

Big Business Influence on European Union Decision-Making: The Case of the European Round Table of Industrialists

Büyük İşletmelerin Avrupa Birliği'nde Karar Alımına Etkisi: Avrupa Sanayicileri Yuvarlak Masası Örneği

Teslim: 29 Aralık 2015

Onay: 18 Şubat 2016

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Abstract

There are currently nearly 30,000 lobbyists in Brussels, of which two-thirds work for business interests, with representatives of multinationals and big business groups having the most influence on decision-making in the European Union. This article explores the influence of the European Round Table of Industrialists, a leading European business group of 50 chief executives and chairmen of Europe's major multinationals, to EU decision-making in line with its members' interests. It is argued in the article that the European Round Table of Industrialists acted as an agenda-setter and policy-maker of the Single European Act and Trans-European Networks, and promoted the incorporation of the stages of the Economic and Monetary Union into the Maastricht Treaty through helping the European Commission in its struggle to convince member states. In addition to directly influencing the EU on these issues, the European Round Table of Industrialists also tried to influence EU decision-making by asking EU political actors to accelerate the accession of Central and Eastern European Countries, restructure European higher education and sign the Transatlantic Trade and Investment Partnership with the United States.

Keywords: *European Round Table of Industrialists, European Union, Lobbying, Rational Choice Institutionalism.*

Öz

Brüksel'de günümüzde, üçte ikisi iş dünyasının çıkarları için çalışanlar olmak üzere yaklaşık 30.000 lobici bulunmaktadır. Avrupa Birliği'nde karar alımına en çok etkide bulunanlar ise çokuluslu işletmelerin ve büyük işletme gruplarının temsilcileridir. Bu makalede, Avrupa'nın en büyük 50 çokuluslu işletmesinin yönetim kurulu başkanı ve icra kurulu başkanından oluşan Avrupa Sanayicileri Yuvarlak Masası'nın, üyelerinin çıkarları doğrultusunda Avrupa Birliği'nde karar alımına etkisi araştırılmaktadır. Makalede, Avrupa Sanayicileri Yuvarlak Masası'nın, Avrupa Tek Senedi ve Trans-Avrupa Ağları için gündem belirleyici ve politika yapıcı şeklinde hareket ettiği ve Ekonomik ve Parasal Birliğin aşamalarının Maastricht Anlaşması'na dahil edilmesi için üye ülkeleri ikna etmeye çalışan Avrupa Komisyonu'na yardımcı olarak buna katkıda bulunduğu ileri sürülmektedir. Bu konularda Avrupa Birliği'ni doğrudan etkilemesinin yanı sıra, Avrupa Sanayicileri Yuvarlak Masası, Orta ve Doğu Avrupa Ülkeleri'nin katılımlarının hızlandırılmasını, Avrupa'da yükseköğretimin yeniden yapılandırılmasını ve Amerika Birleşik Devletleri ile Transatlantik Ticaret ve Yatırım Ortaklığı anlaşmasının imzalanmasını Avrupa Birliği'nin siyasi aktörlerinden talep ederek karar alımına etkide bulunmaya çalışmıştır.

Anahtar Kelimeler: *Avrupa Sanayicileri Yuvarlak Masası, Avrupa Birliği, Lobcilik, Rasyonel Seçim Kurumsalcılığı.*

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INTRODUCTION

There have been many academic studies over the last 15 years regarding lobbying in the European Union (EU). The majority of these studies focused on EU institutions as targets of lobbyists, whereas only an insufficient number have concentrated on how lobbies concretely lead to the emergence or changing of EU policies or legislation. This is understandable since lobbying is done covertly. By drawing on many available resources, however, this current study is able to unpack the concrete lobbying influence on EU integration of the European Round Table of Industrialists (ERT), which gathers 50 chief executives and chairmen of major European multinational companies across a wide range of industrial and technological sectors.

One can easily say that lobbying is most popular in the United States (US) because the role of lobbies in decision-making in Washington has been a very well-known issue for a long time, while the media frequently cover news about lobbies. However, due to the powers of EU institutions in Europe's legislative process have increased since the Single European Act (SEA) of 1986, Brussels, like Washington, has also become a haven for lobbyists, although this is not very-well known by European citizens. Lobbying is currently conducted by roughly 30,000 lobbyists in Brussels, to a large extent to represent business interests, with the majority representing big business groups and multinationals. Among the big business groups in Brussels, the most influential one established by Europeans is the ERT. Because its members are leading European industrialists, the ERT has been in able to provide required information and alternative policy options to EU decision-makers. This article analyzes the policy areas where the ERT managed to directly influence EU decision-making, and where it tried to persuade EU decision-makers to favor the interests of its members. As a theoretical framework, the article draws on a basic claim in rational choice institutionalism, that institutions affect the decisions of political actors by providing them with information or alternatives.

This article begins by the theorizing the influence of big business lobbies on EU decision-making by applying rational choice institutionalism. The second section explains the influential role of big business lobbies on EU decision-making, with special attention to the ERT's influence. The third section, after giving brief information about the establishment, economic power, institutional structure and access ability of the ERT, broadly analyzes its lobbying activities to influence EU decision-making. The conclusion provides a general evaluation of the article.

1. THEORETICAL FRAMEWORK

Neo-functionalism, intergovernmentalism, constructivism and new institutionalism are the most influential theories of European integration.¹ Shortly after the signing of the Treaties of Rome, in 1958, Ernst Haas published his

¹ Mark A. Pollack, "Theorizing EU Policy-Making", in *Policy Making in the European Union*, ed. Helen Wallace, Mark A. Pollack and Alasdair R. Young, (New York: Oxford University Press, 2010), 16.

famous book, ‘The Uniting of Europe: Political, Social and Economic Forces, 1950-1957’, in which he set out the theory of neo-functionalism. Haas argued that, via a spillover effect, single sectoral integration automatically promotes cooperation in other sectors of the economy. Most importantly, however, according to him, economic integration eventually leads to political integration.²

In 1966, Stanley Hoffmann, emerged as the first representative of intergovernmentalism with his article ‘Obstinate or Obsolete? The Fate of the Nation-State and the Case of Western Europe’, which criticized the arguments of neo-functionalism. Hoffmann claimed that integration can be achieved via agreements created when sovereign states defend their interests. He asserted that negotiations between governments can result in cooperation if their interests are protected. He therefore proposed that member state governments are the principal actors in EU decision-making processes.³ His views were shared by Andrew Moravcsik, who published his article ‘Preferences and Power in the European Community: A Liberal Intergovernmentalist Approach’ in 1993, in which he further developed his ideas within a new framework called ‘liberal intergovernmentalism’, which became the dominant EU integration theory in the 1990s. He incorporated the liberal model of national preference formation and an intergovernmental model of EU-level bargaining into liberal intergovernmentalism theory. He argued that member state governments know very well their preferences, which are shaped by the competing demands of domestic actors (such as public opinion, political parties and interest groups), and support them in bargaining in the Council of the European Union, where national interests prevail over the EU’s general interests. EU integration is thus shaped through compromises reached in the Council of the European Union between the demands of individual governments.⁴

Constructivism was first introduced into the international relations literature with Nicholas Onuf’s book ‘World of Our Making’ in 1989, but achieved most prominence with Alexander Wendt’s 1999 ‘Social Theory of International Politics’ book. Constructivism emphasizes that, in addition to material structures, normative structures play an important role in international politics, while identity has a significant role in shaping politics, and structures and actors have a mutually constitutive relationship.⁵ Although constructivism did not begin as a theory of European integration, its suggestion that institutions influence individual identities, preferences and behavior has been used by scholars

² Ibid., 17-18.

³ Nilüfer Karacasulu, “Avrupa Entegrasyon Kuramları ve Sosyal İnşaaç Yaklaşım”, *Uluslararası Hukuk ve Politika* 3, No.9, 2007, 89.

⁴ Pollack, “Theorizing EU Policy-Making”, 20; İrfan Kaya Ülger, “Avrupa Birliği’nde Fetret Devri ve Gelecek Senaryoları”, *Bilge Strateji* 6, No.11, 2014, 109; Lucy Hatton, “Theories of European Integration”, CIVITAS Institute for the Study of Civil Society, 2015: 1, <http://www.civitas.org.uk/eufacts/download/OS.16%20Theories.pdf> (accessed: November 3, 2015).

⁵ Christian Reus-Smit, “Constructivism”, in *Theories of International Relations*, ed. Scott Burchill et al., (New York: Palgrave Macmillan, 2005), 188.

of European studies. These scholars argue that EU institutions shape identities, preferences and behavior of individuals and member state governments. In recent years, constructivist scholars conducted many studies concerning norm-diffusion, socialization and collective preference formation in the EU.⁶

Since the mid-1980s, many studies have been conducted on new institutionalism. In its core, new institutionalism claims that institutions matter in determining decisional outcomes.⁷ The emergence of new institutionalism in political science can be partly linked to a reaction against behavioralism's claim that political outcomes are the product of aggregated societal behavior.⁸ New institutionalism differs from the old institutionalism in that whereas the latter neglected decision-making institutions' formal powers and procedures, the former defines institutions broadly, including a wide range of formal and informal procedures, practices, customs, norms and relationships. Thus, new institutionalism is a much more comprehensive theory.⁹ An example can help better understand the difference between the two theories: "The old institutionalism argued that presidential systems are significantly different from parliamentary systems based upon the formal structures and rules. The new institutionalism goes farther and sets about trying to determine if these assumed differences do indeed exist, and if so in how two ways of organizing political life differ, and what difference it makes for the performance of the systems."¹⁰

New institutionalism, however, is not a unified theory. As Hall and Taylor discuss, three schools of thought call themselves new institutionalism: 'historical institutionalism', 'rational choice institutionalism' and 'sociological institutionalism'.¹¹ Historical institutionalists focus on the effects of institutions over time. They argue that institutional choices taken in the past shape and constrain later actors.¹² Paul Pierson points out that "This scholarship is *historical* because it recognizes that political development must be understood as a process that unfolds over time. It is *institutionalist* because it stresses that many of the contemporary implications of these temporal processes are embedded in institutions - whether these be formal institutions, policy structures or social norms."¹³ Historical institutionalism is the theory most commonly

⁶ Pollack, "Theorizing EU Policy-Making", 24-25.

⁷ Neill Nugent, *The Government and Politics of the European Union*, (New York: Palgrave Macmillan, 1999), 516.

⁸ *Ibid.*; Ben Rosamond, *Theories of European Integration*, (New York: Palgrave Macmillan, 2000), 114.

⁹ Nugent, *Government and Politics*, 516.

¹⁰ B. Guy Peters, *Institutional Theory in Political Science: The 'New Institutionalism'*, (London and New York: Pinter, 1999), 1.

¹¹ Peter A. Hall and Rosemary C. R. Taylor, "Political Science and the Three New Institutionalism", *Political Studies* 44, No. 4 (1996), 936.

¹² Mark A. Pollack, "The New Institutionalism and European Integration", in *European Integration Theory*, ed. Antje Wiener and Thomas Diez, (New York: Oxford University Press, 2009), 127.

¹³ Paul Pierson, "The Path to European Integration: A Historical-Institutionalist Analysis", in *Europe-*

used in explaining the EU's development, with scholars emphasizing European integration's temporal dimension.¹⁴ Sociological institutionalists particularly focus on how institutional forms and practices can often be culturally explained.¹⁵ In EU studies, sociological institutionalists, like constructivists, analyze the processes by which EU and other institutional norms are diffused and form the behaviors and preferences of actors in politics.¹⁶

None of the above theories that have been used in EU integration studies, including historical and sociological institutionalism, can explain the influence of lobbies on EU decision-making, unlike rational choice institutionalism. Basically put, the main concern of rational choice institutionalism is explaining the role of institutions in shaping, constraining or channeling the rational decisions of political actors.¹⁷ Rational choice institutionalism was first used by American scholars to analyze US congressional institutions' influence on legislative behavior and political outcomes.¹⁸ However, it was then quickly adopted by scholars of European integration, who applied it to examine legislative, executive and judicial politics in the EU. In this context, scholarly analysis of legislative politics has concerned decision-making in the European Parliament and the Council of the EU, analysis of executive politics has focused on member states' delegation of powers to the European Commission and this body's exercise of power, while analysis of judicial politics is interested in the role of the European Court of Justice vis-à-vis EU member states' national courts and governments.¹⁹

One basic feature of rational choice institutionalism should be used when analyzing the influence of big business lobbies, which represent multinationals or big business groups in Brussels, on EU decision-making. This is the claim that institutions affect political actors' decisions by providing them with information or alternatives.²⁰ Beginning with the signing of the SEA (1986), followed by the Maastricht Treaty (1992), Amsterdam Treaty (1997), Nice Treaty (2001) and Lisbon Treaty (2007), EU institutions have been given more legislative powers in EU policy areas. Thus, since they lack sufficient expertise in the majority of policy areas, the European Commission and the European Parliament have seen it necessary to receive knowledge from lobbies in order to make laws in these areas conform to EU realities. As a big business group, the ERT has drawn on its members' comprehensive knowledge and extensive ex-

an Integration and Supranational Governance, ed. Wayne Sandholtz and Alec Stone Sweet, (Oxford: Oxford University Press, 1998), 29.

¹⁴ Pollack, "Theorizing EU Policy-Making", 23; Nugent, *Government and Politics*, 516.

¹⁵ Nugent, *Government and Politics*, 516.

¹⁶ Pollack, "The New Institutionalism and European Integration", 127.

¹⁷ Nugent, *Government and Politics*, 516.

¹⁸ Pollack, "Theorizing EU Policy-Making", 21.

¹⁹ Pollack, "The New Institutionalism and European Integration", 129.

²⁰ Hall and Taylor, "Political Science and the Three New Institutionalism", 945.

perience in trade and economic issues to offer information and suggest options to the presidents of the European Commission, the EU's executive branch, which starts the legislative process by preparing draft laws, and EU commissioners, especially the trade commissioners. ERT has not of course limited its lobbying activities to the European Commission. In addition, using its access capability stemming from its members being leading European businessmen, it has similarly worked to influence leaders in individual EU member states.

Since its establishment, the ERT has tried to influence the above mentioned political actors to take decisions in line with its members' interests. Most importantly, it acted as an agenda-setter and policy-maker of the SEA and the Trans-European Networks (TENs) by convincing the European Commission's President of the time, Jacques Delors, that such policies suit EU interests. It also helped the European Commission in its struggle to introduce economic and monetary union. In this regard, it managed to push forward the incorporation of economic and monetary union's stages into the Maastricht Treaty in 1992 by informing member state leaders of the EU about the economic benefits of using a single currency. Furthermore, by maintaining contact with various political actors (the presidents of the European Commission, commissioners and EU member state leaders), it demanded EU to quickly ensure the accession of Central and Eastern European Countries (CEECs), restructure higher education in Europe and sign the Transatlantic Trade and Investment Partnership (TTIP) with the US.

2. BIG BUSINESS INFLUENCE ON EU DECISION-MAKING

Lobbying began in the US in the early years of the republic. According to one account, the word lobbyist was previously used for journalists in the House of Commons in the United Kingdom. In the US, however, the word lobbyist was first used for a 'lobby agent' in 1839, referring to those who looked for proponents in Albany. The word lobbying has a different origin than lobbyist as it first referred to the work of US President Ulysses Grant in Willard Hotel in Washington. People who heard that he was in the hotel came to its lobby to get his attention regarding their businesses.²¹ Today, Washington is the world's center of lobbying, with nearly 100,000 lobbyists, and the top 100 lobbying organizations in Washington representing business interests.²² Of these, industry groups dominate the scene. Regarding lobbying expenditure in 2014, the US Chamber of Commerce was by far the biggest lobbying group, spending \$124 million. Other business groups followed in order: (2) the National Association of Realtors (\$55 million), (3) Blue Cross/Blue Shield (\$22.2 million), (4) the American Hospital Association (\$20.7 million), (5) the American Medi-

²¹ Müjde Ker Dinçer, *Lobiler*, (İzmir: Alfa Yayınları, 1999), 52.

²² Lee Drutman, "How Corporate Lobbyists Conquered American Diplomacy", *The Atlantic*, April 20, 2015, <http://www.theatlantic.com/business/archive/2015/04/how-corporate-lobbyists-conquered-american-democracy/390822/> (accessed: October 22, 2015).

cal Association (\$19.6 million), (6) the National Association of Broadcasters (\$18.4 million), and (7) the National Cable & Telecommunications Association (\$17.4 million). Large companies that lobby independently in Washington occupied the next three places: (8) Comcast Corp. (\$17.02 million), (9) Google Inc. (\$16.83 million) and (10) Boeing Co. (\$16.8 million).²³

Lobbying in the EU dates back to the early years of European integration. The European Coal and Steel Community's High Authority, a supranational institution, to which member states ceded some of their rights, was targeted by several interest groups. With the adoption of various common policies under the European Economic Community framework, interest groups desired to be more influential. The turning point for lobbying EC institutions, however, was the signing of the SEA in February 1986 because it gave more legislative powers to institutions on common policies. EU institutions' powers were then broadened further with the Maastricht Treaty in February 1992. As a result, the number of lobbies aiming to influence EU institutions significantly increased in Brussels in a very short time.²⁴ The institutions targeted by lobbyists are those that take part in the EU's 'ordinary legislative procedure'. This is simply the process through which the European Commission prepares draft EU laws before forwarding them to the European Parliament and the Council of the EU for approval. Currently, the latter two bodies share legislative power equally.

The European Commission is the most important supranational institution in the ordinary legislative procedure. Due to its authority for preparing draft EU laws, it is a key target of lobbies. When preparing EU laws, the European Commission needs external expertise because of understaffing and budgetary limitations. This deficit is filled through consultation with external actors, in fact lobbies, which try to influence legislation. The European Parliament has both supranational and intergovernmental powers. While initially, its role in EU legislative power was confined to consultation, it gradually managed to increase its role to being an institution which equally shares the power of approving legislation with the Council of the EU. The European Parliament is also tasked with making amendments to proposed legislation. Members of the European Parliament (MEPs) therefore need expertise and information while making decisions on legislative proposals. Here too, lobbies participate, providing MEPs with necessary expertise and information. The most important intergovernmental institution in the ordinary legislative procedure is the Council of the EU, composed of ministers from each EU member state. It has the right to approve legislation or demand its amendment. Since the interests

²³ Jesse Solomon, "Top 10 Companies Lobbying in Washington", *CNN*, October 1, 2014, <http://money.cnn.com/2014/10/01/investing/companies-lobbying-10-biggest-spenders/> (accessed: October 22, 2015); Center for Responsive Politics, "Top Spenders, 2014", <https://www.opensecrets.org/lobby/top.php?showYear=2014&indexType=s> (accessed: October 22, 2015).

²⁴ Ahmet Arabacı, "Avrupa Birliği'nde Çıkar Temsilinin Gelişimi", *Uluslararası İlişkiler Dergisi* 5, No.17 (2008), 79, 82.

of EU member state governments prevail in this institution, it is almost impossible for the vast majority of lobbies in Brussels to influence it.²⁵

In Brussels, the EU Quarter spreads over four square kilometers where the main institutions are located, namely the European Commission, the European Parliament and the Council of the EU. The offices of the majority of the most powerful lobbies are located in this area, in particular around Schuman Square (the major institutions next to it are the European Commission's headquarters, the Berlaymont building, and the Council of the EU's headquarters, the Justus Lipsius building) and Luxembourg Square (next to it is the European Parliament). While there is no precise number, it is estimated that there are now currently approximately 30,000 lobbyists trying influence EU institutions located in the EU quarter of Brussels. Of these, two-thirds work for business interests, whereas trade unions and civil society are underrepresented. There are also public affairs consultancies and law firms providing advice and lobbying for clients, with Hill & Knowlton and Burson-Marsteller being the most powerful.²⁶

As outlined above, two-thirds of lobbyists in Brussels represent business interests. According to one EU body, the Transparency Register, the top 10 companies spending most on lobbying in Brussels in 2014 were as follows: (1) Exxon Mobil (€4.5- 5 million), (2) Shell (€4.5- 5 million), (3) Microsoft (€4.5- 4.75 million), (4) Deutsche Bank (€3.962 million), (5) Dow Europe (€3.75- 4 million), (6) Google (€3.75-4 million), (7) General Electric (€3.5- 3.75 million), (8) Siemens (€3.23 million), (9) Huawei (€3 million), (10) BP (€2.5- 3 million).²⁷ However, it should be noted that this data may be unreliable because registration of lobbies is not mandatory. Business groups are also very powerful lobbies in Brussels, with the American Chamber of Commerce to the European Union (AmCham EU), which lobbies for the interests of 140 American companies in Europe,²⁸ being particularly influential. Another influential business group is the ERT,²⁹ which represents European multinationals. The influence of the multinationals and big business groups on EU decision-making regarding trade and economy policies is in line with the claim of rational choice institutionalists, that institutions affect political decisions by presenting alternatives on the choice-agenda of political actors, or by providing

²⁵ Peter Bouwen, "Corporate Lobbying in the European Union: The Logic of Access", *Journal of European Public Policy* 9, No.3 (2002), 379-381.

²⁶ Corporate Europe Observatory, "Brussels: The EU Quarter", September 2011, 6-7, 28, <http://corporateeurope.org/sites/default/files/publications/ceolobbylow.pdf> (accessed: October 20, 2015).

²⁷ Olivier Hoedeman, "Google, Dow and Deutsche Bank Break into Top-10 Biggest Corporate Lobbying Spenders", June 23, 2015, <http://lobbyfacts.eu/news/23-06-2015/google-dow-and-deutsche-bank-break-top-10-biggest-corporate-lobbying-spenders> (accessed: November 5, 2015).

²⁸ Corporate Europe Observatory, "Brussels: The EU Quarter", 21.

²⁹ AmCham EU declared to the Transparency Register that it allocated €900,000-€999,000 for lobbying in 2014.

information for them, who can then make better decisions.³⁰ In parallel with this claim, one of the significant reasons that make the ERT an influential business group is that it has provided functional alternatives and information to the presidents of the European Commission, commissioners and EU member state leaders due to its extensive experience and comprehensive trade and economic knowledge. After giving a brief introduction to the ERT, the next section focuses on the issues for which the ERT has concretely managed to influence EU decision-making and the issues that it has prioritized to influence EU decision-making in line with its members' interests.

3. LOBBYING ACTIVITIES OF THE ERT

A lack of competitiveness, dynamism and innovation in Europe's economy in the early 1980s compared to the US and Japanese economies led European tycoons, who feared the consequences of these problems, to establish the ERT in 1983 to present solutions to economic problems in Europe. Pehr Gyllenhammar, then chief executive of Volvo, spearheaded its establishment.³¹ Today, the ERT brings together about 50 chief executives and chairmen of major multinational companies in Europe, primarily from the industrial and technological sectors. The ERT member companies' combined revenues exceed €2.1bn and they provide 6.8 million jobs in Europe. The ERT supports policies which aim at creating the conditions necessary to increase European economy's competitiveness, growth and employment. Membership is personal, not corporate with the ERT's work program and priorities being determined in biannual Plenary Sessions, where decisions are taken by consensus. The Steering Committee, composed of the ERT chairman, two vice-chairmen, the former chairman and five other elected members from the Steering Committee, is in charge of reviving activities and making recommendations to the Plenary Sessions. To a great extent, however, the ERT's work is done by Working Groups. Their proposals to the Plenary Session are very important in determining its messages and positions. The Secretary General is the head of its headquarters in Brussels, tasked with coordinating and organizing activities, providing administrative support, in particular for Working Groups, and serving as a contact point.³² Today, the chairman of the ERT is Benoît Potier, who is CEO of the French multinational gas company, Air Liquide.³³ The ERT allocated €800.000- €899.999 for its

³⁰ Hall and Taylor, "Political Science and the Three New Institutionalism", 945.

³¹ European Round Table of Industrialists, "Highlights", 2010, 6, http://www.ert.eu/sites/ert/files/2010_october_-_ert_highlights.pdf (accessed: October 21, 2015).

³² European Round Table of Industrialists, "Welcome by Benoît Potier", <http://www.ert.eu/> (accessed: November 6, 2015); European Round Table of Industrialists, "About ERT", <http://www.ert.eu/about-us> (accessed: November 6, 2015).

³³ Members of the ERT are as follows: Nils S. Andersen (A.P. Møller – Maersk/ Denmark), Vittorio Colao (Vodafone Group/ United Kingdom), Jean-Paul Agon (L'Oréal/ France), César Alierta Izuel (Telefónica/ Spain), Paulo Azevedo (SONAE/ Portugal), Ben van Beurden (Royal Dutch Shell/ The Netherlands), Kurt Bock (BASF/ Germany), Jean-François van Boxmeer (Heineken/ The Netherlands), Carlo Bozotti (STMicroelectronics/ Italy), Svein Richard Brandtzaeg (Norsk Hydro/ Norway),

lobbying activities in 2014.³⁴

Since the ERT carries exceptional economic weight in Europe's economy and its members have personal friendships with political leaders, it has always managed to influence politicians at the highest level, using the best method of face-to-face negotiations. These high level politicians include the presidents of the European Commission and the heads of EU member states or governments.³⁵ This ability was defined by Keith Richardson, former ERT Secretary-General, as follows: "Access means being able to phone Helmut Kohl and recommend that he read a report. Access also means John Major phoning to thank the ERT for its viewpoints, or having lunch with Swedish Prime Minister just prior to the Swedish decision to apply for EC membership."³⁶

The EU's introduction of the Single European Act and then the Trans-European Networks are the ERT's most concrete lobbying achievements. Some positive developments took place in the European economy at the end of 1970s. However, as a result of the impacts of the second oil crisis in 1979, the economy stalled again, stopping growth, increasing unemployment and deteriorating the trade balance. As stagflation in the European economy led to EU member countries adopting overt and covert protectionist measures, the European Commission almost lost its belief that the single market, a goal set by member states in the Rome Treaty in 1957, would be introduced.³⁷ In those difficult years for the European economy, a new European Commission

Antonio Brufau (Repsol/ Spain), Ton Büchner (AkzoNobel/ The Netherlands), Paul Bulcke (Nestlé/ Switzerland), Jean-Pierre Clamadieu (Solvay/ Belgium), Iain Conn (Centrica/ United Kingdom), Ian Davis (Rolls-Royce/ United Kingdom), Rodolfo De Benedetti (CIR/ Italy), Pierre-André de Chalendar (Saint-Gobain/ France), Marijn Dekkers (Bayer/ Germany), Claudio Descalzi (Eni/ Italy), Henrik Ehrnrooth (KONE/ Finland), John Elkann (FCA/ Italy), Ignacio S. Galán (Iberdrola/ Spain), Zolt Hernádi (MOL/ Hungary), Heinrich Hiesinger (ThyssenKrupp/ Germany), Timotheus Höttes (Deutsche Telekom/ Germany), Frans van Houten (Royal Philips/ The Netherlands), Pablo Isla (Inditex/ Spain), Leif Johansson (Ericsson/ Sweden), Joe Kaeser (Siemens/ Germany), Jacek Krawiec (PKN Orlen/ Poland), Bruno Lafont (LafargeHolcim/ France), Thomas Leysen (Umicore/ Belgium), Bill McDermott (SAP/ Germany), Nancy McKinstry (Wolters Kluwer/ The Netherlands), Gérard Mestrallet (ENGIE/ France), Lakshmi N. Mittal (ArcelorMittal/ United Kingdom), Dimitri Papalexopoulos (Titan Cement/ Greece), Jan du Plessis (Rio Tinto/ United Kingdom), Patrick Pouyanné (TOTAL/ France), Norbert Reithofer (BMW Group/ Germany), Stéphane Richard (Orange/ France), Kasper Rorsted (Henkel/ Germany), Güler Sabancı (Sabancı Holding/ Turkey), Risto Siilasmaa (Nokia Corporation/ Finland), Ulrich Spiesshofer (ABB/ Switzerland), Carl-Henric Svanberg (BP/ United Kingdom), Johannes Teysen (E.ON/ Germany), Jacob Wallenberg (Investor AB/ Sweden). See., European Round Table of Industrialists, "Members", <http://www.ert.eu/members> (accessed: November 6, 2015).

³⁴ Transparency Register, "European Round Table of Industrialists", July 31, 2015, <http://ec.europa.eu/transparencyregister/public/consultation/displaylobbyist.do?id=25487567824-45> (accessed: October 25, 2015).

³⁵ Keith Richardson, "Big Business and the European Agenda: Reflections on the Activities of the European Round Table of Industrialists, 1988- 98", Sussex European Institute, Working Paper No.35, September 2000, 18.

³⁶ Belén Balanyá et al., *Europe Inc.: Regional and Global Restructuring and the Rise of Corporate Power*, (London: Pluto Press, 2003), 19.

³⁷ Desmon Dinan, *Avrupa Birliği Tarihi*, translator: Hale Akay, (İstanbul: Kitap Yayınevi, 2013), 222.

assumed office under the presidency of Jacques Delors on January 6, 1985. Believing that the European economy needed a brand new start, the Delors Commission made its central objective ensuring the realization of the Rome goal of single a market, with free movements of people, services, goods and capital. In June 1985, the European Commission produced its White Paper, 'Completing the Internal Market', which set out a specific program for the single market's completion by the end of 1992. This single market project was agreed in the intergovernmental conference, composed of the representatives of member states, in the second half of 1985, before the SEA was eventually signed on February 17, 1986.³⁸

In fact, the ERT's business leaders were largely behind setting the agenda and providing alternative policies for the single market.³⁹ The ERT's second meeting, in Amsterdam on June 1, 1983, accepted a memorandum, 'Foundations for the Future of European Industry', to send to the European Commissioner for Industrial Affairs and Energy, Étienne Davignon. The memorandum emphasized that while Europe needed to promote new wealth creation, European industrialists could not achieve this alone; thus they needed political action, which first and foremost might be provided by implementing a unified European market. Since then, influential European newspapers and journals, such as the Financial Times, Economist, International Herald Tribune, Le Figaro and Der Spiegel, were used by the ERT to voice its views regarding how to develop European economy, particularly by introducing the single market, which was indispensable according to the organization since it would increase investment, eliminate uncoordinated standards and prevent fiscal, legal and political obstacles hindering the creation of transnational industrial structures. The ERT also explained these expected benefits to European leaders.⁴⁰

In late 1984, Karl-Heinz Narjes, European Commissioner for the Internal Market, presented his comprehensive package of proposals to complete the single market. European business leaders, however, were not satisfied by his proposal, complaining that it was unwieldy, lacked a precise timetable and did not include a strategy to achieve industrial growth. It therefore became very clear that European business leaders had to produce their own program so Wisse Dekker, the ERT's Chairman and CEO of Philips, took the initiative by presenting a plan, called 'Europe 1990: An Agenda for Action', on January 11, 1985 in Brussels, to nearly 500 people, including members of the newly

³⁸ William Nicoll and Trevor C. Salmon, *Understanding the European Union*, (Harlow: Pearson Education, 2001), 35. The SEA not only introduced the common market. It also extended qualified majority voting (voting weight according to the populations of member states) in order to prevent vetoes by small member states against the European integration project, thereby speeding up the decision-making. It also introduced a "co-operation procedure" between the Council of the EU and the European Parliament by increasing the latter's powers in the legislative process, and codified the European Political Cooperation. *Ibid.*, 36.

³⁹ Maria Green Cowles, "Setting the Agenda for a New Europe: The ERT and EC 1992", *Journal of Common Market Studies* 33, No. 4 (1995), 522.

⁴⁰ *Ibid.*, 505-508.

appointed Delors Commission.⁴¹ Dekker underlined the precise steps to reach to a single market. These were the elimination of border formalities, opening up of public procurement markets (in particular for telecommunications), harmonization of technical standards and ensuring fiscal harmonization (in particular Value Added Tax). To complete the single market project, Dekker even determined a timetable with a deadline of 1990.⁴² Dekker's proposal was then featured in the ERT's June 1985 report 'Changing Scales: A Review Prepared for the Roundtable of Industrialists', which the organization sent to EU heads of state and government. Three days after Dekker's speech, Delors spoke in the European Parliament in parallel with Dekker's proposal. Most remarkable, however, was that the content of Dekker's proposal was almost identical to the Delors Commission's White Paper, 'Completing the Internal Market', of June 14, 1985. The only difference was that the latter postponed the single market's completion to the end of 1992. In 1993, Delors admitted in a television interview that the ERT "was one of the main driving forces behind the single market".⁴³

Another of the ERT's concrete lobbying achievements is the creation of the EU's Trans-European Networks (TENs) policy. While the ERT was largely behind the SEA, the EU's introduction of TENs was totally due to the ERT. In order to ensure a well-functioning single market, the EU introduced TENs in the Maastricht Treaty in 1992. The new policy's purpose was "to integrate an interoperable European infrastructure in the areas of transport, energy and telecommunications, and in this regard to identify technical standards and priority projects of common interest and develop financing instruments for the implementation of these infrastructure projects".⁴⁴ With TENs, the EU takes into account the particular need to link islands, landlocked and peripheral regions with the central regions of Europe.⁴⁵ TENs is financed by the EU's Cohesion and Structural funds, and loans from the European Investment Bank. In December 2013, the EU created the Connecting Europe Facility (CEF), which determines the conditions, methods and procedures for providing EU financial assistance to TENs in order to support projects of common interest in transport, telecommunications and energy infrastructure, and to exploit potential synergies between those sectors. CEF also establishes the breakdown of resources to be made available under the multiannual financial framework for 2014 - 2020. €33.3 billion has been allocated to implement CEF in 2014-2015, with transport taking the largest share of €26.2 billion, followed by energy with €5.8 billion and telecommunications with €1.1 billion.⁴⁶

⁴¹ *Ibid.*, 514.

⁴² European Round Table of Industrialists, "Highlights", 26.

⁴³ Balanyá et al., *Europe Inc.*, 21-22.

⁴⁴ Ministry for EU Affairs of Turkey, "Trans-European Networks Policy of the European Union", March 9, 2015, <http://www.ab.gov.tr/?p=86&l=2> (accessed: November 13, 2015).

⁴⁵ Article 170 of the Treaty on the Functioning of the European Union (ex Article 154 TEC).

⁴⁶ Official Journal of the European Union, "Regulation (EU) No 1316/2013 of the European

In the mid-1980s, the ERT started to lobby the EU to improve Europe's transport infrastructure to enhance the single market's efficiency. In its 'Missing Links' report of December 1984, the ERT stressed that while European countries had improved their national road and rail infrastructure, they had failed to do the same for cross-border transportation. Specifically, rail connections between major European cities were insufficient, and motorway links, although good within national borders, were not satisfactory on Europe's periphery (UK, Scandinavia, Italy, the Iberian Peninsula, the Balkans). According to the ERT, this prevented Europe's international businesses from achieving economies of scale, optimum marketing and developing manufacturing strategies. The ERT made three proposals: an Anglo-French Channel road/rail link (EuroRoute), a Scandinavian road/rail link to Northern Germany (Scanlink) and a European high-speed train network, which would bring direct major economic and industrial benefits.⁴⁷ The ERT also recommended that more private capital investment was necessary for transport infrastructure development. Following the ERT's initiative, a joint European Commission-ERT task force was established, which presented a report in March 1986, 'Promoting and Financing Large-Scale Infrastructure Projects in Europe'. This developed typical financing models, which led the European Commission to create a new portfolio, 'Financial Engineering'. In the same year, the ERT produced another report, 'Clearing the Lines: A Users' View on Business Communications in Europe'. Its recommendations were repeatedly cited by the European Commission in its later Green Paper on telecommunications.⁴⁸

The ERT's ambitious studies of how to improve European transport infrastructure continued with the publication of two reports, which were well received by the European Commission. The first, in 1989, was 'Need for Renewing Transport Infrastructure in Europe', in which the ERT analyzed weaknesses in decision-making and financial arrangements. The second, in 1991, 'Missing Networks', argued that European transport infrastructure development should be treated as a single system rather than uncoordinated projects.⁴⁹ In addition, the ERT carried out mass lobby campaign on the transport ministers of member states to adopt TENs. As a result, TENs was finally included in the Maastricht Treaty in 1992.⁵⁰

Parliament and of the Council of 11 December 2013 Establishing the Connecting Europe Facility, Amending Regulation (EU) No 913/2010 and Repealing Regulations (EC) No 680/2007 and (EC) No 67/2010", December 20, 2013, L 348/129, <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:32013R1316> (accessed: November 13, 2015).

⁴⁷ European Round Table of Industrialists, "Missing Links: Upgrading Europe's Transborder Ground Transport Infrastructure", December 1984, http://www.ert.eu/sites/ert/files/generated/files/document/1984_-_missing_links.pdf (accessed: November 2, 2015).

⁴⁸ European Round Table of Industrialists, "Highlights", 23.

⁴⁹ *Ibid.*, 34.

⁵⁰ Balanyá et al., *Europe Inc.*, 22-23.

The EU benefitted tremendously from introducing the SEA, which revitalized the investment atmosphere in Europe, with European companies starting to engage in cross-border mergers and joint production arrangements. Delors's vision of Europe was not, however, limited to the SEA. With the support of the majority of EU member states, Delors started to work on introducing a single currency in order to further simplify trade in Europe.⁵¹ Finally, the stages of Economic and Monetary Union (EMU), along with entrance criteria, were incorporated into the Maastricht Treaty in 1992. In the beginning of 1999, some member states started to use the Euro as their single currency, while currently 19 EU member states use it. The ERT's direct involvement in EMU was limited, with the politicians being the clear initiators. Nevertheless the ERT influenced the initiative through the Association for the Monetary Union of Europe (AMUE), established in 1987 by the ERT's leading companies (Fiat, Philips, Siemens and Total) to push it forward. The AMUE had close contact with the Delors Commission with the aim of supporting their efforts to create the EMU.⁵² It sent reports to EU member state heads of state and government explaining European businesses' support for the Delors Commission-led EMU process,⁵³ and tried to influence economic bureaucrats in Europe through technical conferences and seminars.⁵⁴ Delors appreciated the AMUE's significant support, stating that "company managers not only follow us, but often precede us".⁵⁵ After the Maastricht Treaty, the ERT, through AMUE, continued to promote the introduction of EMU before the end of the 1990s because, according to the ERT, "a single market without a single currency is only half the battle," and it would be very difficult for the EU to survive economically with many currencies while the US and Japan had single currencies.⁵⁶

In addition to its above mentioned concrete lobbying achievements, the ERT also lobbied the EU over other issues to protect the interests of the European business community. These included enlargement, European higher education and TTIP. Since it targeted Europe as widely as possible in order to improve trade opportunities, the ERT gave special importance to the EU's Eastern enlargement project.⁵⁷ After gaining independence following the collapse of the Soviet Union, the CEECs rapidly applied for EU membership. On May 1, 2004, Poland, Czech Republic, Hungary, Slovakia, Slovenia, Latvia, Lithu-

⁵¹ Ian Bache, Stephen George and Simon Bulmer, *Politics in the European Union*, (Oxford and New York: Oxford University Press, 2011), 145- 146.

⁵² Bastiaan Van Apeldoorn, "Transnational Class Agency and European Governance: The Case of the European Round Table of Industrialists", *New Political Economy* 5, No.2 (2000), 160- 170.

⁵³ *Ibid.*, 170.

⁵⁴ Association for the Monetary Union of Europe, "Taking Stock of 9 Years of Euro Conferences", AMUE Newsletter, No. 38, January/ February 1999.

⁵⁵ Cited in Apeldoorn, "Transnational Class Agency and European Governance", 170.

⁵⁶ European Round Table of Industrialists, "Reshaping Europe: A Report from the European Round Table of Industrialists", September 1991, 46, http://ert.eu/sites/ert/files/generated/files/document/reshaping_europe.pdf (accessed: November 17, 2015).

⁵⁷ *Ibid.*, 41.

ania, Estonia, together with Malta and the Greek Cypriots, became EU members. Bulgaria and Romania, the remaining CEECs, also joined the EU on January 1, 2007, after completing democratization reforms, specifically regarding corruption and strengthening the judicial system. Because the Eastern enlargement was the largest in EU history and, crucially, involved the participation of economically and democratically less developed states than current EU member states, it caused significant debates in Europe. Those against the Eastern enlargement concentrated on various threats: mass immigration, increased organized crime, workers coming from poor countries taking workers' jobs in rich countries, and weakened EU integration. Supporters claimed that peace and security in the continent would be strengthened, immigration would promote economic growth and the EU would better cooperate with these acceding countries in fighting organized crime.⁵⁸

The ERT was a very enthusiastic supporter of the Eastern enlargement since the prospect of an enormous number of low-wage workers and 150 million additional customers joining the single market meant that the EU business community could add a new 'South-east Asia' in its immediate vicinity to its portfolio. These expectations led the ERT to take action to accelerate the Eastern enlargement. Significantly, in 1997, it established a special working group on enlargement, which submitted its enlargement action plan to the European Council's historic Luxembourg Summit in December 1997, where EU leaders decided to open accession negotiations with the first group of states, namely Hungary, Poland, Czech Republic, Estonia and the Greek Cypriots. The main point stressed in the ERT's enlargement action plan was that the EU should quickly "integrate all the candidate countries into a larger, more competitive and reinvigorated European Union". In February 1999, the ERT's special working group on enlargement produced 'The East-West Win-Win Business Experience' report, which argued that Western companies' investments in Eastern Europe's candidate states would bring benefits for both sides.⁵⁹

Another issue where the ERT has tried to influence EU decision-making concerns higher education. In the 1980s, in order to enhance competitiveness and innovation in Europe, the ERT worked to promote the idea of restructuring higher education in Europe, which, they argued, lagged behind the US and Japanese systems. In 1987, it founded a working group on education, which published a report, entitled 'Education and European Competence', in 1989 that explained the ERT's views about higher education in Europe and how to restructure it. The report claimed that Europe's research activities in computer sciences and biotechnology, which are the main drivers of technological revolution, were not sufficient, thereby causing European industry to lag behind its rivals, the US and Japan. The report also stressed that cooperation between

⁵⁸ European Commission, "Basic Arguments", April 29, 2002, http://ec.europa.eu/enlargement/archives/press_corner/basic_arguments_en.htm (accessed: November 17, 2015).

⁵⁹ Balanyá et al., *Europe Inc.*, 28-29.

industry and higher educational institutions in Europe, in particular regarding academic studies and research, was weaker than in the US and Japan. This view was a central focus of the ERT throughout the report.⁶⁰

Regarding restructuring higher education, the report made the following recommendations for general higher education-industry cooperation: developing higher education-industry partnerships, specifically through common programs; increasing company representation on the administrative boards of universities; increasing academic awareness of industry, for instance by organizing training programs; establishing a European Open University to develop higher education-industry cooperation; the creation of a pan-European rather than nationally-based education system, including European educational programs, degrees, exchange programs, standardization of curriculums at the European level, and transferability of studies and exams.⁶¹ The ERT also pressured the EU to restructure higher education.⁶² Significantly, these suggestions have indeed become the main focuses of the EU while reforming higher education over the last 15 years, for instance through the Bologna Process, Horizon 2020, Europe 2020, the European Higher Education Area, the European Research Area, Knowledge and Innovation Communities, and the European Institute of Innovation and Technology.⁶³ Nevertheless, it would be unwarranted to claim that the EU was directly influenced by the ERT's suggestions since there is no clear evidence of this.

The Higher Level Working Group on Jobs and Growth, created by the EU and US in 2011 to explore the feasibility and benefits of a broad free trade agreement, paved the way for starting negotiations on the TTIP, a comprehensive and ambitious bilateral free trade agreement, in July 2013.⁶⁴ TTIP is still under negotiations. In fact, mutual EU and US customs tariffs are low, averaging around 3% (although EU tariffs on processed food, automotive and forest products, and US tariffs on forest products, food and textile are far higher). The TTIP negotiations have focused on eliminating non-tariff barriers, which have the same impact as high tariff rates.⁶⁵ Another important aim of the negotiations has been harmonizing regulations. For instance, TTIP aims to introduce common standards for testing the safety of cars, drugs and soft furnishings,

⁶⁰ Ilkka Kauppinen, "The European Round Table of Industrialists and the Restructuring European Higher Education", *Globalisation, Societies and Education* 12, No.4 (2014), 504, 507.

⁶¹ *Ibid.*, 509.

⁶² Ronald G. Sultana, "A Uniting Europe, a Dividing Education? Euro-centrism and the Curriculum", *International Studies on Sociology of Education* 5, No.2 (1995), 126.

⁶³ Kauppinen, "European Round Table of Industrialists...", 512-513.

⁶⁴ European Trade Union Committee for Education, "General Information on TTIP", [http://www.csee-etu.org/en/actions/campaigns/exclude-education-from-ttip/262-what-is-the-ttip#What is the status of negotiations?](http://www.csee-etu.org/en/actions/campaigns/exclude-education-from-ttip/262-what-is-the-ttip#What%20is%20the%20status%20of%20negotiations?) (accessed: November 13, 2015).

⁶⁵ Said Akman, "AB-ABD Transatlantik Ticaret ve Yatırım Ortaklığı (TTIP) ve Türkiye", TEPAV, 2013, 6, http://www.tepav.org.tr/upload/files/1371828341-5.AB__ABD__Transatlantik__Ticaret_ve__Yatirim__Ortakligi__TTIP__ve__Turkiye.pdf (accessed: July 25, 2014).

because doing different tests in the EU and US is expensive for companies.⁶⁶ It is expected that if the parties manage to conclude the TTIP, it will lead to growth and the creation of new jobs for both sides. For instance, one study conducted by the Centre for Economic Policy Research, commissioned by the European Commission, reveals that nearly €119bn and €95bn could be gained per year by the EU and US respectively.⁶⁷ The TTIP negotiations, however, have continued very slowly, with the European Commission's status report, leaked in September 2015, showing that the two sides have still not exchanged their positions on 10 of the 24 chapters. The report blamed the US for this slow-moving progress, stating that because the US is also negotiating with eleven Pacific countries on the Trans-Pacific Partnership, another free trade agreement, it has specifically delayed tabling proposals for several chapters, including regulatory cooperation on chemicals, cosmetics, pesticides, engineering, and information and communication technologies.⁶⁸

The ERT's involvement in lobbying for TTIP can be analyzed within the framework of its participation in the work of the Trans-Atlantic Business Dialogue (TABD) via its members and the Business Alliance for TTIP.⁶⁹ Business groups in both the EU and US have long hoped for a comprehensive free trade agreement. To lobby for the realization of this vision, the TABD, an official business advisory group for officials of the EU and US, composed of European and American companies' chief executive officers and C-Suite executives, was created in 1995. In 2007, the TABD gained a significant opportunity to lobby for a comprehensive free trade agreement as a result of the establishment of the Transatlantic Economic Council, which brings together both sides' senior economic policy and regulatory officials to further integrate the transatlantic economies.⁷⁰ In 2013, the Trans-Atlantic Business Council (TABC), which is the only officially recognized transatlantic voice for companies regarding investment and trade, was established in 2013, following the merger of the TABD and the European-American Business Council. The TABC's first and foremost objective is to promote a barrier-free transatlantic market to contribute to economic growth. The TABD is the executive council branch of

⁶⁶ Leala Padmanabhan, "TTIP: The EU-US Trade Deal Explained", *BBC*, December 18, 2014, <http://www.bbc.com/news/uk-politics-30493297> (accessed: November 19, 2015).

⁶⁷ Andrew Walker, "TTIP: Why the EU-US Trade Deal Matter", *BBC*, May 13, 2015, <http://www.bbc.com/news/business-32691589> (accessed: November 19, 2015).

⁶⁸ Quantin Ariès and Hans Von Der Burchard, "TTIP Negotiations not even Half Done", *Politico*, September 30, 2015, <http://www.politico.eu/article/ttip-negotiations-not-even-half-done/> (accessed: November 19, 2015).

⁶⁹ To focus on the prospect of the TTIP, the ERT established the Trade and Market Access Working Group as well.

⁷⁰ John Hilary, "The Transatlantic Trade and Investment Partnership- A Charter for Deregulation- an Attack on Jobs- an End to Democracy", Rosa Luxemburg Stiftung, Brussels Office, February 2015, 23, http://rosalux-europa.info/publications/books/ttip_en/ (accessed: November 20, 2015); Trans-Atlantic Business Council, "About TABD", <http://www.transatlanticbusiness.org/tabd/about-tabd/> (accessed: November 20, 2015); United States Department of State, "Transatlantic Economic Council", <http://www.state.gov/p/eur/rt/eu/tec/> (accessed: November 20, 2015).

the TABC, which is above all dedicated to the introduction of TTIP. TABD provides its members with access to members of the US cabinet and Commissioners in the European Commission. In addition, it makes business-related recommendations to US and EU leaders before US-EU Summits.⁷¹ The TABD was co-chaired by the ERT's member, Investor AB, in 2013 and 2014. Currently, ERT members, BASF and Ericson, are among the 11 European member companies of the TABD. Thus, the ERT has joined the lobbying activities of the TABD to promote the introduction of the TTIP as soon as possible.

The European Business Alliance for TTIP was established in 2013 in the European Business Summit to support the successful conclusion of the TTIP. It is the other business group that the ERT participates in for lobbying for the TTIP. Other participants of the alliance are AmCham EU, AmChams in Europe, European Services Forum, US Chamber of Commerce, TABC, Transatlantic Policy Network, European Association of Craft, Small and Medium-Sized Enterprises.⁷² Specifically, its lobbying activities include contacting EU Trade Commissioners, both previous one, Karel De Gucht, and the current incumbent, Cecilia Malmström, to ask that the European Commission increase its efforts to conclude the TTIP negotiations by overcoming disagreements so that the EU economy can gain from the enormous economic benefits that they claim the TTIP will provide.⁷³

CONCLUSION

EU institutions have been given more legislative powers in EU policy areas since the introduction of the SEA in 1986. This led big business companies and their groups to establish offices in Brussels in order to influence EU decision-making in line with their interests. Due to the European Commission and European Parliament's insufficient expertise in many technical policy areas, they have chosen to benefit from lobbies that provide them necessary information. For trade and economy related issues, big business companies and their groups have been the most significant providers of information to such institutions, making them very influential in EU decision-making. The influence of business lobbies in EU decision-making support the claims of rational choice institutionalists, that institutions affect the decisions of political actors by pro-

⁷¹ Trans-Atlantic Business Council, "About TABD".

⁷² BUSINESSEUROPE, "European Business United in Strong Support for TTIP", May 15, 2014, <https://www.businesseurope.eu/sites/buseur/files/media/imported/2014-00534-E.pdf> (accessed: November 23, 2015).

⁷³ Daniela Vincenti, "Business Alliance Set to Drive EU-US Trade Deal", *EurActiv*, May 17, 2013, <http://www.euractiv.com/specialreport-ebs/business-alliance-set-drive-eu-u-news-519811> (accessed: November 23, 2015); BUSINESSEUROPE, "Business Alliance for TTIP Organises Welcome Reception for EU Trade Commissioner Cecilia Malmström", February 2, 2015, <https://www.businesseurope.eu/news/commissioner-malmstrom-together-we-will-make-ttip-happen> (accessed: November 23, 2015); Trans-Atlantic Business Council, "Business Alliance for TTIP Urges Political Momentum of TTIP Talks", July 10, 2015, <http://www.transatlanticbusiness.org/wp-content/uploads/2015/07/European-Business-Alliance-letter-10th-TTIP-negotiating-round.pdf> (accessed: November 23, 2015).

viding them with information or alternative policy options. In this regard, the ERT is the most influential European business group, drawing on the comprehensive knowledge and extensive experience of its members, who include Europe's leading industrialists.

The three policy areas where the ERT has directly influenced EU decision-making are the signing of the SEA, the introduction of the TENs and the promotion of the EMU. In the first half of the 1980s, suffering from a stagnating European economy, the ERT pressured the EU to introduce a single market with free movements of capital, labor, goods and services. It then produced its plan for how to establish it. Apart from the timetable for reaching a single market, Delors' White Paper, 'Completing the Internal Market' was the same as the ERT's proposals. After the signing of the SEA, to make the single market efficient, the ERT worked to convince the European Commission and transport ministers of EU member states to create the TENs to connect major EU cities via road and railways. In line with the ERT's recommendations, the EU subsequently incorporated this into the Maastricht Treaty in 1992. Regarding both the introduction of the SEA and the TENs, it is possible to conclude that the ERT acted as an agenda-setter and policy-maker. Another lobbying achievement concerned the EMU, although this time its role was limited to supporting the European Commission in its struggle to introduce this policy. To achieve this, the ERT created the AMUE, which sent reports to EU member state leaders, and organized conferences and seminars for economic bureaucrats in Europe, arguing that trade in the EU would be simpler with a single currency. Eventually, the European Commission successfully incorporated the stages of the EMU into the Maastricht Treaty.

The ERT also tried to convince EU decision-makers to introduce various policies that suited its members' interests. First, it lobbied the EU to accelerate the accession of CEECs because it thought that they would be the EU business community's new 'Southeast Asia', offering cheap labor and larger markets. Second, taking into account that Europe needed to enhance innovation and competitiveness, it lobbied the EU at the end of the 1980s to restructure higher education. Third, through the TABD and Business Alliance for TTIP, it has continued to lobby the EU to sign the TTIP, arguing that the EU economy would gain huge economic benefits. Regarding these three policies, the ERT has targeted different decision-makers, particularly the presidents of the European Commission, commissioners and EU member state leaders.

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