constant criterion is used as a basis, namely that the firms picked have export potential. Without this, there would be no reason to expect lobbying actions on trade policy. The next sections explain the sampling criteria.

5.2.1 Sector concentration (as an indication of group size)

The first factor that mattered in the purposive sampling is sector concentration. The level of concentration in a sector tells us how many firms are active in that sector. An indicator for concentration is the Herfindahl-Hirschman Index (HHI), based on squares of companies' market shares. For the regional level, the data is unavailable, and could not be calculated. For the numbers at the national level, I used the numbers for Belgium found in the EU KLEMS database with the numbers from 1997 until 2006⁵. For goods, a few examples of sectors marked by a high concentration are: the metal sector in which e.g. the subcategory 'Fabricated metal' with an extremely high concentration (HHI of around 0,90 throughout those years); the sub-sector 'Pharmaceuticals' has an HHI ranging from 0,19 in 1997 to 0,22 in 2006. 'Rubber and plastics' has a stable HHI of 0,7, the degree of concentration is low in that sector. As for services, the subsectors 'Renting of machinery and equipment' (0,28 in 2006) and 'Inland transport' (0,49 in 2006) have a high degree of concentration, whereas low concentration is found in the categories 'Supporting and auxiliary transport activities; activities of travel agencies' (0,06 in 2006), 'Legal, technical and advertising services' (0,09), and 'Research and development' (0,09). This category includes firms that are active in niche sectors, meaning that the product they offer is so specific, that they end up being one of the few players producing this good or service.

The sectors with relatively high concentration rates at EU-level are tobacco and the manufacturing of coke, refined petroleum products and nuclear fuel; and supportive and auxiliary transport activities. In comparison with the other sectors with a low concentration rate manufacturing of office machinery and computers; electricity, gas, steam and hot water supply; the collection, purification and distribution of water; air transport; construction; radio, TV, communication equipment; and real estate activities are more concentrated. The least concentrated industries are the manufacturing of fabricated metal products, wholesale trade and commission trade, land transport, etc.⁶ For more information, see table with the HHI index for EU aggregates (in 2003) in Annex I and Peneder (2009).

⁴ This section is mainly based on (Bryman, 2012; Ritchie & Lewis, 2003)

⁵ To interpret the HHI, the Commission horizontal merger guideline was used. It applies the following limits: 0-1000: low concentration ; 1000-2000: moderate concentration ; 2000-10000: high concentration

Source: <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52004XC0205%2802%29&from=EN>

⁶ These numbers were not fully sufficient to classify all the interviewed firms in a specific category, we also included a question on competition in the interview questions, as sometimes the firms were active in niche sectors, or engaged in a wide variety of activities falling under different sectors.

There are some serious limitations to using the HHI index and the databases above. First of all, in trade negotiations, the discussions are broken down to the product specific level. For example, the tariff on ‘frozen boneless chicken cuts’ will be discussed. This is of course very specific. The data found and used, contained the level of concentration at more aggregated sector-level, which may result in ecological fallacies, showing a picture that does not cover reality. In addition, even at the aggregated level, the numbers were incomplete, there was, for example, no data on financial services. To remedy this, the firms were asked about the level of concentration in their sectors in the interviews, which included a question concerning the amount of competition they face. Most of the firms responded well to the question. Several of the large firms, however, provide a wide array of goods or services. Bayer, for instance, produces pharmaceuticals, but also plastics. For the pharmaceuticals, the firm faces little competition, there are only a few big companies dominating this sector (hence it is highly concentrated). For plastics, the picture is different and Bayer is only one out of many competitors. That is why this firm ends up classified into two categories (both high and low concentration)⁷.

5.2.2 Firm size

To differentiate the large companies from the small and medium-sized enterprises (SME), the definition of the European Commission was used. The main factors to determine whether a firm is an SME (or not) are the number of employees and either the turnover or the balance sheet total, as presented in table 4.⁸

Table 4: SME criteria

Firm category	Employees	Turnover	Or	Balance sheet total
Medium-sized	< 250	≤ € 50 m		≤ € 43 m
Small	< 50	≤ € 10 m		≤ € 10 m
Micro	< 10	≤ € 2 m		≤ € 2 m

Source: European Commission, n.d.

⁷ As we did not always know the level of concentration, or had to adapt the classification of companies after the interviews, we ended up with categories for which we found more respondents and categories for which we found less.

⁸ These ceilings apply to the figures for individual firms only. A firm which is part of larger grouping may need to include employee/turnover/balance sheet data from that grouping too.

5.3 THE SELECTED FIRMS AND ASSOCIATIONS

5.3.1 Selection of Flemish/Belgian firms

The selection of companies was guided by two further conditions. To narrow down the geographical scope, firms with their international headquarters in Flanders⁹ were favored, as it is a project carried out in the framework of the Policy Research Centre funded by the Flemish government. The aim was to select firms with export activities or potential outside the European Union, as these were likely to have stakes in the negotiations. Firms with a significant presence in Flanders, meaning that the firm has a large hub with a high number of employees in Flanders, were also considered for analysis.

Firms were identified and contacted on the basis of:

- Google searches for companies in the sectors that were highly relevant in the trade negotiations (according to the analysis of issues), and of well-known firms in Flanders, such as Janssen Pharmaceutica, Deme, Beaulieu International, etc.
- Firms with a presence in Flanders that were either registered in the Transparency Register of the EU and/or were listed in a booklet of Europe Agenda called “180 Company Representations in Brussels” published in 2007. This provided me with the names and contact details of the specific persons in charge of public/government affairs within firms. To figure out if a firm had a presence in Belgium, and more specifically Flanders, I looked either at where the international headquarters was located or at the number of employees that was active on a firm site in Flanders.
- Flemish firms that were nominated for the ‘Leeuw van de Export’ – ‘Lion of the Export’ – a yearly price of the trade promotion agency Flanders Investment & Trade (FIT).
- Architectural firms that were listed in a book review in Dimension, an architectural magazine of ‘Belgian Architecture Beyond Belgium’, published in 2012, were also contacted. This book investigates the barriers and hurdles Belgian architectural firms encounter when developing activities outside Belgium and export their services.
- Via an article in the newspaper ‘De Tijd’ – ‘Overnamespeculatie stuwt Belgische biotech’ published on February 3 2015, I was able to detect two more firms.
- Snowball sampling: On top of that I also contacted firms that were mentioned during interviews or for which respondents gave us the contact details of the relevant persons.

⁹ It is important to note that even though the large majority of Flemish businesses are Small and Medium-sized Enterprises (SMEs), the largest share of Flemish export is in the hands of a small number of enterprises. One per cent of the enterprises account for 48 per cent of the total Flemish export, and 10 per cent of the enterprises account for 90 per cent of the total (Flemish government, 2010, p. 21). A mere 27 per cent of the Flemish SMEs, both in industry and in the services sector, are currently internationally active. From these 27 per cent, most of the SME’s exports go to European countries (Flemish government, 2010).

Table 5 shows the firms that were selected according to the above described sampling criteria, in the different categories resulting from our theoretical sample. In the next section, I will explain the categorization of firms, and will delve into their lobbying activities.

Table 5: Selection of firms

Concentration	Size	Firm	Sector
High	Large	Beaulieu	Textiles
		Bayer	Chemistry
		BASF	Chemistry
		Umicore	Precious metals, recycling, automotive, ...
		Monsanto	Seeds
		Unilever	Consumer goods
		Coca Cola	Non-alcoholic beverages
		Enterprise	
		KBC	Banking and assurances
		Proximus	Telecom
High	Small	HTMS	High Tech Metal Seals –niche
		FLIR ITS ¹⁰	Video detection and monitoring – niche
Low	Large	Beaulieu	Textiles
		Bayer	Chemistry
		BASF	Chemistry
		Unilever	Consumer goods
		H.Essers	Transport & logistics
Low	Small	Buro II & Archi+I	Professional services (architects)
		Robbrecht & Daem	Professional services (architects)

5.3.2 Selection of Belgian and European associations

To better understand whether and why companies approach different levels of government directly or through an association, interviews with associations were conducted on top of the ones with companies. In addition, some associations helped identifying firms for interviews (snowball sampling).

For the Belgian associations, the membership of the VBO – Verbond van Belgische Ondernemingen – and 6 sector associations in sectors that appeared highly relevant in the FTA negotiations in our media-analysis were taken into account. The pharmaceutical, the financial, the consultancy and engineers, the chemical and life sciences, the technology, and the food and drink sector were contacted.

¹⁰ The former Traficon was relatively recently bought by the American FLIR. FLIR ITS is the new name of Traficon. As the respondent was answering mainly from a Traficon/FLIR ITS (and not FLIR in total) point of view, I assume this means that the recent FLIR has no common political affairs strategy yet (see also Kristensen and Zeitlin's work on the strategic constitution of a multinational corporation; 2005).

Next, European sector associations were contacted by snowball sampling. The financial sector and the pharmaceutical sector associations were contacted at European level because the national associations mentioned they had no expertise on trade. In addition, during the first part of the research, interviews were already conducted with chambers of commerce, the VBO, etc. (see Kersschot et al., 2014).

List of the interviewed sector federations:

Belgian sector federations

- FEVIA – Federatie van de Voedingsindustrie
- Agoria – Federatie van de Technologische Industrie

European sector associations

- FoodDrinkEurope (FDE)
- European Banking Federation (EBF)
- European Federation of Pharmaceutical Industries and Associations (EFPIA)
- European Generics Association (EGA)

5.4 PRELIMINARY OBSERVATIONS ON THE INTERVIEWS

Some remarks on the interviews need to be made. Certain respondents were cautious in replying to questions. This may have been due to fears of a negative view on lobbying and/or the need to give socially desirable answers. The respondents falling into the category of all-round multilevel players (see next chapter and paragraph for the classification) were the most extensive and precise in answering questions. They were not afraid or cautious about giving straight answers to the questions. The national Europeanists and European oriented player indicated that trade negotiations were not that crucial to them, although afterwards they turned out to be knowledgeable about certain issues in the negotiations that I discovered through the preliminary analysis. Nonetheless, the respondent from one national Europeanist mentioned FTAs were important and they were knowledgeable on topics, yet in the end, they did not seem to be very much aware of specificities in the wide range of topics in the trade negotiation agenda these days. The firm's respondents were cautious in answering, and they seemed to focus on specific problems to them. One other national Europeanist mentioned monitoring the free trade negotiations with Canada and the US mainly to see what's in the debate'.

6. ANALYSIS

6.1 *CLASSIFICATION ON THE DEPENDENT VARIABLE: TYPES OF PLAYERS*

The firms could be classified into four groups: 'latent interests', 'European oriented players', 'national Europeanists' and 'all-round multilevel players'. None of the firms could be categorized as 'regional oriented players', 'national oriented players', 'within-state multilevel players' or 'regional Europeanists'. Firms C¹¹, D, G, L and N (and a number of firms that had declined an interview) fall into the category of latent interests. They do not lobby on trade negotiations and/or are not aware of what is being negotiated. Firm M qualifies as a European oriented player. Firms A, B, E, F, H, I and J all are national Europeanists. Only firms A and F also fall into the category of all-round multilevel players (see discussion below).

6.2 *NUMBER OF LEVELS TARGETED*

Certain theoretical expectations were confirmed empirically. Large firms in highly concentrated sectors lobby at multiple levels. In addition, with some exceptions, these firms target first the EU and then the national level, which makes them national Europeanists. There were two main exceptions, where firms acted as a European oriented player or as an all-round multilevel player. The European oriented player contacted only the European level, but this could be explained by evolutions in the sectoral and associational landscape. The all-round multilevel players contacted the regional level in third instance. This was an exceptional reaction to counter lobbying moves of civil society organizations at the regional level. The expectations on smaller firms and firms in less concentrated sectors are not borne out by the empirics, making it all the more interesting to uncover the underlying causes. Furthermore, nearly all firms prefer working indirectly through associations. Not all of the large firms in highly concentrated sectors lobby directly. Many of them prefer associations when they agree on the association's position, as the association has a larger voice, provides anonymity to the individual firm, is an extra channel for obtaining information, provides a platform for networking, and can obtain easier access. Most importantly, firms will decide to lobby directly when its preferences do not align with those of the association, and/or when parallel lobbying can increase the chances of success.

Expectation 1: Large firms in highly concentrated sectors lobby at multiple levels.

The large firms operating in highly concentrated sectors lobbied at several levels, except for one European oriented player. Due to evolutions in the sectoral and associational landscape in which the firm operates (see below), this forms as an exception to the rule. The expectation concerning multiple levels is therefore confirmed.

¹¹ The firms that gave interviews have been anonymized in the analysis in order to protect the respondents.

The analysis allows me to be even more precise on that aspect: a high concentration and large size lead to lobbying at multiple levels when EU trade negotiations are concerned, and more specifically on the EU-level and the national level – but *not* on the regional level. To this rule, I also found one exception in the sample, where active lobbying on a trade negotiation was observed at the regional level – namely as a counter-lobbying move against civil society organizations engaged in an anti-TTIP promotion strategy. This was mentioned as an exception from the usual targets, and the regional level would again be left out by the firm when lobbying on future negotiations (see below for a more detailed account). The high politicization of TTIP required a tailored approach in this case.

Expectation 2: Smaller firms or firms in less concentrated sectors lobby at one level.

All the other combinations of firm size and degree of sector concentration were marked by firms that did not lobby on trade negotiations. Many of the firms contacted for an interview that had denied, replied that they were not lobbying at all, or not on trade negotiations or trade policy. These firms are also part of the 'latent interests', the group that is hard to identify.

Smaller firms in concentrated and non-concentrated sectors, and large firms in non-concentrated sectors do not seem very informed about international trade negotiations and do not lobby. They indicated monitoring the media on the general political evolutions with Russia, as trade embargoes may become an issue to them. Firm C and Firm N mentioned specificities to their sector that require cooperation with local partners. Certain firms mentioned not encountering many barriers in their niche or sector. Some firms mentioned that technique-driven firms (e.g. in high quality high technology sectors) face less protectionist barriers abroad than market-driven firms, as they are unique in producing certain solutions.

'The more unique you are, the less important it is to have import restrictions, because, I mean, let's say your clients want your product, then that is ultimately what you should be able to achieve' (Firm G, 2015).

International standardization prevents certain firms from difficulties with requirements in different countries. Firm G mentions to export "ex works" which means that the client is responsible for transporting and importing the good in her respective country. This way, problems at foreign countries' customs are to be faced by the client. However, clients may refuse this delivery mode. The problems mentioned are mainly customs not releasing their goods, etc. One of them actually mentioned not having thought of contacting public actors on such problems as they did not see why they would do so or whether this would solve the problem. Further, the home country's customs can cause problems, for example when fear exists that goods could be used for military or nuclear purposes. In short, even though there is a lot of goodwill, the firms consider their niche or too small for politicians to listen. Talking about politicians the respondent mentions 'Nobody can score points with that, unfortunately' (Firm D, 2015). The firm usually solves complex problems by itself.

At Firm L, one person is responsible for marketing and corporate affairs. The task of corporate affairs is relatively new. The firm always started from its own strength and never relied on lobbying or the maintenance of external contacts. Nevertheless, networking introduces new clients and representation of interests is useful as well according to the respondent, which is why the task of corporate affairs was added to his work function.

‘But to be honest, I am absolutely not a lobbyist, and we are still searching a bit on that aspect... We are building up the network systematically (Firm L, 2015).

This constitutes the start of the building up of an interest in external representation capacity and strategy within the firm. It is curious about how the political and public side of the spectrum functions. Firm L is in no way actively communicating on matters of trade negotiations. The firm is operating outside of Europe, and is gauging to enter new markets, but not in the countries of the studied negotiations. Furthermore, the firm is not yet very much engaged or experienced in political affairs.

In short, tariff barriers and hassling customs procedures do exist, but do not form a determining factor for firms to become politically active and start up lobbying activities. When the basic conditions for firms to become active are not met, they will adjust to the current situation (see also Eckhardt, 2011). Contacting authorities is not really a path that occurs to the chief executives minds as a potential way to solve problems – more specifically because they do not experience the problems or do not see these being solved that way. A last reason that came up is that companies are not necessarily keen on sharing information with the government, due to the risk of it getting a political flavor. Fickle politicians and governments switch positions promptly, they are unpredictable. Policy development, on the contrary, evolves too slowly according to certain firms. They do not seem aware of the fact that in trade negotiations also production processes are discussed.

Firm G says that if it would communicate on foreign trade, it would argue that it is important to have a more transparent way of exporting and importing products, and definitely a more transparent way of guaranteeing warranty, so that when there are problems with a product a firm could easily import and export it again. According to the interviewee, the situation with Russia is detrimental to the business, to the exports. First of all, the Ruble has devalued. Second, the firm is worried about serious restrictions on the exports to Russia and certain other countries. Another illustration is the oil price. It affects the business as governments no longer have the cash or the budget to finance certain projects. These get delayed or cancelled.

‘Hence, this does not really relate to trade agreements, well, it might be a derived form if a good relationship exists between countries, then maybe also political peace [...] So then you might have an indirect effect of agreements coming about because those countries are on good entente and then, that of course stimulates your exports, because you because you are in a stable political situation. But the agreement in itself, those few percentages less import tax is less of importance to us. But a political situation in which you have a stable framework, that is important in it’ (Firm G, 2015).

For example, Brazil, a country viewed as having high restrictions on imports, does not produce Firm G's products, 'so in a market where there is actually no liberty of trade, we can still market our products properly' (Firm G, 2015). The wide coverage of trade agreements in terms of issues such as regulation, seem new to the respondent. After asking what we meant, 'for example environment regulation?', he mentioned that the EU has the strictest regulation so that they automatically conform to regulations in other markets as well (Firm G, 2015). The real problems Firm G mentions are related to the guaranteeing of warranty in other markets, 'this is where the misery begins' (Firm G, 2015). When a device breaks in another market, firms need to get it back for reparation and then send it back again to the customer – for free. The goods can then still face problems at customs and the firm will have to pay for import duties again even though it is a free replacement or reparation (but cannot cover it in the price this time). In addition, why would a client invest in such quality goods if afterwards there can be no reparation or replacement? Then it would be better to buy a local lower quality product.

When facing problems, Firm G mentions that they, at that moment, do not immediately address the government to file a complaint about the situation.

'Because, in the end, we do not know what the effect of it is. If you go to a government, how are they going to rap those administrators over the knuckles, what are the consequences? Maybe that next time it will be ten times as hard to import it. Well, I think that maybe it is something that should be addressed by the Belgian government and the Indian one for example, and to see, we could maybe simplify that import regulation or do you have clear guidelines with which our FIT or our export gurus could help. That could be, I have to say that we ourselves did not really get in touch with FIT for help on it' (Firm G, 2015).

Furthermore, the firm mentions that once you are in a treadmill to secure projects, for which the amounts are relatively modest, they do not want to invest so much effort to change the customs procedures in another country.

'... [I]t looks like a complicated assignment and actually it has not crossed our mind to address that' (Firm G, 2015).

In short, the firms are always focusing on their business operations, and adjust to the situation in international markets.

Firm C and Firm N do not monitor free trade negotiations either. They consider their sector as very specific. Nonetheless, the recognition of foreign qualifications is a barrier and an issue. Furthermore, equal access to competitions for foreign companies is sometimes hard.

'... [J]ust entering a foreign market as a [sector] firm appears difficult. We try it, but it remains rather difficult. We always partner up with a local ... For us this is also useful because regulation can be so diverse from country to country that it is almost undoable to go somewhere and be certain that you comply with all prescriptions in the country if you don't have a local partner' (Firm C, 2015).

The firm mentions further on that there have been a few coordinated attempts or movements (by private initiative) to go abroad with the firms in the sector, but that she did not see much coming out of those. One respondent mentioned she had the impression Belgian governments focus more on promoting foreign firms here, rather than promoting the Belgian ones.

This shows that the expectation above is not met in the empirics. It becomes clear that firms, with a smaller size or operating solely in sectors marked by low concentration do not lobby on trade negotiations to begin with. Many of them did not even engage in much lobbying in general, as they focused on their daily and other business operations. Contacts with public authorities in those cases were mainly on practical or necessary matters, but did not involve very active lobbying from the individual firms themselves.

6.3 *SPECIFIC LEVELS AND ORDER OF PREFERENCE*

Expectation 1a: Large firms in highly concentrated sectors target the EU-level first, and in second instance the national level.

Within the subgroup of large firms in concentrated sectors, there were still small variations in the levels approached, these mainly related to the extent of the firms' active lobbying vis-à-vis monitoring. Most of them were national Europeanists, although there were two exceptional cases, one firm acts as a European-oriented player, and one /two as all-round multilevel player.

The national Europeanists (Firm A, Firm F, Firm H, Firm I, Firm K, Firm J, Firm B and Firm E) first and foremost target the EU-level, while taking into account the national level as well. As one firm mentioned:

'I think the first one would always be the European Commission on trade, just in terms of competencies, and then maybe [the country] next, just because we are a [nationality] company. Access is easier.' (Firm A, 2015)

This quote gives clear empirical evidence that supports the expectation that large firms operating in concentrated sectors first target the European level, and after that the national level. Firm B and Firm E have long standing relationships with the national government. The experience of the political affairs departments have their effect in terms of networks, knowing whom to address, how to go about, etc. But that did not seem to matter so much on trade negotiations, because at the moment these firms were monitoring trade negotiations, but not necessarily taking the lead on them. The monitoring encompasses certain issues of importance to the firms, that also arise in trade agreements. Firm J mentions that their monitoring on trade is not so spectacular 'we only have a few codes, because, in fact, our number of customs codes that we have, for products that we produce ourselves, those are rather limited' (Firm J, 2015).

The exploratory nature of this project made it possible to discover more specifically which actors at which level were targeted. DG Trade is the main communication partner, as negotiator and the organizer of the consultation process. In the DG-hierarchy, some firms mentioned having contacts in the DG up to the level of director-general and head of cabinet – in case they lobbied directly and not only through associations (see below). Other DGs may be targeted depending on topics that fall within their tasks. One mentioned facing difficulties of access due to a negative image. Certain respondents mentioned how relationships build up, this is especially crucial when facing difficulties of access.

Then, at EU-level, the Parliament's INTA committee is targeted. Within the committee, rapporteur and shadow rapporteur are targets for Firm A. Firm F maintains contacts with MEPs and regularly tries to sit together for about thirty minutes to expound certain themes, the position as the industry and as Firm F. The firm focuses on MEPs from its member state as the firm more known there. This shows that the location of origin of a firm remains crucial to the minds of lobbyists and governments, even when a firm outgrows the national boundaries. To a lesser extent, the committees on Industry, Research and Energy (ITRE) and the committee on Environment, Public health and Food Safety (ENVI) are targeted, mainly on TTIP and because of TTIP. These actions must be linked to the high politicization and mediatization of the EU-US negotiations and the critique that the agreement should take into account environmental issues.

Firm J, that does not necessarily work directly, it is for example member of the Transatlantic Business Dialogue, has a different way of being in touch with the EU-level. The firm hosted an event with Commissioner Karel De Gucht coming for a speech. The interviewees mention that this can be considered as political goodwill, maybe even as networking.

'We are not going to Karel De Gucht because we have something to discuss, you do not do it so directly. Inviting Karel De Gucht and the whole [association], we made our building available to organize a reception here, on account of some kind of discussion, that is more hospitality' (Firm J, 2015).

Other firms indicated having had visits of Commission officials, co-organized by associations. The location near Brussels plays a role in these visits.

In a second instance, the national Europeanists will communicate to national authorities.

'Since the Treaty of Lisbon, [trade] has become a European competence and for us, the center of gravity is at the European level. Of course, at the national level, we will always [lobby] because of the European functioning with the Council, [...] you also have to do your interest representation at the national level because it has an impact as well or gets included, it plays in that sense, but the focus is really on the Commission and Parliament, increasingly so' (Firm F, 2015).

As for the permanent representations (perm reps) of the EU member states, that is mainly done by the EU associations that send their position papers to them as well. In previous research on how regions, member states and EU authorities coordinate, these actions were already reported by Belgian federal authorities (see Keresschot et al., 2014). Even though the member states are principals that have delegated the task of negotiating trade agreements to the EU commission, we now find evidence that the endorsers, the private sector in this case, communicates to the EU Commission agent directly and gears its output towards that agent. It then also sends the same information to the principals. In addition, Firm A mentions that it depends on who is representing the country in the trade working groups in the Council. If it's done by the 'capital', Firm A argues it makes more sense to have a contact in the capital. If a diplomat from the perm rep attends, then the firm engages in a working relationship with the perm rep. As the ministry marks the scope within which the diplomats work, Firm A also relies on national associations to talk to the ministries in the capitals. Firm F always tries to meet with the rotating presidency to learn on and explain positions related to international trade. For specific files, they often cooperate with the several permanent representations. When Firm F is in the know of certain countries defending a specific position, whether pro or con, the firm will communicate to these member states. The goal is to either understand why they are against, or in case they are in favor, to support them further and provide them with information on our points of view. Firm F's respondent, tells that he will indicate being in favor of certain trade agreements in bilateral contacts with politicians at national level, but not discuss them in depth. Firm F and Firm J discuss certain administrative issues and/or customs files (everything related to suspensions for example) at the federal level of the FPS Economy. Firm F also contacts the FPS Foreign Affairs on sanctions, such as the ones on Russia. The FPS Foreign Affairs – although coordinating the Belgian position in EU-bodies on trade negotiations is thus not contacted unless if there are political motivations behind trade embargos. Furthermore, Firm F has arranged a lunch meeting with the Belgian State Secretary for Foreign Trade, 'I didn't even know we had one' (Firm F, 2015). Firm A reflects on who is a major voice on a specific issue. For example, the competence on the investor-state dispute settlement lies with Brussels, technically. However, Germany, and France to a lesser extent, still have quite some experts in their ministry.

'So, of course it's logical to assume that they will have a huge impact on technical aspects of ISDS as well on the Brussels level.' Furthermore, 'You can't rely only on Brussels, Brussels is the negotiator, but Brussels negotiates on a mandate. [N]ot twenty-eight countries have an opinion. Many countries follow the lead of bigger countries. And then, which is the hardest part [...] you have to identify the relevant player and relevant content experts.' (Firm A, 2015)

France, the UK and Germany are major voices on intellectual property policies, as well as for trade agreements, they are powerful countries. If these agree on a deal, most likely it will progress. Belgium is an expert on certain financial issues. This is interesting as it shows that the formal division of competencies only matters to a certain extent. The EU-level may be competent over conducting the negotiations, still it remains interesting to lobby the countries that are being heard as experts on certain topics. This information is extremely hard to find out, as lobbyists have no access to Council documents, this can only be uncovered by talking to the permanent representations and getting a hint of the topics on which they have in depth knowledge, a first indication. This therefore demonstrates how able certain

lobbyists are, and the investment made in order to get to that stage. One basic assumption was that lobbying is a costly investment and that firms would not lobby more levels than they feel necessary. Firm I mentioned focusing, in its general lobbying, on countries with more votes in the Council, I infer that this would also hold in the case of trade negotiations.

Remarkably, the representative from Firm H is the only one knowledgeable on the 'College of Permanent Representations', whose dean happens to be Belgian. This College organizes regular activities in Brussels, meaning you can catch the 28 at once. This facilitates the lobbying for Firm H. The interviewee repeats that, even when you have nothing to ask, it is a matter of securing a channel of information and, if necessary, the flow of information. They are often asking for information, as within the administrative flow of information, the information is often too administrative, boring and not always accurate. Therefore, a perm rep does not always only start from the information it got through the hierarchy.

Firm B and Firm E are strongly embedded at the national level, for example by having politicians in their board or by having the government as a client. They probably mention everything to officials, parties, and/or party leaders. In addition, due to their strong national embeddedness, these persons are able to get to officials in the EU from the Belgian nationality (such as former trade Commissioner Karel De Gucht, or former President of the European Council Herman Van Rompuy). Interestingly, the respondents mentioned that (in general) at the Belgian level, the network is more important than at the European level, where the officials are often reshuffled into new positions. At the EU-level, you have to build your case on the basis of information and then the network may come in. (Firm B, 2015)

In short, there is a general consensus among the national Europeanists that the European level is the first one targeted and the national level comes in second place.

The exceptional all-round multilevel players – only in case of TTIP

Two firms also contacted regional authorities in the case of the Transatlantic Trade and Investment Partnership. Why would Firm A and Firm F contact regional authorities in the exceptional case of the TTIP negotiations? The firms have encountered regional authorities during their interest representation on TTIP, Firm A actively lobbied a German region, Firm F presented at an event organized by a (different) German region on TTIP. Firm A mentions TTIP as a game changer in that aspect, at least temporarily. Before TTIP, Firm A focused almost exclusively on Brussels in trade negotiations, because, 'honestly, no one else was interested, and maybe a couple of governments'. (Firm A, 2015) In addition, the respondent mentioned that instead of reasoning that governments may not follow up trade negotiations because they do not get input from business, the argument can be reversed. 'I would frame it differently, we targeted our input to the level which is actually in charge of the negotiations, while the other levels were not interested in the trade negotiation process. [...] so we haven't gotten any request for input from the regional government so far. It only came from the EU commission, or maybe the central government.' (Firm A, 2015). The respondent mentions that trade, nonetheless, is not their key competence and not really a key interest to the regions either until now. That being said, the

respondent also mentioned that for key negotiations, they even suggested certain countries themselves. Initiative thus can come both from public as private actors. It seems that the respondent awaits the regions to request input, while the person would make suggestions at European level, or to actors in the Brussels bubble. Consultation mainly takes place at the EU level, with DG trade usually starting the consultation process with industry and other stakeholders, meaning that everyone can come and hand in their position. NGOs and labor unions usually do this as well, although the club of usual suspects remains limited:

‘it's really in this Brussels bubble, it's a very small consultation process with very few interested parties.’ (Firm A, 2015)

For larger trade agreements, the national government sends a specific request for input as well. As the governments are in charge of the mandate, at the beginning of the negotiations, usually the position papers are being circulated first to the commission and then to national level as well. This is usually done in a way that the European associations are in charge of the overall process.

At one occasion, TTIP, Firm A actively approached the local level, as third and last instance. I therefore qualify expectation 1, with the division or sharing of competences between several levels. Some FTAs contain topics of mixed competences between the EU and the member states. TTIP definitely touches upon mixed matters. Then, it depends on each member state how a trade agreement is ratified internally (e.g. in some countries regional authorities have to ratify as well, see Kersschot et al., 2014). The respondent mentions two reasons. First, the Bundesrat has to ratify new trade agreements as these are broad in scope. The Länder thus have a formal competency. In addition, the targeted regional government has not traditionally been criticizing (aspects of) FTAs and had been active before (for example on the agreement with Peru and Colombia).

‘[S]o we thought, before the process starts there and they, they basically form their opinion on a positive or negative side, we better should maybe approach them already and at least outline what have we done, what is being negotiated, what is our position. Usually we feed in our position on trade agreements only at Brussels level and maybe at the national level, so they didn't actually know what industry proposed in the TTIP negotiations, leaving room to speculation.’ (Firm A, 2015)

Importantly, Firm A took this step together with the German association VCI. Second, Firm A made a counter-lobbying move against civil society actions and the media. They had started a campaign at the regional level, which is why Firm A felt the need to make sure the government was also aware of the industry position on TTIP.

‘If the media coverage and thereby the public interest wouldn't be so high for TTIP, I doubt that the level of attention of the Bundesländer would be so high. And then we would again leave them out. [...] it really depends, if it's a political issue, then of course we try to approach them, as they have a voice in the Bundesrat. Because otherwise, so far on trade agreements, we actually just hope that the ratification process will go through without any major issues in the Bundesrat, we

relied on that, without doing anything on the local level. And so far it always worked out.’ (Firm A, 2015)

In addition,

‘[Free Trade Negotiations] didn't have a huge attention by media, then TTIP and CETA came in and they used the opportunity[...], they wrote tons of papers and made tons of events in university cities, targeting the rather young population, it was rather smartly done. And there was trade in the alleged negative consequences on environmental and social standards, so it was well done. Of course it puts industry under pressure to as well reach out to the local levels, which was not much in our attention at the beginning’. (Firm A, 2015)

Furthermore, the interviewee argued that ‘the political party in the region is running as well the German Economic Ministry basically’ (Firm A, 2015).

The other all-round player, Firm F, engaged with the regional level by trying to spread the same information (especially if concerning trade policy) to all levels, because of the ‘European process’ on trade negotiations. Firm F also mentioned the opposition against TTIP in Germany. The firm tries to engage in the debates at the national level.

‘In that sense, in two weeks, together with the representation of the regional government here in Brussels, we organize an event where one of our board members will speak, together with a local minister from there, Bernd Lange, the head of the INTA committee and Jean-Luc Demarty, head of DG Trade. It’s also nearly around TTIP that we organize this here. It shows that we discuss with the commission, parliament as well as the regional governments. (Firm F, 2015)

In conclusion, these all-round multilevel players have engaged with German regions in order to counter fierce opposition against TTIP.

‘If it weren’t for the high politicization and mediatization of TTIP, the regions would not have been a necessary target in their lobbying. [...] even if you look at the TTIP consultation, I think there were a 100 responses at the beginning of 2011-2012 [...] And then all of a sudden this media wave started and if you look at the ISDS consultation, a 150 000 responses.’ (Firm A, 2015b).

Contacts with German regional representations are not solely reserved for firms with German roots, as other firms indicated coming across the Länder in Brussels and participating in events with them (on trade and non-trade related matters).

The exceptional European oriented player, Firm M, sometimes takes explicit positions on issues related to trade agreements, on a case by case basis, such as customs numbers and certificates of origin. On trade matters, Firm M works ‘rather at the European level’, and always through federations. Firm M is working solely through associations. Within those associations, the firm is not active in working groups on trade negotiations, although it participates in other working groups focusing on specific topics (e.g. norms). Since these topics arise in trade negotiations as well – the specifics of the negotiations on that topic are then also discussed in those working groups. (Firm M, 2015) Firm M does not work through

regional or national institutions because of the higher level of knowledge in the associations: on the issues but also on the sector, markets, ... The regional government does not have the detailed knowledge of the federations, both in terms of technical knowledge as knowledge on the background on how the market is structured internationally. The European level is the main level targeted, the access points and channels are there, it depends a bit on the efficiency of the federations. In sum, the choice of level is decided by the level of competency, the federation's accessibility and capability. (Firm M 2015) The respondent also mentioned that in practice, more often people from the EU Commission present or attend at events than people from the regional or national administration.

The firm thus targets mainly the European level (through its associations) on trade negotiations. Even though the respondent mentioned not to be very active on trade negotiations, he was aware of certain topics of importance to the sector in those negotiations. So what could account for the difference with the other similar firms? One difference is that the lobbying department is newer and the coordinating function only exists for three years – contrary to the more senior lobbyists of for example Firm H (who has been in the business for thirty years) or of Firm I (arrived in the nineties and still not much reached). Moreover, Firm M distanced itself from the national sector association, even though still member, the firm has differing preferences on trade than the association historically upheld. The firm also mentions that the sector association in another EU member state ceased to exist. I conclude from this that changes are happening in the industry and in the landscape of associations in that sector (the latter will be discussed below). So, a different point of view from that of the national association could be the reason for not working through the national level.

Expectation 2a: Small firms or firms in less concentrated sectors lobby at the same level where they are used to lobbying for other policies, being the national or regional level.

As expectation 2 was not confirmed, and smaller firms or firms in less concentrated sectors are not lobbying (on trade negotiations), the ensuing expectation that these firms would lobby at national level is already disconfirmed as well. Some of the large firms operating in concentrated sectors did mention the importance of continuity in relationships and of actors' previous reactions.

Some of the firms have the same reflex when a matter rises to the table and know whom to contact out of experience. It appears that both the function of an actor, or simply the actor being known from before can be reasons of targeting them. There were differences on how easy actors found it to find the right contact persons. Many of the firms above had a very good overview of whom to contact on which matter or for a specific case, often at several levels. Some firms even manage to hold a 'helicopter view' of what each public actor does, and can even point out which specific policy issues or topics fall in between the cracks and are not being done by any political administration. They could even figure out whether something is left out in between certain levels of government (vertical overview of which level does what), or in several departments at one level of government (horizontal overview of which department does what). This stands in stark contrast with the latent interests in the sample that have

not even considered contacting the government on problems or are still searching whom to contact. Answers on previous success differed as well, some firms indicated returning to actors where they had obtained success. Others argued that one sometimes wins, and sometimes loses, but that they would still contact the same actors in any case.

6.4 *THE STRATEGIES: DIRECT VS. ASSOCIATIONS*

Expectation 3: Large firms in highly concentrated sectors lobby directly.

Expectation 4: Small firms or firms in less concentrated sectors only lobby indirectly (via associations).

Expectations 3 and 4 are not met by the empirics. In general, the firms in the sample that were lobbying (i.e. the large ones in highly concentrated sectors) all preferred working through associations, apart from Firm B that argued both strategies – directly and via associations - are equally important. Most of the firms combined a direct and indirect strategy. Some combined the two strategies at multiple levels (e.g. Firm A, Firm B, Firm F, Firm H, Firm I, Firm K), others used the duo-strategy solely at one level (e.g. the national) and relied on associations for representation at the EU-level (e.g. Firm J). Firm M then again preferred working solely through associations. The use of associational lobbying in general is the main choice, which is then complimented by direct lobbying in parallel when a firm has different preferences than the association, or if it would bring additional leverage. This is decided on an ad hoc basis.

The rationale behind the adequate strategy is to, for items on which the whole sector stands behind you, you are much stronger in advocating the whole sectors interests than on your own. ... The strategy thus is in function of the topic and the firm's own interests. Certain sensitive topics are only approached through associations' (Firm E, 2015).

As mentioned, in general (not specifically on trade), the Firm B respondents mention that they do not primarily work through associations, but that the two strategies are equally relevant.

'For certain things we work mainly with [sector associations], for those things where it is important to come to a joint position. But equally often, the positions do not align and we will still try, yes or no in full transparency with [the sector association], to approach politics. Sometimes we do it in full transparency, because [the association] knows that we can work in a fortifying way, because we for example might have better contacts. And the other way around also occurs, we keep each other informed. Sometimes we will still try to execute our own lobbying, because we know that we have a typical Firm B issue, and that it will be very difficult to get support from the sector, because we are just a little too different. Then we'll try to do our own lobbying, be it regionally, or federally, or European [...] But we are not competitors. So we try to collaborate as much as possible and separate where we think it is more useful' (Firm B, 2015).

The large firms in concentrated sectors in the sample played active roles in associations, being in the boards, chairing working groups, representing for or jointly with the associations, and sometimes even founding associations (e.g. Firm H, Firm J, Firm I, Firm A, Firm F). This stands in stark contrast with the firms that did not engage in active lobbying on trade negotiations and are much more passive members of the associations. These latent interests were unaware about the content of trade negotiations (apart from what they may have read in the newspaper). Interestingly, those firms were member of national or regional associations. These associations in essence also represent them. Thus, a distinction should be drawn between an association's active and more passive members (these can vary according to topics). The most active members, comprised of large firms in concentrated sectors, seem to steer the course and take on board the more passive members. The active members are the ones actively lobbying, via the association, and/or directly. They actively make use of the association to pursue their policy goals in international trade negotiations. The latent interests, on the contrary, do not know a great deal about trade negotiations, and did not necessarily know their longer term preferences in trade negotiations. This is an indirect implication that comes out of the interviews and that warrants further research on the functioning and activities of associations.

Gathering information and relying on expertise is another motivation mentioned for working via associations, as the latter sometimes have a specialist they and their members can rely on. The firms employing the associational route in parallel to the direct strategy thus benefit from more channels of gathering information, their own and the ones from the association. As one of the key aspects of lobbying is gathering information as soon as possible, having extra antennas out is conducive. For more in depth analyses, the associations' know how can come in handy as well to obtain detailed information. Moreover, associations provide benefits such as more weight and a larger voice as they represent a larger proportion of economic activity than a single firm, easier access to policy makers, a networking platform and anonymity. Firms do not want to be singled out by government actors, competitors or clients on sensitive information or preferences. Firms feared losing client companies due to direct lobbying activities or certain preferences becoming visible (preferences that may offend the clients or may contradict the latter's' interests).

Expectation 4a: small firms or firms in less concentrated sectors lobby via the national associations, which then communicate their interests to EU-federations.

The landscape of associations mirrors the public organizational structure according to the levels. The associations often are organized at one level and prioritize interest representation at that level, while sometimes also ascending to the next level: by becoming member of the association at the higher level and/or sometimes by also contacting authorities on a higher level. A kind of gentleman's agreement seems to exist between like associations at different levels, they will usually focus mostly on topics that are dealt with at that level of government – more or less along the lines of competencies. That being said, associations can become member and participate in activities of an association at higher level. Then again, the association at the higher level disseminates information to lower-level members, etc. A

similar kind of coordination structure arises as the one at the public level. Former trade commissioner De Gucht mentioned wondering whether EU-level associations really represent small business and not only dance to the beat set by large firms, multinationals (Harvard-MIT Belgian Society, 2015).

Decision-making in associations at EU-level is based on consensus between members (Association C, 2015). The members of sector and other business organizations usually consist of national associations, and large firms that directly become member. Several of the national Europeanists in the sample were at the origin of certain associations, they were the driving factors in creating it, and remain driving factors in steering it.

If decisions and positions are taken by consensus, this means that the vote or voice of a member that is a firm weighs as much as the vote or voice of a national association member. This implies that potentially a firm that is direct member could block certain requests or positions from national associations, yet also the other way around.

Added to that, comes the fact that the national associations in the sample did not seem to prioritize trade negotiations. When they did, it was at a more general level, not into the specifics of every single detail, they mentioned leaving that up to the EU federations. So, they did obtain the information and went looking for input from their members, but they do not do it at the sort of 'expert level' as the EU federations. They usually had their focus on other matters first.

Then, smaller firms or firms in non-concentrated sectors do not lobby on trade negotiations. They are either not aware of trade negotiations and/or of their interest in them, or are not acting upon these interests.

Furthermore, during the interviews it became clear that most multinationals in the sample – the ones with a long history of lobbying, are well-embedded at all levels. They can be member of regional and national associations as well (usually when they have a big site in the area). The large firms are active participants in associations, they are often in the board, chairing working groups, ... Many feel 'obliged': you can simply not be present in the association as the large(st) player, they are being asked by the association. Another respondent mentioned it is the task of the 'big brother' to gather the sector and to inform smaller brothers.

So, a high extent of participation and steering of the above-mentioned firms in associations is observed at several levels. The national (and regional) associations can be steered to a certain extent by the large players. The national associations are member of the EU associations. In those EU-associations, the NAs are viewed as representing also the interests of smaller businesses. Yet, the interviews indicate that also those NAs' positions are partially steered by active large firms. Smaller firms are not often actively communicating on trade negotiations in the first place, as this is 'far from their beds'. Last but not least, the national Europeanists are the ones mentioning that even though often working through associations is preferred (because of the reasons mentioned above), certain of them will still employ a direct strategy when the association is not agreeing on a firm's specific position. The implication that indirectly comes

out of the empirical information gathered, is that directly and indirectly, the large firms in highly concentrated sectors are dominating the input on trade negotiations that comes from the private sector and gets fed into the policy process. That being said, if a small firm or one in a dispersed sector would decide to communicate its interests at EU-level directly, it potentially could also have a large and disproportionate impact vis-à-vis its own size and importance measured in economic terms.

7. CONCLUSION

This paper started out with the question ‘why do firms not lobby certain levels of government (more specifically the regional level) on trade negotiations?’ And therefore had to ask ‘at which levels do firms lobby and why? Furthermore, it aims to uncover whether and why firms work directly or via associations.

The firms in the sample could be classified into four groups: ‘latent interests’, ‘European oriented players’, ‘national Europeanists’ and ‘all-round multilevel players’. None of the firms could be categorized as ‘regional oriented players’, ‘national oriented players’, ‘within-state multilevel players’ or ‘regional Europeanists’.

Large firms in highly concentrated sectors at EU-level were expected to lobby at multiple levels, which was confirmed. More specifically, those firms would first target the European level, and in second instance the national level. This was also corroborated by the empirics. The analysis allows being more precise than the current literature on trade policy lobbying, a high concentration at EU-level and large size lead to lobbying at multiple levels when EU trade negotiations are concerned, and more specifically at the EU-level and the national level – but not at the regional level. Certain exceptions provide further information on the motivations of firms. One European oriented player lobbied solely at EU-level due to certain evolutions in the sectoral and associational landscape, which accounts for this exceptional outcome. More importantly, two firms exceptionally acted as all round multilevel players, where active lobbying on a trade negotiation was observed at the regional level – namely as a counter-lobbying move against civil society organizations’ anti-TTIP promotion strategy. In the case of TTIP, the case of a mixed agreement with high political, media and societal attention, the firms targeted the regional level in third instance, after having first lobbied at EU and then at national level. The firms indicated that they deviated from their usual strategy, in which they do not target the regional level.

However, the expectations that smaller firms or firms in less concentrated sectors would lobby at one level, and that they would lobby at the same level as for other policies were not met. The smaller firms or firms in less concentrated sectors were not monitoring the trade negotiations studied. Some firms indicated that international standardization, providing unique solutions, partnering up with locals, or delivering ‘ex works’ helped them adjust to the current situation in international markets. Nonetheless, the firms did experience problems, for example, goods being detained at customs, problems in guaranteeing warranty, problems of recognizing foreign qualifications, or access difficulties to competitions abroad. One firm mentioned that the government could not score points with helping out a firm in a small niche. In addition, certain firms did not like to share information with political actors out of fear it may be drenched into a ‘political sauce’. Further, certain firms indicated developing new products within a few months, whereas lobbying, analysis and a decision by politicians would require more time. In conclusion, contacting authorities was not really a path that occurs a potential way to solve problems – more specifically because they do not experience the problems or do not see these being solved this way. The firms were unaware of the topics discussed in trade negotiations, the evidence shows that amount of information-asymmetry is much larger than expected.

The expectations that large firms in concentrated sectors lobby directly, and smaller firms or firms in less concentrated sectors only work indirectly were not fully borne out. Instead nearly all the firms lobbying preferred lobbying via associations. Some of them combined this with a parallel direct lobbying strategy, in case of a different position from the association or as an additional strategy hoping to increase chances of success. This is an indication that associations to a certain extent function as the long arms of their active members.

The research strategy of sampling different types of players and different types of firms permitted to identify the so-called latent interests, the firms that do not lobby on trade negotiations. The latent interests were unaware about the content of trade negotiations (apart from what they may have read in the newspaper). Interestingly, those firms were member of national or regional associations. These associations formally also represent them. A distinction can be made between an association's active and more passive members (on certain issues, such as trade negotiations). The active members seem to steer the course and take on board the more passive members. The active members are usually the ones actively lobbying, via the association, and/or directly. They actively make use of the association to pursue policy goals in international trade negotiations. The latent interests, on the contrary, do not know a great deal about trade negotiations. This is an interesting implication that warrants further research on the functioning and activities of associations.

In sum, two important findings stand out. First of all, lobbying is an extremely costly activity for firms. They therefore only lobby a government level when they perceive this as necessary to obtain success. This has not been the case for regional governments, unless when certain firms feared that the regional government would be captured by counter lobbying actions (and they had the capacity to target this additional level). The incentive provided by counter-lobbying can trigger firms to target new government levels and expand their lobbying activities, in order to make sure those governments are not captured by competitors. Second, many of the firms contacted, and the smaller firms or firms in less concentrated sectors in the sample remain latent interests. These firms did not lobby on trade negotiations, or did not even lobby at all. The necessary conditions for them to become politically active have not been fulfilled. These firms know so little about the content of such trade negotiations, that it turns out the amount of information-asymmetry is much larger than was expected.

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9. ANNEX I: HHI INDEX FOR EU AGGREGATES IN 2003

sector	average HHI EU25	level of concentration
Tobacco	6091	high
coke, refined petroleum and nuclear fuel	1380	moderate
supportive and auxiliary transport activities	1030	moderate
office machinery and computers	923	low
air transport	454	low
Construction	391	low
collection and distribution of water	391	low
electricity, gas steam and hot water supply	388	low
radio, TV and communication equipment	385	low
real estate activities	310	low
Recycling	293	low
other transport equipment	248	low
basic metals	174	low
other business activities	166	low
pulp and paper	158	low
electrical machinery	107	low
chemicals and chemical products	92	low
motor vehicles	90	low
medical, precision and optical instruments	73	low
computer and related activities	64	low
Textiles	54	low
other non-metallic mineral products	54	low
wood and cork	52	low
clothing, dressing and dyeing of fur	49	low
Leather	47	low
furniture, manufacturing	47	low
rubber and plastic products	41	low
Printing	38	low
water transport	31	low
research and development	31	low
machinery and equipment	30	low
post and telecommunications	25	low
food and beverages	23	low
wholesale trade and commission trade	16	low
hotels and restaurants	11	low
fabricated metal products	10	low
land transport, transport via pipelines	7	low
sale, maintenance and repair of motor vehicles and motorcycles	6	low
retail trade and repair	5	low
renting of machinery and equipment	5	low

Source: Peneder, M. (2009). *Sectoral Growth Drivers and Competitiveness in the European Union*. Luxembourg: Office for Official Publications of the European Communities. Retrieved from http://ec.europa.eu/enterprise/newsroom/cf/itemdetail.cfm?item_id=3297

10. ANNEX II: WORD FREQUENCY ANALYSIS AND TEXT SEARCH QUERIES

1. The analyzed documents

For all four FTAs all these documents were excluded:

- Doubles (e.g. *Daily news* and regular Inside US Trade article with the same content)

FTA	Number of doubles
TTIP	26
CETA	5
JAPAN	1
KOREU	9

- Leaks of CETA texts (2) published within the section 'TTIP' on Inside US Trade
- 4 reactions of US stakeholders that were stored under KOREU

2. Word frequency analysis

Word Frequency queries were used to list the most frequently occurring words in all the documents per FTA. This helped to identify themes and concepts. Included for the analysis were only the 1000 most frequent words for TTIP and the 500 most frequent words for the three other FTAs. The word count settings were set on 'including stemmed words' and excluding all words with 3 or less letters (such as: and, you, ...). Nvivo then automatically groups variations of the same word in one category, e.g. 'standard, standards, standardization'. The advantage is that it is easier to find concepts because all the words in such a category are referring to the same. The results differ from those when running the query for exact words; grouping similar words together means that other concepts appear higher in the list. Almost 4000 words that occur less than 10 times in all documents were excluded. These words can hardly be considered as useful in uncovering the relevant issues in the negotiations.

After running this query, the words were sorted in ascending order according to their absolute frequency in alphabetical order (instead of ascending according to their relative percentage in alphabetical order). Several words had the same relative percentage but a different absolute word count, due to the large amount of data analyzed (which was mainly a problem with TTIP). The disadvantage of this method is that words in pieces of text that are not related to the actual FTA, but part of a larger text that is somehow related to trade policy are also counted. Manual control and deletion of these references required a substantive amount of time and work due to the large dataset. The results present a good indication of which words were important in the FTAs.

The manual control meant selecting the relevant words on the basis of the issues already manually coded and processed and, in case of doubt by having a look at the contexts in which they appeared. The non-meaningful words, such as for example 'however', were deleted from the list as well as

general terms such as ‘trade’, ‘free’, ‘significant’, ‘state’, ‘country’, ‘economic’, ‘informs’, etc. Mostly nouns were selected, contrarily to verbs.

Next, Nvivo was used to build word trees for the *exact* words. In each word tree the different branches represent the various contexts in which a particular word occurs. This enabled to find recurring themes or phrases that surround the word. The words at the top of the word frequency query list for each FTA generated very large word trees (e.g. services, products, etc.). Here, only the ‘hit’ phrases were selected. Although less occurring but still important phrases were not selected at this point, they were selected at a later stage because the words used in their proximity did show up later on in the list. When a word tree delivered no meaningful phrases, the word was deleted.

After running the word trees this resulted in the following number of selected words for each FTA. For these words further text search queries were conducted.

FTA	Number of selected words
TTIP	180 (+ 37 no text search query executed)
CETA	194
JAPAN	168
KOREU	119

3. Text search analysis¹²

Next, text search queries were conducted to have a better estimate of which issues are prevailing in the FTAs. I looked at the number of sources and the number of references each phrase had. At this stage, the coding was spread to include a broad context, which allows for better interpretation of how and when the word is used. The down side is that this results in less references than when coding is not spread, now when in one piece of text both terms occur multiple times together they are only counted once for that particular piece of text.

In addition, in this particular kind of query only two words can be entered, this means that concepts with more than two terms, only the first and last word of the term are entered in the query. However, after some checks, it became clear this resulted in fairly accurate results, because the terms in a phrase are often used in only one manner. The word distance indicates the maximum number of words that can occur in between the two words entered in the text search query. Mostly the distance is one word less than the number of words in a certain phrase, disregarding of words like and, or, of, etc. Nvivo settings have a minimum of 1 word in between.

4. Influencing the results

- For CETA, I obtained many leaked documents and the final adopted text in our database (all provided through Inside US Trade). This could mean that other phrases appear because of the many pages these documents count.

¹² For TTIP not all selected words from the word search query were tested for in a text search query. We stopped at ‘sensitive’.

- For KOREU those phrases that clearly referred to the US-Korea agreement were not selected. Many of those phrases showed up in the word trees because the Inside US Trade articles often made a link between the EU-Korea agreement and the US-Korea agreement. Inside US Trade remains a US-oriented news outlet. In addition, the phrases had very low reference and source counts.
- For Japan we included questionnaire responses of stakeholders participating in the consultation, due to the fact that each question appears multiple times, phrases used in this questionnaire appear high in the list. I indicated each time a phrase formed part of the questionnaire.
- For TTIP the end-database was far more diverse than for the three other FTAs.

The lists of issues according to importance can be found in Annex III.

11. ANNEX III: ISSUES ACCORDING TO IMPORTANCE

Issues frequently mentioned in TTIP (in descending order)

1. Food safety → Food sector
 - a. Sanitary & Phytosanitary standards/measures
 - b. US beef
 - c. precautionary principle (regulation & GMOs, hormone treated beef, ... scientific evidence/science-based standards)
 - d. animal health ; welfare
 - e. plant health
 - f. (organic)
 - g. growth hormones/ artificial growth hormones
 - h. meat products
 - i. hormone treated beef
 - j. pathogen reduction treatments
 - k. plant protection
 - l. animal origin
2. Regulatory cooperation
 - a. Regulatory coherence ; convergence ; compatibility ; barriers ; regimes ; harmonization; coordination
 - b. mutual recognition
 - c. conformity assessment
 - d. precautionary principle (also GMOs, hormone treated beef, ...)
 - e. financial instruments
 - f. finance insurance
 - g. testing & certification
 - h. labelling requirements
 - i. technical regulations and conformity
 - j. recognition of equivalence
 - k. standards & conformity
 - l. accreditation
 - m. toxic substances
 - n. recognition agreement
 - o. manufacturing practices
 - p. risk management
 - q. regulatory reform
 - r. capital markets
3. appropriation
4. ISDS
5. gas
6. Market access
7. oils
8. Intellectual property issues
 - a. GI (-> mentioned often in the context of the food & drinks sector)
 - b. Rules of origin (-> mentioned often in the context of textiles, car parts, food sector)

- c. Patents (-> pharmaceutical industry, technology, ...)
 - d. Trademarks (-> food sector, all industries)
 - e. Copyright, protection of author rights, ... (-> audiovisual services, chemistry, pharmaceuticals, technology)
 - f. Patent protection
 - g. Pharmaceutical patent
 - h. Copyright protection/ protection of copyright
9. Data protection
- a. Trade secret misappropriation
 - b. (Protection/protect) confidential business/commercial information
 - c. Data privacy ; privacy protection
 - d. Safe harbor
 - e. Transfer of (personal) data
 - f. Cloud computing
 - g. Digital trade
 - h. Data protection reform
 - i. Data transfers
 - j. Confidentiality of trade secrets
 - k. data exclusivity (for biologics)
10. Non-tariff barriers
11. Technical barriers
12. Sensitive sectors (in descending order of importance)
- a. financial services → post financial crisis measures that are not in accordance with each other ; US banks
 - b. auto and motor vehicles
 - c. machinery & equipment
 - d. transport equipment
 - e. audiovisual services
 - f. air transport
 - g. electrical machinery
 - h. dairy sector/ dairy export
 - i. electronic equipment (appliances and parts/ parts and components)
 - j. health service
 - k. fuel suppliers
 - l. machinery vehicles
 - m. insurance business/services
 - n. water transport
 - o. computers and electronic
 - p. transport services
 - q. sensitive labo rand51al products: beef & pork, meat & poultry, meat industry, beef products, dairy farmers, beef production
 - r. pharmaceutical products
 - s. maritime transport
 - t. non-electrical machinery
 - u. computer services
 - v. hardware
 - w. digital products
13. Investment :

- a. ISDS
 - b. fair and equitable treatment
 - c. ICSID
 - d. Dispute settlement
 - e. Indirect expropriation
 - f. Public hearing
 - g. International arbitration
 - h. Investment arbitration
 - i. Non-compliance
 - j. Investor-state arbitration
 - k. Legal proceedings
 - l. Arbitration tribunals
14. Tariff barriers
- a. Customs duties
 - b. Tariff lines
 - c. Import duties
 - d. Duties & taxes
 - e. border barriers
15. Goal of the agreement / public goals
- a. Job creation (Unemployment rate)
 - b. Economic growth
 - c. Economic integration
 - d. Digital economy
16. Side effects of trade: areas that face consequences of trade (race to the bottom)
- a. Environment ; greenhouse gas emission
 - b. Labor and social policy
 - c. Labor standards/labor rights
 - d. Labor market
 - e. Climate policy
 - f. CO2 emissions
 - g. Health insurance
 - h. Climate policies
 - i. Unemployment insurance
 - j. Immigration reform
 - k. Labor protection
 - l. Carbon emissions
17. Raw materials & energy
- a. Natural gas
 - b. Fuel suppliers
 - c. Shale gas
 - d. Crude materials
 - e. Fuel subsidies
18. National treatment
19. Competition policy :
- a. state-owned enterprises
 - b. Unfair competition
 - c. Government subsidies
20. Rules of origin

- a. Country of origin
 - b. Local (content) requirements
- 21. E-commerce, electronic commerce
- 22. Negative list vs. positive list
- 23. Visa
- 24. Auto safety/ car safety
 - a. Traffic safety
- 25. Property rights protections
- 26. Tariff rate quota/ TRQ
- 27. Scientific research
- 28. Procurement
 - a. Local government procurement
- 29. Capital markets
- 30. Banking union

Issues frequently mentioned in CETA

1. Market access
 - a. Market access for cheese
2. Cross-border services/ services industry
3. Sensitive sectors:
 - a. Financial services
 - b. Transport services/ transportation services
 - c. Business services
 - d. Insurance services
 - e. Legal services
 - f. Health and social services
 - g. Maritime transport (services)
 - h. Road (freight) transport
 - i. Road haulage and road passenger transport
 - j. Education services
 - k. (health-related) professional services
 - l. Water transport
 - m. Alcoholic beverages/ liquor
 - n. Motor vehicle(s)
 - o. Higher education
 - p. Veterinary services
 - q. Commercial marine activity
 - r. Agricultural products
 - s. Food products
 - t. Air transport services
 - u. technical testing and analyses/consulting services
 - v. public transport
 - w. fish products
 - x. air navigation services
 - y. health care
 - z. forest (and logging) products
 - aa. architectural services
 - bb. air services
 - cc. distribution services
 - dd. engineering services
 - ee. management services
 - ff. agriculture and food products/ agricultural goods
 - gg. pharmaceutical products
 - hh. urban planning and landscape architectural services
 - ii. dairy products/ dairy industry/dairy producers
 - jj. environmental services
 - kk. information technology
 - ll. transport equipment
 - mm. (rail) transport equipment
 - nn. Machinery and equipment
 - oo. Agriculture products
 - pp. Credit reporting services

- qq. Industrial cheese
 - rr. Postal services
 - ss. Wine and spirits
 - tt. Medical devices
 - uu. Generic pharmaceuticals
 - vv. Electrical and electronic equipment
 - ww. Processed foods
4. Regulations:
 - a. Performance requirements
 - b. Economic needs test
 - c. Non-originating materials
 - d. Commercial presence
 - e. Rights and obligations
 - f. Mutual recognition (of professional qualifications)
 - g. Terms and conditions
 - h. Regulatory cooperation
 - i. Health and safety
 - j. Technical barriers
 - k. Food safety
 1. Animal health
 - l. Non-tariff barriers
 - m. Consumer protection
 - n. Provisional application
 - o. Management system
 - p. Environmental regulations
 5. Dispute settlement
 - a. Investor-to-state dispute settlement
 - b. Fair and equitable treatment
 - c. Investor-state arbitration
 - d. Treatment of investors
 - e. fair and equitable treatment obligation
 - f. dispute settlement mechanism
 - g. ISDS mechanism/provisions
 - h. Dispute settlement provisions
 6. Intellectual property rights
 - a. (protection and/criminal) enforcement of intellectual property rights
 - b. Intellectual property protection
 7. Natural persons/person; legal person
 8. Rules of origin/rule of origin
 9. Investment
 - a. Foreign direct investment
 - b. Foreign investment
 - c. Investment services
 - d. Covered investments
 - e. Investment protection
 - f. Foreign investors
 - g. Investment protection provisions
 - h. Non-discriminatory treatment

- i. Investment protection rules
- 10. Most-favored nation obligation
- 11. Environmental issues
 - a. Aquaculture
 - b. Sustainable development
 - c. Environmental protection
- 12. Energy and raw materials
 - a. Natural gas
 - b. Energy transmission and distribution
 - c. Oil & natural gas
 - d. Oil and gas
 - e. Natural resources
 - f. Electricity and gas
 - g. Crude petroleum
 - h. Raw materials
 - i. Renewable energy
 - j. Distribution of water
- 13. Government procurement/public procurement
- 14. Tariffs
 - a. Tariff rate quota
 - b. Preferential tariff treatment
 - c. Duty free
 - d. Tariff lines
 - e. Tariff rate quotas
- 15. Geographical indications
 - a. Cheese names
- 16. Public interest
- 17. Financial institution(s)
- 18. Public health
- 19. Research and experimental development/ research and development/ research and innovation
- 20. (personal) data protection
- 21. Local government
- 22. National security
- 23. Regional development/rural development
- 24. Social security
- 25. State enterprise(s)
 - a. Ownership and control
- 26. Real estate property
- 27. Human rights
- 28. Public policy
- 29. Law enforcement
- 30. Transparency of proceedings
- 31. Pension fund

Issues frequently mentioned in KOREU

1. Market access
2. Entry into force/enter into force
3. (provisional) safeguard measures
 - a. Safeguard clause/regulation
 - b. Korea-specific safeguard regulation
 - c. Provisional safeguard measure
 - d. Safeguard investigation
4. Regulations
 - a. Non-tariff barriers
 - b. Vehicle safety standards
 - c. Regulatory issues
 - d. Korean safety standards
 - e. Provisional application
 - f. Technical barriers
 - g. Technical regulations
 - h. Automotive non-tariff barriers
 - i. Sanitary and phytosanitary
 - j. Automotive provisions/Automotive standards
 - k. Regulatory barriers
 - l. Approval process
 - m. NTMs
5. Tariffs and duties
 - a. Duty drawback
 - b. (rate of) Customs duties
 - c. Import duties
 - d. Tariff lines
 - e. Tariff elimination
 - f. Percent tariff
 - g. Duty free
 - h. Tariff cuts/ eliminate tariffs
 - i. Tariff reductions
 - j. Duties paid
 - k. Tariff rate quota
6. Rules of origin/rule of origin
7. Sensitive sectors:
 - a. Automaker(s)/ auto industry (EU)/ car makers/auto sector/automotive sector/automotive industry/auto imports/car sector/auto manufacturers/car manufacturers
 - b. Agricultural products/agricultural sector
 - c. Auto parts/motor vehicles and parts
 - d. Financial services
 - e. Consumer electronics
 - f. Industrial and agricultural goods
 - g. Dairy products
 - h. Legal services
 - i. Parts or components

- j. Food products
- 8. Environment
 - a. Korean regulations for greenhouse gas emissions standards
 - b. Sustainable development
 - c. Emissions standards
 - d. Climate change
 - e. Environmental standards
 - f. Carbon dioxide emissions
- 9. Transparency
- 10. Equivalence
- 11. Geographical indications
 - a. GI protections/ protected as GIs
 - b. Protection for geographical indications
 - c. Cheese names
 - d. Geographic indications
 - e. Generic names
- 12. Intellectual property rights
 - a. Intellectual property rights enforcement
- 13. Government procurement/public procurement
- 14. Competition policy
- 15. Negotiating mandate
- 16. Investment
 - a. Foreign direct investment
 - b. Dispute settlement mechanisms
- 17. Labor standards
- 18. Economic development
- 19. Imported parts
- 20. Public health

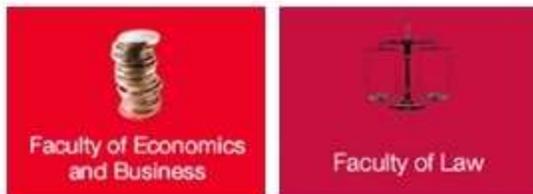
Issues frequently mentioned in EU-Japan negotiations

1. Market access
 - a. Barriers to trade
 - b. Trade barriers
2. Regulations
 - a. Non-tariff barriers
 - b. Technical regulations & standards
 - c. Regulatory cooperation
 - d. Mutual recognition
 - e. Conformity assessment procedures
 - f. EU – Japan regulatory reform dialogue
 - g. (standards and/mutual recognition of) conformity assessment procedures
 - h. Technical standards
 - i. SPS related barriers/ Sanitary and phytosanitary/SPS measures/ sanitary and phytosanitary measures
 - j. Divergent standards
 - k. Regulatory hurdles/divergence
 - l. Technical regulations and standards
 - m. Good laboratory practices for chemicals
 - n. Technical specifications
 - o. Non-tariff measures
 - p. Cultural preferences and behavioral patterns/cultural differences/cultural barriers
 - q. Testing and certification
 - r. Impact assessment
 - s. Regulatory issues
 - t. Elimination of non-tariff barriers
 - u. Food safety
 - v. Technical barriers
 - w. Regulatory dialogues
 - x. Removing non-tariff barriers/regulatory barriers/convergence
 - y. Standards and certification/certification and regulatory processes/(standards and/convergence/harmonization of) certification (and regulatory) processes
 - z. Consumer protection
 - aa. Sectoral cooperation
 - bb. Mutual acceptance of standards
 - cc. Equivalence/equivalent product standards
 - dd. Remove non-tariff barriers
 - ee. Administrative burdens
 - ff. GPA rules
 - gg. Common principles/rules
 - hh. Health inspections
 - ii. Early warning system
 - jj. Enforcement mechanisms
 - kk. Technical requirements
 - ll. (enhanced) cooperation among patent offices
3. Environment
 - a. Sustainable development

- b. Environmental protection
 - c. Environmental effects
 - d. Climate change
 - e. Environmental goods
- 4. Transparency
 - a. Lack of transparency
 - b. Greater transparency
- 5. Public procurement/government procurement
 - a. Railway procurement
- 6. Intellectual property rights
 - a. (protection of/and enforcement of certain) intellectual property rights
 - b. Protection and enforcement of intellectual property
 - c. Enforcement of certain intellectual property rights
 - d. IPR protection
 - e. IPR infringements
- 7. Investment
 - a. Barriers to direct investment
 - b. Barriers to investment
 - c. Foreign direct investment
 - d. Foreign investment
 - e. Investment protection
 - f. Investment rules
 - g. investor-to-state dispute settlement (mechanism/system)
 - h. fair and equitable treatment
 - i. investment provisions
 - j. (inward) FDI stock
 - k. Outward FDI
- 8. Tariffs and duties
 - a. Customs procedures
 - b. Tariffs on industrial goods
 - c. Tariffs on goods/products/industrial products
 - d. Tariff rates
 - e. Tariff peaks
 - f. Tariff protection
 - g. Low tariffs on goods
 - h. Tariff rate quotas
 - i. Elimination of tariffs/tariff reductions
 - j. Elimination of EU duties
 - k. Customs valuation
 - l. Counterfeit goods
 - m. Import tariff
 - n. Customs duties
- 9. Domestic service suppliers
- 10. Energy and raw materials
 - a. Natural resources
 - b. Raw materials
- 11. Sensitive sectors:
 - a. Electrical products

- b. Food and beverage export
 - c. Financial services
 - d. Food and drink products/food products/agri-food/food and drink sector; manufacturing industry/food and drink industries; companies
 - e. Information and communication technology
 - f. Dairy products
 - g. Pharmaceutical industry/companies
 - h. Railway and urban transport
 - i. Manufacturing sector/industry
 - j. Automotive sector/car sector
 - k. Telecommunication services
 - l. Construction services
 - m. Consumer electronics
 - n. Technology industry
 - o. Maritime transport
 - p. Machinery and transport equipment
 - q. retail, wholesale and international trade sectors
 - r. leather goods/articles
 - s. digital technology industry
 - t. chemical industry/chemical products
12. Labor rights/public health
13. Competition policy
- a. Anti-trust/mergers/liberalization/trade aid
 - b. Mergers and acquisitions
 - c. (triangular) merger and acquisition (rules)
 - d. Competition rules
 - e. (triangular) merger scheme
14. Economic integration/economic growth/trade liberalization/growth and employment; jobs/reciprocal liberalization/growth and job creation
15. Negotiating mandate
16. Rules of origin
17. Human rights
18. Safeguard clause
- a. Operational safety clause
19. Research and development/research and innovation
20. Equal treatment of foreign and domestic suppliers/national treatment
21. Consumer preferences
22. Import penetration
23. Positive list

PARTNERS



ENGLISH

The Leuven Centre for Global Governance Studies coordinates a Policy Research Centre on "Foreign Affairs, International Entrepreneurship and Development Cooperation" for the Flemish Government. A Policy Support Centre aims to scientifically support Flemish regional policies. The project brings together 17 senior and 10 junior researchers (including eight PhD students).

The Centre conducts (a) data collection and analysis, and provides (b) short-term policy supporting research, (c) fundamental scientific research and (d) scientific services.

The Policy Research Centre is based on an inter-university consortium led by the Leuven Centre for Global Governance Studies (www.globalgovernancestudies.eu) in cooperation with the Antwerp Centre for Institutions and Multilevel Politics, the Vlerick Leuven Gent Management School and the H.U.Brussel. Within the KU Leuven, colleagues from the Faculty of Business and Economics, the HIVA - Research Institute for Work and Society, the Institute for International and European Policy, the Research Unit International and Foreign Law, the Institute for International Law, and the Institute for European Law are also involved in the project.

Research is structured in four thematic pillars: (i) International and European Law; (ii) International and European Policy; (iii) International Entrepreneurship; and (iv) Development Cooperation.

For more information, see our website: www.steunpuntiv.eu

NEDERLANDS

Het Leuven Centre for Global Governance Studies (www.globalgovernancestudies.eu) coördineert de derde generatie van het Steunpunt "Buitenlands beleid, internationaal ondernemen en ontwikkelingssamenwerking" voor de Vlaamse Regering. Een Steunpunt heeft als doel de wetenschappelijke ondersteuning van Vlaams beleid.

Het project brengt 17 promotoren en 10 junior onderzoekers (waarvan acht doctoraatsstudenten) samen. Het Steunpunt doet aan (a) dataverzameling en -analyse, (b) korte termijn beleidsondersteunend wetenschappelijk onderzoek, (c) fundamenteel wetenschappelijk onderzoek en (d) wetenschappelijke dienstverlening.

We werken samen met een aantal partners: het Antwerp Centre for Institutions and Multilevel Politics, de Vlerick Leuven Gent Management School en H.U.Brussel. Binnen de KU Leuven maken ook collega's verbonden aan de Faculteit Economie, het Instituut voor Internationaal en Europees Beleid, de Onderzoekseenheid Internationaal en Buitenlands Recht, het Instituut voor Internationaal Recht, het Instituut voor Europees Recht en HIVA - Onderzoeksinstituut voor Arbeid en Samenleving deel uit van het project.

Het onderzoek is verdeeld over vier thematische pijlers: (i) Internationaal en Europees Recht; (ii) Internationaal en Europees Beleid; (iii) Internationaal Ondernemen; en (iv) Ontwikkelingssamenwerking.

Bezoek onze website voor meer informatie: www.steunpuntiv.eu