



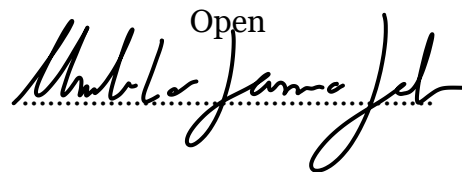
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ABSTRACT

For a long time, Europe has been considered a prominent example of a Consensual decision-making approach (Renn, 2001), where institutions, industry stakeholders, and the elite from the social groups were consensually developing legislation. The system, however, started changing in the 90s, following several scandals that have impacted industry credibility. The call for transparency has made the European institutions more suspicious about industry stakeholders' trustworthiness and has opened the decision-making process to new players, most notably, NGOs.

The research focuses on the case study of the automotive industry, analysing the elements which characterise the decision-making system at a European Commission's level and the level of collaboration among stakeholders (both industry players and NGOs).

The present Master Thesis provides an overview of the main perspectives on trust following Pooringa's (2006) typology and acknowledges the four models of decision-making styles discussed by Renn (2001). By focusing on the case study of the automotive industry in Europe, the research shows that, in contrast with what was first expected, the current level of play is not significantly unbalanced in favour of NGOs, but industry players still play a significant role in advising the European Commission on technical aspects of the legislation.

The current system, which is not as challenged as current literature could suggest, is discussed to be a hybrid model between a Corporativist and a Consensual approach, with stakeholders discussing and collaborating (often basing their trust on strategic evaluations), but also engaging in arguments among themselves and with the European Commission when the proposals do not reflect the policy asks of the lobbies.

The present paper also finds that industry stakeholders' influence on the Commission's work widely depends on the legislation under development. The legislative proposals may often be driven by political objectives and based on impact assessments provided by the Commission's consultants, making stakeholder influence more challenging. In the case of implementing regulations and delegated acts, the need for expertise from the industry and the importance of market intelligence puts stakeholders in a better position, enabling the co-creation of legislations.

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2. INTRODUCTION

On July 14, 2021, the European Commission published the ‘Fit for 55’ legislative proposal, a piece of legislation which is part of the Green Deal and sets the target of 55% CO₂ emissions reduction in Europe by 2030, with the target of reaching the 100% target by 2050. Part of the Fit for 55 Package is the updated CO₂ Emissions Standards for Cars and Vans, which touches directly on the European automotive industry, which will be at the centre of the discussion in this Thesis. The Commission's proposal on light vehicles emissions updates the standards already agreed upon in 2019.

“The current legislation on CO₂ emission performance standards for new cars and light commercial vehicles, Regulation (EU) 2019/631, sets targets for the EU fleet-wide average CO₂ emissions. The 2019 standards were imposing that the average CO₂ emissions from new passenger cars and vans registered in the EU would have had to be 37.5 % lower in 2030, compared to the limits in 2021 (95g CO₂/km). For new vans, the reduction target was 31 % by 2030 (compared to 147 g CO₂/km in 2021)” (European Parliament, n.d.). With the proposal for updating the standards, the European Commission aims to increase the CO₂ emission reduction by 55% compared to 2021 for cars and 50% for vans. Moreover, the Commission also aims to reduce the CO₂ emissions for cars and vans by 100% by 2035.

It is significant to highlight here in the following lines what was the reaction of the relevant automotive stakeholders right after the publication of the proposal on 14 July:

“All options – including highly efficient internal combustion engines, hybrids, battery electric and hydrogen vehicles – must play their role in the transition to climate neutrality, particularly as we work to reduce the carbon footprint of the whole vehicle fleet on the street, so not only of new vehicles. It is not the internal combustion engine that is detrimental to the environment, but fossil-based fuels. Without the availability of renewable fuels, a 100% reduction target in 2035 is effectively a ban of the internal combustion engine. Within the context of the proposed technology restrictions from 2035 onwards, we urge all EU institutions to focus on innovation rather than mandating, or effectively banning, a specific technology” – ACEA, European Automobiles’ Manufacturers Association (2021).

“It [...] also raises concerns about the lack of recognition of the contribution of sustainable and renewable fuels in the vehicle CO₂ regulation, and the weakening of the carbon leakage protection for the EU industries. Additionally, the implementation of a transport and buildings ETS will generate a cost for fuels customers on top of existing fuels taxation which will need careful judgement” – FuelsEurope, division of the European Petroleum Refiners Association (2021)

“A zero-emission tailpipe target in 2035 is a de facto ban on the internal combustion engine. This is not the most effective or efficient way to climate neutral transport in the EU, it may not even get us there” – CLEPA, European Association of Automotive Suppliers (2021)

“The new green fuel law is a big missed opportunity. We should be getting rid of palm and soy diesel that are trashing the rainforest right now. And instead of increasing the quota for so-called advanced biofuels, the EU should fully promote renewable electricity in cars and trucks” – Transport & Environment, NGO active at the EU level (2021).

“The European Commission is missing another historic opportunity to phase out fossil fuels in the ‘Fit for 55’ package, leaving the door open for coal, gas and oil to stay in the EU energy system for at least another two decades while sending the “polluter pays” bill to EU citizens” – EEB, European Environmental Bureau (2021).

The understanding from the statements above is quite clear: stakeholders (industry stakeholders and NGOs) were not supportive of the Commission’s proposal. Is this an isolated case or the reflection of the current level of trust and confidence in the Commission’s decision-making system?

The battles like the one on CO2 emission standards are essentially about risk management, and they are developed based on the knowledge provided by risk assessments. But legislators setting the political agenda of the European Union and whose decisions will have direct or indirect impacts on 27 Countries (and, widely, an impact on the whole world) have a rather complex task to achieve. For this reason, the decision-making process is based on negotiations, and external stakeholders play the role of advisors by providing their point of view, their data, and expertise.

The decision-making process is so complex because legislations will have various impacts. Such impacts may be measured and assessed with risk assessments, but it is the role of the legislators to – in the end – decide the way to go forward. Stakeholder disagreement on legislative texts that are significant for different sectors and long in their formulation may be a physiological element of the process.

This thesis will focus on the Commission’s playground, where stakeholders are more active. The actors considered are the European Commission, industry players and Non-Governmental Organizations (NGOs).

The role of the European Commission in the process of harmonisation of risk-governance standards is crucial. Being the agenda-setter, the European Commission is the organ which decides what standards and what regulations have to be discussed at a European level. The mediator’s role of the European Commission has often proved to be effective, and although being true that the proposed texts often receive some changes by the European Parliament and the Council, it has to be acknowledged that the

initial purpose and ambition of the legislative texts proposed is generally kept along the legislative process.

On the other hand, industry players are the companies and the associations of companies active in Brussels and do their lobbying job to influence the legislative process, to bring forward and highlight the impacts (positive or negative) of a specific legislation on the industry. Today, the term “lobbies” carries a somewhat negative connotation, but this is what industry players are. These actors are – as the research will discuss in the coming pages – welcomed to the regulatory table because of their expertise on technical topics, because they know if something is feasible or not, and they can represent the interests of groups that employ people and have turnovers that represent a crucial asset for Europe.

Lastly, NGOs, which in the past preferred to stand aside and not participate actively in the decision-making process, have increased their activity in the Brussels bubble. Although they do not appreciate to be defined as lobbies, they also do lobbying activities similar to the industry stakeholders. The difference is in the interests brought forward: if the industry stakeholders advocate for policies that bring advantages to that particular industry, NGOs are lobbying for other purposes – mainly, safeguarding the environment and the climate.

The overall purpose of this research is to answer the question:

How could a functioning relationship between the European Commission, industry stakeholders and NGOs build trust in the regulatory system?

3. TRUST: THE KEY FOR STAKEHOLDERS’ COOPERATION

This chapter aims to understand the literature concepts, the open points, and the relevant background to discuss, in the following chapters of this Thesis, how trust impacts risk-management strategies and risk governance at a European level.

3.1. POLICY-MAKING MODELS

The European Commission, which is the body in charge of setting the agenda for the European Institutions, often has the duty to handle risks, and the measures to which this institution cooperates with external stakeholders may explain why certain decisions are taken at an EU level (Bunea, 2018). There are several different policy styles in society, each with different characteristics. Renn (2001) reconciled the different theories and described them in his commentary on the paper by Lofstedt and Vogel (2001). In the following paragraphs, the study will discuss these different approaches and how they have been developed.

3.1.1. Four styles

Ortwin Renn, in 2001 has provided a clear picture of the four “pure” policy styles that governing institutions may use. It is insightful here giving evidence of such styles to discuss where the new participatory EU regulation style may fall. As will be seen shortly, each policy style has a peculiar distribution of trust. At this stage, it will be considered how generalized (or, on the contrary, particularized) the trust of the institutions is.

3.1.2. Adversarial approach

The first policy style for regulation considered is the adversarial approach. In the adversarial approach, different actors compete in an open forum to gain political influence in the policy arena (Renn, 2001). Scientific knowledge and scientific evidence are crucial elements for gaining influence in such policy arenas because policymakers will make their decisions based on arguments that have to be as strong

and justifiable as possible in front of social groups which may challenge the policy decisions (ibidem). The integration of different arguments has to undertake a well-structured process based on procedural rules of justification, verification and negotiation (ibidem). This process is rather transparent, and public scrutiny and outside observers can oversee the whole process. (ibidem). This is why science and scientific evidence are so substantial, and advisors are selected based on their scientific credentials and public standing (ibidem).

3.1.3. Fiduciary approach

In strong contrast with the adversarial approach analysed above, there is the fiduciary approach (ibidem). In the case of the fiduciary approach, the political power is given to a restricted group of patrons who are supposed to take their decisions in the name of common interest and common good (ibidem). The public, in this system, has a minimal role, since outsiders may provide inputs to the patrons, but they are excluded from the actual policy-formulation process (ibidem). In a fiduciary approach, the role of scientific advisors is very limited: it is the decision of the patrons whether or not to ask for advice, and the advice is often limited to background information (ibidem). Assistants of the patrons internally provide the majority of the material that is needed for the discussion, and advisors are selected according to personal affiliation or national prestige (ibidem).

3.1.4. Consensual approach

The third policy style described is the consensual approach. This approach is based on a closed group of influential actors composed of social groups and scientists who negotiate behind closed doors to reach a predefined goal (ibidem). Within the circle, evidence and fairness are mixed. The group collects knowledge about the topic on the table either with experts brought by the single actors or by agreeing on inviting mutually accepted experts (ibidem). Scientists and experts invited to participate in the discussion may be rather influential in building compromises, and their role is not limited to providing information (ibidem). The disagreement that may emerge in the discussions is reconciled on a one-to-one basis within the group, and controversy is not present (ibidem). The goal is achieved when the negotiations combine the best available evidence from the various interest groups (ibidem).

3.1.5. Corporatist approach

The last “pure” policy style of regulation is the corporatist approach. According to Renn (2001), the corporatist approach is similar to the consensual approach but far more formalised. The group of decision-makers is, in this case, composed of stakeholders representing the major forces of the society (industry associations, NGOs, employers’ associations, unions, consumers associations, churches or

others) and associated experts (ibidem). Experts and scientists are often nominated in a proportional number for each party, with each party having veto power on the experts; nominations are open to bargaining (ibidem). This process of nomination of experts prevents the actors from bringing experts representing each party's radical views, making reaching a consensus an easier task (ibidem). The experts, who are integrated as full members of the group, are asked to give advice and provide their expertise, but they are often not asked to provide evidence of their claims (ibidem). The whole system is based on confidence in the expertise of the scientists, and the discussions within the corporatist group may often become controversial and even hostile (ibidem). The final agreement reflects public pressure and power structures among the corporatist group; the decisions are presented to the external world as if they were taken by one single unity (ibidem).

Here above, the definition of “pure” policy styles has often been used. It is, in fact, quite unusual that these four approaches are present in a pure form. More often, the actual policy style for regulation used by different agencies or institutions is a mix of two or more approaches. One of the research goals in this thesis will be to assess which one/s of the policy styles can best explain the regulation style of different institutions at the EU level.

3.2. HOW DO THESE POLICY-MAKING MODELS RELATE TO TRUST?

The four policy-making models discussed are characterised by a specific balance of trust among the stakeholders, and such balance is a constituent element of each model. As it may have been intuited in the previous paragraphs, the decision-making process can include many stakeholders. Such stakeholders may base their decisions on the advice or evidence provided by external sources or decide based only on their judgment.

The dimension to which the decision-making group is open and the reliance (or lack of it) on outsiders are determined by trust. Understanding trust is therefore crucial to understanding how the different policy-making systems work.

Trust is considered to be a key element in the development of risk management strategies. The European institutions are in charge of regulations that eventually aim to manage risks; trust is relevant to understanding how the actors play a role in the decision-making process and in the risk assessments upon which the decisions will be made. An easy example provided by Slovic (1993) can be taken to understand why and how risk is important.

When you are in a zoo, you may sit next to a tiger in a glass-fenced court and feel safe (ivi: 676). Starr (1985) has pointed out that this lack of concern is evidence of the acceptance that perceptions depend heavily on confidence in risk management. Perceptions are central in risk analysis and management: risk experts may assess a risk as low and acceptable, but lay people can rank it high. The question is: do I *trust* you? If the answer is “no”, I will not accept nor rely on what you are saying, and the communication will have limited effectiveness (Renn, 1987).

It has now been said that *trust* is crucial in public perceptions. Over the last forty years, research has aimed at defining trust, its nature, its causes and its impacts; however, there is still disagreement on the concept (Poortinga, Pidgeon, 2006: 1675). In the words of Shapiro (1987: 625), the research on trust “has resulted in a confusing potpourri of definition”.

3.3. THREE PERSPECTIVES ON TRUST

Given that, as described above, different models of policy making are possible, the study will now briefly analyse the different perspectives on trust. Such perspectives may influence policy-making models, since they have different characteristics and different trust balances. The basic consideration is that different approaches to decision-making are present in different societies, and the perspectives on trust may help us understand how these different models are built. In presenting the perspectives on trust that have been identified in the literature, the study will follow Poortinga's typology. This typology divides the theories into three “schools of thought”: the *dimensional approach*, the *salient value similarity* and the *associationist view* of trust. The research will go through them in the following lines one by one.

3.3.1. Dimensional approach

The Dimensional Approach to trust has been developed to identify and define the basic components of trust (Poortinga, Pidgeon, 2006). Many researches, starting from the one developed by Hovland, Janis and Kelley (1953), have argued that trust is substantially a two-dimensional concept. In chronological order, Barber (1983) assessed that trust is often based on technical expertise and fiduciary responsibilities; Jungermann, Pfister and Fischer (1996) demonstrated that trust in sources of information can be described as the sum of two factors which are honesty and competence; Johnson (1999) has reported that various empirical studies could confirm that trust is a concept based on competence and care; Metlay (1999) showed that the elements driving trust towards the U.S. Department of Energy were a set of affective beliefs about the institution and its behaviour, and the perception of its competence (Poortinga, Pidgeon, 2006: 1676).

However, different empirical studies have emerged between the end of the last century and the beginning of the new one (ibidem). The studies carried out by Frewer et al. (1996), French et al. (2002), and Poorninga and Pidgeon (2003) demonstrated that trust can be defined as a two-dimensional structure composed of a component of general trust (which comprises both the element of competence and the one of care) and a component of vested interest (Poorninga, Pidgeon, 2006). The three papers mentioned above have shown that “different degrees of general trust could coexist with different degrees of scepticism” (ibidem). This latter aspect (scepticism), which will be discussed more specifically at a later stage in the literature review, may, in practice, increase the quality of decisions (Poorninga, Pidgeon, 2004).

3.3.2. Salient Value Similarity

The Salient Value Similarity (SVS) is a theoretical perspective which is an alternative to the one discussed above and was brought forward by Earle and Cvetkovich in 1995. The SVS, which has been successfully applied in several studies (Earle, Cvetkovich, 1995; Siegrist et al., 2000; Siegrist, Cvetkovich, Gutscher, 2001), affirms that most of the people base their trust in other people or organizations on whether these are seen as sharing the same pattern of values and interpretation of the situation (Poorninga, Pidgeon, 2006). Value similarity, from this perspective, can be seen as “attitudinal distance between one’s and the other person’s attitudes” (ibidem). Earle and Cvetkovich (1995) also state that the two factors characterization of trust may be understood and explained as a “justification” used by people to rationally explain their trust (which is, according to the authors, driven by value similarity).

Poorninga and Pidgeon (2003), Metlay (1999) and Siegrist et al. (2000), however, found limited evidence of the value similarity vision of trust and further assess that this approach can be complementary to traditional characterizations of trust, without necessarily substituting them.

3.3.3. Associationist view of trust

The associationist view of trust is the third theoretical perspective on trust identified by Poorninga (2004) in his extensive literature review. The associationist view of trust essentially argues that people and institutions base their sentiment of trust or distrust toward a certain technology or policy based on the similarity towards a technology or policy whose trustworthiness has already been assessed (Poorninga, 2004). In a nutshell, if a technology or policy reminds of another one that a person has already assessed, the perception of this new technology will be widely influenced by prior judgements (ibidem). Eiser et al. (2002) and Poorninga and Pidgeon (2005) have found that trust towards an institution regulating a certain technology is related to the overall trust in the technology itself. Poorninga and Pidgeon (2004), in a study about the case of GM food, have found that people having

strongly determined ideas about a certain technology may not change their minds easily even when faced with several facts leading to a different interpretation of the risk. Poorninga and Pidgeon (2006) also point out that some studies have shown that affect plays an important role in shaping trust. Affective responses are assessed to be more spontaneous and more easily accessible compared to more cognitive attitudes towards trust (ibidem). This interpretation of prior beliefs as standpoints that influence the interpretation of information and shape the way trust is assigned is well established in social psychology and dates back to the 1960s.

The associationist view of trust also seems to be confirmed by a recent report (Eurobarometer, 2010) assessing the level of trust in nuclear safety authorities across Europe. Countries where nuclear energy has faced fierce public opposition show a lower degree of trust in the nuclear safety authorities compared to countries where nuclear energy is well established, and nuclear power plants are up and running.

From Pidgeon and Poorninga's (2006) study, it can be understood that the three developed models have been deeply intertwined over the past thirty years. All elements mentioned in the models play a role in determining trust drivers. Nevertheless, a crucial point of the findings by the authors (ibidem) is that critical trust is not a driver of trust destruction but, on the contrary, it may improve the level of decisions taken, and it is essential in participatory democracy.

3.4. FOUR DIMENSIONS OF TRUST

Although there are, in the literature, different perspectives on the reasons why trust is created, it has been understood that trust is there. Even when trust is not “absolute”, some forms are still there, being at the base of the civil society. The analysis provided by Pidgeon and Poorninga (2006) is useful for acknowledging the different theories explaining how trust is developed, but trust can take different forms, and understanding what these forms are is helpful for this work in understanding how collaboration is built in the stakeholders' arena. For this purpose, evidence will be given to the so-called “four dimensions of trust” (Uslaner, 2010). Two of these four dimensions relate to the nature of trust, while the other two relate to the distribution of such trust.

3.4.1. Strategic trust

Imagine two people who don't know each other but have to work together for some time. They need to interact over time and build their reputation. Even when they start to know each other better, they

may decide to keep trusting the other person only on the subjects they already know of each other (Uslaner, 2010; Hardin, 1992; Miszal, 1996).

Uslaner (2010: 74) defines this kind of trust as strategic trust: it is a kind of trust which implies risks (since one person cannot be sure about the trustworthiness of the other person), but it is needed “to solve collective actions problems by reducing transaction costs”.

3.4.2. Moralistic trust

From the ‘70s to the ‘90s, in Italy, there have been numerous strikes in factories, with workers asking for better working conditions, better salaries, or even keeping their jobs. Over that period, there were in the factories some well-distinguished groups of people: the managers (who wanted to keep the production plants working), the workers on strike, and the workers who were available to work while their colleagues were on strike (the so-called, in a depreciative way, “*crumiri*”). The group of workers on strike can now be considered in the example. This group of people was often quite heterogeneous: some could be very confident communists, others could be Christian democrats or socialists; some could be atheists, others Catholics. Nevertheless, the grid and degree of trust among the group were high. This is, essentially, moralistic trust, a trust based on belonging to the same moral community.

Being part of a moral community, according to Fukayama (1995: 153), means sharing “a set of moral values in such a way as to create regular expectations of regular and honest behaviour”; which does not necessarily mean, as mentioned, sharing the same views on policy or religion (Uslaner, 2010). Moralistic trust is based on the assumption that trust has a moral dimension: “moralistic trust is a moral commandment to threaten people as if they were trustworthy” (ivi: 75).

3.4.3. Generalized trust

Depending on how widely one perceives his moral community, Uslaner (2010) suggests distinguishing between generalized and particularized trust. To be more specific, in contrast to the dichotomy between strategic trust and moralistic trust, generalized trust and particularized trust form a continuum (from a wide moral community to a narrow moral community) (ibidem). Researches by Rosenberg (1956), Lane (1959), and Brehm and Rahn (1997) suggest that generalized trustors feel happy and confident about their life. Being so open and optimistic about the future, generalized trustors are willing to collaborate with strangers to take the opportunities they can get (Uslaner, 2010).

3.4.4. Particularized trust

On the other side than generalized trust, there is particularized trust. Particularized trustors tend to rely only on people they already know, since they see strangers with a suspicious mind (*ibidem*). They tend to be pessimists and often overestimate the risk of being exploited by others. According to Uslaner (2010: 79), “for pessimists, a stranger is a competitor for what little you have”; moreover, strangers may also be seen as the sinister forces that shape their lives and future. In the short term, a positive exchange with a stranger may have limited impacts on increasing the trust of a pessimist towards other strangers, and particularized trustors’ views on strangers can only change slowly in the long term (*ibidem*).

In conclusion of this paragraph, what should be added is that generalized trust and moralistic trust are largely – not totally – overlapping, but moralistic trust is more narrow than generalized trust: the roots of generalized trust are, to a large extent, moral, but some of the foundations of generalized trust directly depend on life experiences (*ibidem*). On the other hand, particularized trust is widely based on negative life experiences, so its foundations are similar to those of strategic trust; however, the latter may also be based on other elements – such as stereotypes – with little evidence from real-life experience (*ibidem*).

What is acknowledged by Uslaner (2010) is that generalized trust is not the solution for ensuring compliance with the law. Strategic trust plays a role, since it is strategically efficient to rely on the legal and justice system to see the violations of agreements punished.

3.5. DIMENSIONS OF TRUST AND POLICY-MAKING MODELS

This paragraph will build on the literature discussed above to understand the dimensions of trust that characterise the four policy-making models described by Renn (2001). The analysis will assess the trust relations among the target stakeholders and Commission officials, and it will be built from there the analysis of the policy-making and risk-management style in the European Union’s head institution.

3.5.1. Adversarial approach

In the case of the adversarial approach, it can be said that trust has a strategic connotation and is particularized: the relations and, eventually, cooperation is based on the scientific quality of arguments. As has been seen, when this approach is taken as the policy-making style, there is a policy arena with multiple actors who do not trust each other and do not all receive the trust of policymakers. The stakeholders compete for such trust, which is distributed according to strategic considerations.

3.5.2. Fiduciary approach

In this approach, the group of patrons has a high degree of mutual trust, they are part of the same moral community, there is a set of shared moral values, recurring expectations, and the relations are honest. The trust is highly particularized since the community is composed of a very limited number of actors whose relations are occurring over a long time, and trust is widely based on previous collaboration experience. As mentioned, personal affiliation is a key element on which patrons base their choices about who to trust.

3.5.3. Consensual approach

In the consensual approach, after the agreement is reached, the final decision is defended in front of the public by referring to it as a consensual decision. In this case, the trust gains a moral dimension, since the consultation is open exclusively to the "club" members, which is essentially a moral community. Even if the different actors may, at first glance, disagree on the topic, they know the "good faith" of each other, they have a continuative relationship over time and agreements are always reached.

In the consensual approach, the trust towards outsiders is particularized (even though to a lesser extent than in the fiduciary approach) since the group of decision-makers is a closed group and experts invited to take part in the discussion are attached based on their reputation (Renn, 2001). Trust is not as particularized as in the fiduciary approach because experts have the power to influence the final decision without being just "sources of information" on specific, limited topics. However, the trust towards these experts is strategic: there is no absolute reliance on the experts based on their status of experts, but they are asked to provide evidence of their claims.

3.5.4. Corporatist approach

In the case of the corporatist approach, trust assumes a moralistic dimension, especially because the invited experts of the group are trusted without having to provide evidence of their claims. Moreover, trust is rather particularized: the players who sit around the table are there because of their stakeholder status.

3.6. THE EVOLUTION OF RISK GOVERNANCE AT AN EU LEVEL

Since the first form of cooperation has been established among the states that, in western Europe, were most responsible for two wars that devastated the continent, the Union of European states has progressively increased its relevance and regulating power. The first form of effective collaboration in Europe was created in 1951 with the European Coal and Steel Community, involving France, Western Germany, Italy and Benelux. Since then, the collaboration has evolved over several rounds of reforms and enlargements, and now 27 states are Members of the European Union (EU).

The powers of the European Union have widely increased and now cover transport regulations, freedom of movement, competition and antitrust regulation, agriculture and common market. In response to this increased power of the European Union, stakeholders and lobbying organizations have also built a progressive interest in the political process of the EU, whose activities have been recognised to complement the political agenda of the Member states. This new system, which is mostly visible in the area nearby Brussels (and, therefore, is often called the “Brussels bubble”), is a political system which is undoubtedly characterizing today’s Europe and, to a large extent, today’s world.

The legislative power in the European Union lies in three bodies: the European Commission is composed of Commissioners nominated by the Member States (one for each state) and is the only body with the power to promote legislations; European citizens directly elect the European Parliament, and the members from each Country are proportional to the population of the states; the Council is composed by one member for each Member State, representing the interests of the Country’s government.

Political institutions at a European level and, in particular, the European Commission (the agenda-setter) are developing legislations and regulations that are, in many cases, based on risk analysis. It is not a case that several of the more “political” prerogatives of the Member states have not been delegated to the EU: in fact, the Union has received from the states the power to regulate those aspects where coordination over Europe benefits the European system and the states themselves. For this reason, several of the legislations the Commission has developed are rather technical. This is also why stakeholders demonstrate such interest in influencing the decision-making progress. This influence is achieved by several means, spanning from jointly produced risk assessments (public-private partnerships) to the performing of alternative risk assessments or the presentation of alternative risk management strategies.

But the effectiveness of the European regulatory system is often challenged by stakeholders, and it is not uncommon that Commission's proposals and even final legislations adopted by the European Union seem to satisfy none.

In contrast with the US Hobbesian model, which has been for a long time essentially based on distrust and separation of powers (Kelman, 1981), the EU system has been acknowledged, until the 1990s, to be more centralized, with decisions taken by an elite (Kelman, 1981; Lundqvist, 1980). Starting from the late 80s and further developed over the 90s, things have changed in the European Community/European Union. Transparency, which has always been very important in the United States, started getting relevance in Europe as well; the European Commission has started advocating for more public participation, the EU has started using more the precautionary principle than what it was doing before and, lastly, science has started playing a more crucial role in the regulations (Lofstedt, Vogel: 2001). Moreover, the EU, which has been considered for a long time a trustworthy environment, has started losing this dimension in favour of an increased scepticism (ibidem).

Central and Northern Europe have been widely recognised in the literature for having applied the consensual approach for a long time, before a series of scandals in risk mitigation and public bodies' control of industries (especially related to food and drugs administration), the undermined legitimacy of the European commission following funding and incompetence scandals, the increased view of EU institutions as undemocratic and, lastly the fact that many local politicians have taken advantage of the whole situation blaming the EU for regional problems have all been elements boosting up the scepticism of EU citizens (Borras, Ejrnaes, 2010).

The changing social perception towards the European Union has brought EU institutions to develop new modes of governance which are, essentially, more participatory, flexible, open-ended and voluntary (Borras, Ejrnaes, 2010). These new models take, for example, the form of codes of conduct, voluntary agreements, public-private partnerships, social dialogues and benchmarks (ibidem). These new forms of collaboration among different stakeholders at a European level aim to promote shared governance, with mutually beneficial effects for the parts involved.

Risk-management decisions taken behind closed doors and agreed upon by a limited number of stakeholders with clear interests were not considered acceptable anymore. The social request for improved transparency in the decision-making process has started being more present.

It is not a novelty that pressure from society, media and stakeholders can influence regulation and nudge policy-makers in the direction of unscientifically-based decisions (ibidem). The changes that happened in Europe over the past years have been the direct result, as it has been said, of the failure of the European policy-making style (ibidem). The new system which has been developed in Europe has been built around three pillars:

- More inclusivity, with larger stakeholders and public participation in the decisions;
- More openness and transparency of the decisions to make regulators accountable for their decisions;
- Reduction of the role of science, since scientists are now seen as one of the stakeholders (Lofstedt et al., 2011: 410).

Even without having started the actual research yet, something can already be said about the new policy regulation style in Brussels: stakeholders play some role; otherwise, it wouldn't make sense for them to crowd the offices of the Belgian capital. Interest groups have always had a familiar role in western politics, even if they have not always been welcome (Coen, 2007). Political science, however, recognises that interest groups have a legitimate role in playing their part in the political field in the name of the importance of private interests in the public sphere (Richardson, 2000; Warleigh, 2001).

3.6.1. Stakeholders' role

As of April 2021, 12.489 organizations were registered in the lobbies Transparency Register of the European Parliament (European Parliament, 2021). Of those organizations, 27.2% are NGOs, 21.8% are companies and groups, 21.2% are trade and business associations, 7.8% are trade unions and professional associations, and 4.7% are think tanks and research institutions (ibidem). This gives a quite stark remark: often, lay people think that lobbies represent the interests of rich and powerful companies, but the data shared by the Parliament show that, in proportion, the most represented group of interest groups is composed of NGOs. This can explain why Europe has now become the leader in climate-change contrast ambition among the major world countries.

The size and the budget of the various groups lobbying in the EU may vary, but altogether, 49.059 people are lobbying in the EU and 1.594 have access to the European Parliament (ibidem).

The fact that all these lobbies are active at a European level is directly related to the increased power in risk regulation the European Union is assuming over the Member States (Vogel, 2012). This can be understood if the analysis was put in a wider context since it would not have been possible for the single small European states to set ambitious risk management standards and expect the rest of the world to comply with them (ibidem). If this were done without the support of a wider community of states, the single state would have been excluded from the global trade; however, if it is a Union of states setting ambitious standards, this exclusion would be far more difficult. "The development of European Institutions which have the technical, administrative, and political capacity, and the political expertise to develop and negotiate common standards have considerably lowered the transaction costs of regulatory cooperation and coordination within Europe" (Vogel, 2012: 242).

Given its agenda-setting role, it is not unexpected that the interest of lobbies is primarily given to the European Commission (EC). The relationship between the Commission and the stakeholders is bidirectional: lobbies have to build up their reputation to have access to the decision-making arenas, but also the EC has to build long-time relations with the interest groups which can provide information and data and make the system participatory (Coen, 2007; Broscheid and Coen 2003, 2007; Mazey and Richardson 2006; Bouwen and McCown 2007; Beyers and Kerremans 2007; Mahoney 2007). Moreover, to be effective in influencing policy-making, lobbies have to adopt a multi-level approach with strategic alliances while keeping open and efficient the relation with the national politics (Coen, 2007; Pijnenburg, 1998; Mahoney, 2007).

3.6.2. Mutual dependency

The increased regulatory competencies of the EU and the legislative system of the institutions have brought a dramatic increase in the number of lobbies over the last thirty years (Coen, 2007; Broscheid, Coen, 2007; Bouwen, McCown, 2007; Mahoney, 2007). So many lobbies play their part in Brussels' politics because there is a substantial resource dependency between the European institutions and the interest groups, and this dependency is based on regulation needs, expertise, information, and reputation (*ibidem*). In exchange for their expertise and information, the business groups have often been accepted as insiders, influencing the legislative process (Coen, 2007).

3.6.3. Increased representation

Over the years, with the change in the policy-making style in Europe, what has been commonly acknowledged is the loss of power of regulators with the increased power of campaigning academics and unconventional stakeholders who have claimed to be the representatives of public interest (Lofstedt et al., 2011: 412). These new stakeholders have received power directly from policy-makers since they have been acknowledged to be, as they claimed, more civil society representatives than the old school lobbyists (*ibidem*).

In this new balance of power, new stakeholders have made it to decision-making. The most representative case of this shift in the power balance is represented by NGOs, which have developed their ability to be vocal and influence social perceptions, with direct implications for risk management decisions (*ibidem*). In the consensus policy-making system, such players were often not involved by regulators or were spontaneously choosing not to be involved (*ibidem*, Ashby and Anderson, 1981; Brickman et al., 1985; Kelman, 1981; Lundqvist, 1980; Vogel, 1986). At a European level, the action of NGOs has been particularly relevant in shaping environmental policies (Vogel, 2012: 246). Given that EU institutions have a limited budget and, often, limited knowledge on the topics they are

regulating, NGOs have acquired power by being able to draw the agenda and provide the intelligence about what the debate around the regulation would have looked like (ibidem).

On the other hand, the EC has also facilitated and encouraged the creation of European-wide lobbies of NGOs and consumer organizations to increase the system's openness and involve citizens in the decision-making process (ibidem). As a consequence, the role of public participation in the decision-making process has increased, with scholars being divided between those thinking that lay-people perspectives and inputs can provide useful advice and value-add to the scientific risk assessment and other scholars being concerned that this could, in turn, excessively reduce the scientificity of the decisions (Lofstedt et al., 2011; Aven, 2019).

The literature review that has been carried out suggests a strategic element in why EU institutions and interest groups are collaborating. There is also a strategic element in why different stakeholders are getting together and collaborating among themselves. The former element has been widely discussed in the paragraph above, while the latter has been said to be crucial to accessing policy-making arenas (Pijnenburg 1998; Mahoney 2007). It can be argued that trust among stakeholders and institutions in the Brussels bubble is not only strategic.

Several authors (Coen 1997, 1998, 2007; Bouwen 2002; Woll 2006; Schmidt 2006; Mazey and Richardson 2006) have defined the EU political system as an élite pluralist system, given the importance and influential role of the interest groups and the interdependency between these groups and the policymaking/ ruling institutions. Transposing this definition in the frame provided by Renn (2001), it can be argued that the élite pluralist system can be essentially transposed in a Corporatist approach.

It can be argued that the importance of lobbies and interest groups in EU politics is a characterizing element of Brussels' political system. However, some characteristics of the corporatist approach may not describe best how the system works.

3.7. POLICY-MAKING APPROACHES OF THE EU INSTITUTIONS: WHAT IS THE MODEL NOW?

The corporatist approach discussed by Renn (2001) may be useful in describing the importance given to non-institutional stakeholders in the new European policy-making system. These actors are, in fact, actively involved in part of the decision-making process, leading to new regulations. The independent EU agencies are, in general, more likely to actively involve stakeholders in the decision-making process, while especially Parliament and Council have to be directly targeted by interest groups.

However, in general, stakeholders are well considered in the policy-making process, and lobbies and various actors may raise their voices knowing their effort is not useless. The corporatist approach may well express the involvement of stakeholders in the policy arena, since stakeholders are often the experts themselves.

In contrast with the corporatist approach, experts and groups invited to the discussion have indeed to provide evidence for their claims and their arguments. The emotional aspect of how the information is formulated also plays a role, but lobbies need to prove their reliability to be heard by policymakers. Therefore, the EU policy-making system does not fit in the corporatist approach when it comes to the point “invited experts [...] often do not need to present formal evidence for their competence” (Renn, 2001). The EU system is based on two levels: on the upper level, there are EU institutions and agencies, which involve, directly or indirectly, lobbies in their decision-making process; the lower level is the arena of stakeholders, where the different interest groups are facing each other with the goal of finding allies for their advocacies and contrasting those groups who have a different policy goal. The upper level is further divided into two dimensions: the interactions between institutions and stakeholders (European Commission, European Parliament and European Council) and the involvement of stakeholders in independent EU agencies.

3.7.1. EU institutions

Things are different in the relations between stakeholders and EU institutions. The system is more bureaucratic, and politicians are in charge of making decisions and approving legislations. As it has been seen, the Commission is the organ which sets the political agenda, while the Parliament and the Council have to approve every EU legislation to make it applicable. In this system, the role of trust has to be slightly different than that of the EU independent agencies. Stakeholders influence the decisions taken by policy-makers in these three arenas, but they often have to reach out to politicians in a more proactive way. This thesis aims at understanding the dimensions of trust that can increase the level of lobbies' influence on decisions taken by the European Commission.

3.7.2. Decision-making in EU independent agencies

Before starting the study to understand how trust is balanced in the decision-making process of the European Commission, it should be briefly analysed how the independent EU agencies take their decisions.

Independent EU agencies are agencies created by the European Commission and Governments with the duty of producing risk-management strategies and expert-based legislation (ultimately, the fact of being expert-based is considered to increase the credibility of the regulations) (Arras, Braun, 2019:

1258; Maggetti and Verhoest, 2014; Rittberger and Wonka, 2011). Independent EU agencies need essentially two assets for working efficiently and effectively: they need expertise, and they need sufficient capacity for formulating rules and ensuring that these rules are followed (Arras, Braun, 2019; Hood et al., 2001; Rittberger and Wonka, 2011). Since they are often quite narrow in their scope and leverage the knowledge of their associated members, interest groups have a high degree of expertise in the topics that touch them. For this reason, involving the lobbies is of key importance for EU agencies to gain expertise on the topics on the table, receive legal and administrative information, and gain political intelligence (Arras, Braun, 2019; Hall and Deardorff, 2006). Furthermore, the involvement of stakeholders in the regulatory process benefits agencies by increasing their compliance with the regulations (Arras, Braun, 2019). Studies (Martinez et al. 2013; Ottow 2015) have demonstrated that when the regulated actors co-create the regulation, they have higher levels of ownership and compliance with the requirements; this implies a reduction of the costs for control. Industry associations have the important role of mediating between the agencies and their members (the regulated companies), since agencies wouldn't have the organizational capacity to directly engage the companies in a discussion (Arras, Braun, 2019). The third reason agencies benefit from the collaboration with lobbies is that agencies aim to reach a de-facto autonomy and increase their reputation in such a way (ibidem). Such de-facto autonomy is reached when the agency can regulate and ensure compliance (ibidem).

3.7.3. European Commission

Commissioners are appointed by National Governments at the beginning of the legislation period (which lasts for five years) and act as the governing body of the European Union. The decisions within the EC are taken with the vote of the majority of its members. Controversies are not brought outside of the Commission, and the institution acts as a homogenous organ defending the decisions in the public sphere. However, although not having a predefined role in the discussion, the external stakeholders may comment and influence the Commission's proposals before it is brought forward to the Parliament and the Council.

The hypothesis is that, in the relations between the Commission and the external stakeholders, the dimensional approach to trust may provide us with some important inputs to understand why and how informal cooperation and influence happen. The two components of perceived expertise and the element of legitimate interest in the topic may help us understand why the Commission accepts or, at least, considers the arguments brought forward by stakeholders when designing its agenda. Further, it is also hypothesised that the associationist view of trust may provide good inputs to the analysis. When the agenda is set and a certain direction is taken on the Commission's side, the trust is likely to be distributed to actors who are more in line and more involved in topics on the Commissioners' tables. The hypothesis would then be that trust has a moralistic dimension, with lobbies closer to the

Commission's perceptions and moral attitude receiving more trust from the EC itself. The system, it has been hypothesised here, is close to the fiduciary approach described by Renn (2001), where a closed club, here represented by the Commissioners, autonomously takes decisions, and inputs from the external stakeholders may be incorporated or not in the legislation, but the decision is always in the hands of the “club members”. Furthermore, it is also a hypothesis that establishing long-lasting trust relations with vis-à-vis contacts with Commissioners and members of the Directorate Generals (DGs) is more difficult.

3.7.4. Gathering scientific knowledge

This work will focus on three main players: European Commission officers, NGOs, and industry stakeholders. These actors are highly dependent on scientific experts from academia and consultancies since these two latter groups are in charge of producing risk assessments and background knowledge that decision-makers use to develop their regulations.

The EC, the industry players, and the NGOs have already been discussed, but it is crucial to understand the relations between these three and the latter two groups of actors. Scientists, who had a crucial role in decision-making until some years ago, have now seen their influential power eroded since they lost their preferential connections with decision-makers. Scientists and experts are now considered one of the many stakeholders that bring their reasons and knowledge to regulators (Lofstedt et al., 2011). On the other hand, consultancies have increased their power as industry stakeholders often delegate to consultancies the production of risk assessments and of the relevant knowledge they need to influence policymakers.

However, there is some disappointment among academic experts, who see themselves often counterposed to consultancies. Furthermore, one of the critiques often moved to consultancies is that they always demonstrate what they are commissioned to demonstrate, making the risk assessments less reliable. Without going too deeply into this discussion (which is not the goal of this thesis), it is a fact that often different consultancies appointed by different interest groups come up with assessments of the same risk, delivering results that are very different but in line with the policy ask of the stakeholder commissioning the assessment.

These aspects concerning the trust balance will be discussed in more detail in the interviews in the next chapters of this thesis.

4. METHODS

4.1. RESEARCH QUESTION

Moving forward from the considerations and hypothesis discussed in the previous chapter, the purpose of this Master thesis is to understand how trust is balanced and the what the drivers of trust that may determine the influence of some actors on regulations regarding risk governance are. As it has been seen, different actors and stakeholders are interacting and working together to develop the European Commission's regulations at a European level.

More than twelve thousand lobbies are active on a European level, including industry associations, companies, NGOs, think tanks, and trade unions. All such groups aim to influence policies, and their activity is primarily driven towards the European Commission. NGOs have become major stakeholders, and the decline of trust between governments and industry players is documented by eminent researchers (Lofstedt et al., 2011; Vogel, 2012). However, the dependency between the European institutions and the external stakeholders has remained, and cooperation between the actors is still one of the key elements of European politics (Coen, 2007; Broscheid and Coen, 2003, 2007; Mazey and Richardson, 2006; Bouwen and McCown, 2007; Beyers and Kerremans, 2007; Mahoney, 2007)

The European Commission is the agenda-setter, therefore, the effort of stakeholders is often targeting the Commission itself. It is, however, worth noticing that interest in a specific topic is rarely “built” by lobbies (lobbies infrequently influence the agenda). Promoting a legislation on a topic that is not of public interest at a given moment is extremely difficult, and momentum is needed to make the advocacy effort effective.

The influence flow, even though it is not unidirectional, is not uniformly spread among stakeholders. It is crucial to remember that policy-makers are advantaged compared to lobbies and interest groups (being them any of the actors mentioned above and registered in the Transparency Register). Nonetheless, what lobbies can do is revamping topics that were slowly going out of public radars or prolonging momentum for a given policy ask. In lobbies’ work, an essential element when developing a campaign is building it around fixed relevant dates or policy milestones.

Trust relations should also be looked at from the perspective of different power-balance. In the European Commission case, lobbyists trying to influence a defined policy file have to dialogue and

persuade the relevant members of the Directorate General(s)¹ (DG) appointed to prepare the legislation proposal. This means that few people in one or two DGs are often faced by several lobbyists with very different policy asks, trying to influence them.

As is well documented by the studies performed by Vogel (2012) and Lofstedt et al. (2011), the role of NGOs had dramatically grown in the European Union in the period when the Union was evolving and developing the Common Market. The crucial role played by the industry in the period previous to the disruptive health and risk-management scandals of the 90s and early 2000s has been discussed by several scholars to be diminished drastically.

The analysis will focus on three actors, the automotive industry stakeholders (as a whole, OEMs and suppliers), the NGOs targeting the automotive sector, and the European Commission officials from the relevant DGs. The research question is:

How could a functioning relationship between the European Commission, industry stakeholders and NGOs build trust in the regulatory system?

Assuming that the consensual approach has collapsed in Europe following the scandals of the 90s and 2000s, it is relevant to understand the industry's role in the current political scenario, which has been discussed to be dominated by NGOs. The aim is to understand if industry organisations can influence decisions, even with non-governmental groups putting pressure on the policy and social side. Ultimately, the research will try to understand if the new decision-making approach has moved towards an adversarial approach or if it is a hybrid version incorporating other elements. From this, it will be discussed how the relations system could build trust in the decision-making process.

Lastly, it must be acknowledged that, while performing the research, the author worked in a trade body association active in Brussels. This working experience has facilitated the access to first-hand material, documents and people.

4.2. THE CASE OF THE AUTOMOTIVE INDUSTRY

For developing the present study, the focus has been given to the automotive sector. The automotive industry provides an excellent example for understanding the trust dimensions and lobbying activities that usually occur between stakeholders and institutions.

¹ The DGs, whose heads are the Commissioners, are the thematic departments which develop, implement and manage EU policy, law and funding programmes.

The automotive industry has played a crucial role in co-development of industrial policies in certain countries, especially in light of the number of employees who have worked for the industry in the past and the relevance of the sector for specific regions. Germany is the typical example of a country which based its industrial development around the automotive industry, but also Italy, France, Great Britain, Poland, Chechia, Sweden and Spain have widely developed their industrial sector around the automotive industry.

The sector, which currently still employs – directly or indirectly – about 5 million people across the EU27, is the only sector in which Europe still holds a stronger position compared to key competitors (for instance, the United States and China), with R&D investments which are significantly higher compared to other industries (European Commission, 2021). However, the industry's influence on policies has widely suffered the overall change in regulatory style over the eighties and nineties and has experienced the important and disruptive effects of the Dieselgate scandal less than ten years ago.

Moreover, nowadays, the sector is facing a significant transformation, the transition towards electromobility. The target, set with the Paris Agreements and taken by the European Union to reach carbon neutrality in the EU27 by 2050, has been substantiated in the Green Deal package. More specifically, the Fit for 55 package, has now created an important discussion in the policy-making arena. The Fit for 55 package has set the target of reducing the emissions in road transport by 55% by 2030 to reach zero tailpipe emissions² in the automotive industry by 2035.

These legislative proposals have generated an extensive discussion about the targets, the technology prescriptiveness of the regulations, and their impacts on European competitiveness and climate ambition. The discussion has especially focused on the phasing out the Internal Combustion Engine (ICE) technology (whose sales would, de-facto, be banned in Europe in 2035 – with the substantial exemption of the vehicles powered with hydrogen – if the current legislative regime will be maintained). No ICE technology currently available – excluding hydrogen – would produce no emission at the tailpipe level.

In the current policy arena (and, specifically, when looking at the CO₂ Emission Standards for Cars and Vans), there are Original Equipment Manufacturers (OEMs) who are somewhat divided between those advocating for a phase-out of the ICE technology and those who still see a future for the technology; there are suppliers who reached the agreement of advocating against the ICE ban, especially because several suppliers are highly dependent on ICE components and still heavily investing on the technology; and lastly, there are NGOs, who are in favour of a ban on ICEs to achieve

² With Tailpipe Emissions, the European Commission means the emissions generated by the vehicle during its movement (i.e. the emissions coming out of the tailpipe of the vehicle). Emissions can also be measured on a Well-to-Wheel base, which means including also the emissions generated in the production and transport of the energy source which will power the vehicle, or via a Life Cycle Assessment, assessing the emissions generated along all the value chain of the production of the vehicle, over its life and during its displacement.

the zero-emission targets at a tailpipe level. Other stakeholders are also actively involved in the discussion – fuel providers, consumers’ groups and others – but the present work will focus on the most recognisable players mentioned above.

4.3. STUDY DESIGN

For the present work, the pieces of information and the points that will be presented and analysed have been retrieved via open interviews performed over April and May 2022. The decision to focus the research on industrial lobbies active in Brussels is based on the well-acknowledged consideration made by eminent scholars active in risk management and trust that the power of such lobbies and their influence has been eroded over the years.

NGOs have acquired power, starting from the late 80s, in response to the increased request for transparency from society and to the failure of the consensual approach, which was the policy-making approach taken at several levels in the European Union, which has collapsed after risk-management scandals. Therefore, it is relevant to understand the role which is left to the “traditional lobbies” in the Brussels Bubble, and what is the relationship between such actors and the European Commission.

The present analysis will take a case study research method. The method described by Yin (2002) will be taken, and investigation of the phenomenon of trust balance in the Commission’s decision-making system will be performed, focusing on the real-life context of the automotive industry. The case study inquiry will “cope with the technically distinctive situation in which there will be many more variables of interest than data points; relies on multiple sources of evidence, with data converging in a triangulating fashion; benefits from the prior development of theoretical propositions to guide data collection and analysis” (ivi, 18).

Basing the research design on the guidelines provided by Yin (2002), the five steps followed in the research are:

- a) Definition of the study question
- b) Definition of its propositions
- c) Definition of the unit of analysis
- d) Definition of the logic linking the data to the propositions
- e) Definition of the criteria for interpreting the findings.

The study question has already been discussed above and aims to describe the dimensions of trust in the relations and influence-balance that frames the decision-making process at a European

Commission's level. The hypotheses, or propositions, that have been taken are based on the literature review. Literature has pointed out that the industry stakeholders have seen their role and influence decreasing over the years, with NGOs gaining power, relevance and influence.

What will be expected to find is, therefore, that industry stakeholders struggle to have their positions reflected in the European legislation.

The unit of analysis is, as mentioned, the Commission's decision-making playground. Therefore, a focus will be given to the European Commission itself and on the stakeholders who actively influence automotive industry-related policies within the Brussels bubble.

The case study, and the players analysed, can provide us with an insightful understanding of the validity (or non-validity) of the propositions gathered from the literature review. The automotive industry playground has, in fact, industry stakeholders, NGOs and Commission officials involved in it.

The data grasped via the interviews will be recollected and analysed on a thematic basis to provide an answer to the research question. It will be seen that, as often happens, the answer to the research question is not straightforward, and different cases and stages of decision-making receive different attention and different involvement of stakeholders.

The case study will be built on a qualitative method, which is more appropriate to establish a connection with the actor who will be interviewed. The use of a qualitative method provides a more agile structure to the data collection, with interviews built on a draft structure and developed following the flow of the conversation. The work's overall goal will be to understand the trust relationship between the organisations and the trust structures in the more informal relations among the people working for different bodies.

The dimension which deserves specific attention is, in fact, the personal relationships that may be built between European Commission officials and stakeholders within lobbies. Besides the dialogue developed in formal meetings and events, the informal exchange of opinions that may continue under trace may help us understand how the European institutions come to their decisions.

This special focus is motivated by the fact that, as it has been seen above from the paper written by Arras and Braun (2019), EU institutions benefit themselves from the dialogue with lobbies by gaining expertise on the regulated topic, by receiving market intelligence on the applicability of the norms and by increasing the degree of compliance to the regulations. Especially this second aspect may be more inclined to be discussed on a rather informal level, with direct conversations between the actors involved.

Although not being directly covered by the interviews, the research will also try to understand how, from the point of view of the Commission and industrial actors, the work of NGOs influences their activity. It will be possible to discuss, building on the findings, how the power of NGOs is considered. It may well be that the presence and vocality of such organizations are now considered a constituent part of the system and that the policy-making model has found a stable dimension after the recent changes occurred in the past.

The interviews will also discuss the role of scientific knowledge in supporting the decisions that the institutions take. Lobbies often delegate the production of studies supporting their thesis to external consultancies. It may be interesting to understand how those studies influence the impacts of the advocacy effort of stakeholders. As it will be seen in the coming chapter, it will be relevant to understand how trustworthy such knowledge produced by consultancies is perceived to be by lobbies and by the Commission.

To answer the research question, interviews have been performed with high-level professionals in the policy departments of two automotive industry players, CLEPA (European Association of the Automotive Suppliers) and ACEA (European Automobile Manufacturers' Association) and with officials from the Directorate-General for Mobility and Transport (DG MOVE) of the European Commission. The Directorate-General for Internal Market, Industry, Entrepreneurships and SMEs (DG GROW), the Directorate-General for Climate Action (DG CLIMA) and the Frans Timmerman's Cabinet, with special responsibility for the actuation of the European Green Deal, together with the NGO Transport & Environment and the automotive supplier ZF have been invited to participate to the interviews but were not available for joining the conversation. A total of 5 interviews have been performed, divided into 3 with lobbying organisations and 2 with the European Commission.

The chapter you are about to read is based on the interviews with EU stakeholders. The interviewed people have given their permission to indicate their working area and the body they work for. The interviews took place over May 2022, and each of the interviewed actors was asked the following six open questions:

- Can the industry influence the legislative process?
- Do you think this level of collaboration is satisfactory or not?
- Now, taking the case of the Fit-for-55 package and, more specifically, the Commission's proposal for the CO2 emissions standards for cars and vans, do you think the industry has played/ is playing a relevant role in influencing this piece of legislation?
- From your point of view, which should be the way to develop a decision-making process where all the actors work well together?

- When developing legislations or policy asks, there needs to be some underpinning pieces of science for substantiating the decision-making; how do you generate good science and good studies? What should be the standards?
- Lastly, do you think there are stigmas on automotive industry stakeholders following scandals such as the Dieselgate?

It should, however, be noticed that, in some cases, the interviews followed the flow of the conversation, asking for further explanations on certain aspects or following with questions about specific topics. The passages you will find reported below have been recorded and transcribed with the interviewees' consensus.

5. RESULTS

Each of the stakeholders actively working at the European level, in the “Brussels bubble”, has his role, the role of decision-maker or the role of influencer or expert. The European Commission is the subject proposing the pieces of legislation which will get to the Parliament and the Council for becoming effective, and adopts delegated acts for making some pieces of legislation (which were already adopted by the other two institutions) applicable in the European Member States.

5.1. COMMISSION’S DUTY TO LISTEN TO STAKEHOLDERS

The European Commission has the duty to hear and consider the requests and the knowledge that stakeholders provide. As it can be seen on the Toolbox for Better regulation (2021), which is the guideline for the Commission’s decision-making process, “The Commission’s consultation system offers stakeholders many opportunities to contribute to policymaking such as on:

- The Commission’s initiatives (policies, legislation or evaluations of existing policies) through ‘calls for evidence’.
- The ‘call for evidence’ is a streamlined, inclusive and simple system which combines feedback to the ‘call for evidence’ document and public consultation, where applicable. It is published on the web portal ‘Have Your Say’, the entry point for all contributions to the Commission’s legislative proposals, evaluations/fitness checks, communications etc.

The ‘call for evidence’ document is translated in all EU languages.

- Legislative proposals, once they have been agreed on by the Commission.
- Draft acts that add or amend aspects of existing laws (delegated acts), or set out rules to make sure Member States implement EU legislation in the same way (implementing acts) as well as on draft measures subject to regulatory procedure with scrutiny

(RPS/PRAC measures).

- Suggestions to simplify existing EU laws in ‘Have Your Say: Simplify!’” (ivi: 438-239).

The so-called ‘Better regulation’ Toolbox is easily retrievable online and contains one specific chapter which focuses only on the stakeholders’ consultation. Although quite succinct, the chapter's introduction gives us a clear understanding of why consultations are carried out. “The Commission committed to promote the participation of Europeans and civil society in the policy-making activities and to ensure the transparency and legitimacy of the policymaking process. Consulting stakeholders is an important instrument for collecting information for evidence-based policymaking. The views, practical experience and data will help deliver higher quality and more credible policy initiatives and evaluations” (‘Better regulation’ Toolbox, 2021: 437). The document also indicates that stakeholders’ consultation should be carried out to contribute to the Commission’s initiatives, legislative proposals, and delegated acts and simplify existing EU laws (ivi: 439).

More evidence of the scope of the consultation is provided in the box reported below (ivi: 455):

Box 2. Consultation scope and objectives – key elements⁷⁶²

- Be clear from the outset what is ‘in-scope’ and ‘off-scope’ due to legal or political limits.
- Map the available sources and information in a concrete and topic- related way. This includes also a check of past, but still valid stakeholder consultation work.
- Identify information gaps that can be filled in via consultation activities and the type of information needed for each topic: quantitative data or qualitative data.
- The consultation strategy should also include a phase where the received consultation results are assessed for their completeness. If needed, other tools can then be used to fill any gaps.
- Define the concrete and topic-related scope of stakeholder involvement.
- Include sensitive, controversial or highly uncertain issues.
- Be aware of potential blind spots that consultation work should detect.
- Specify which of the consultation activities (e.g. public consultation, consultations with social partners, experts, EU decentralised agencies and other EU bodies, lobbyists, Eurobarometer surveys, focus groups, randomly selected samples of citizens, public hearings, ‘citizen dialogues’ or others) will be used and how the selected activities will complement each other.
- Be clear on the specific purpose of public consultations, their intended use and the official EU languages into which the questionnaires and other consultation documents (e.g. background information, the ‘call for evidence’ document, reports with the results, etc.) will be translated.

There is an interdependency between the institution and the stakeholders, which have developed a tight relationship over the years. It is also clear and discussed already by the scholars reported in the literature review (and confirmed in the interviews) that industry stakeholders have lost part of their influence. This is due to the rising power of other actors, such as NGOs and other social actors, which has made industry players one of the several stakeholders to consult, and not the one with a preferential access to decision-making.

The Commission commits to consult and involve stakeholders in the decision-making process: citizens, businesses, social partners and representatives of professions and crafts, NGOs, consultancies, research and academia players, and organisations representing regional, local and municipal authorities (ivi: 458). All these actors, in principles, should be directly mapped and invited by the Commission to participate in the participatory platforms that the Commission disposes.

There are instruments in place to incorporate stakeholders' expertise and point of view in the pieces of legislation that the European Commission discusses. The “tools” used by the European Commission for gathering inputs from the stakeholders are briefly described in the interview with the first spokesperson from DG MOVE.

DG MOVE 1:

It's OPC (Open Public Consultation), but usually the Commission carries out also a lot of targeted consultations. These consultations can be carried out by the Commission on its own, by bilateral meetings, multilateral meetings, we have a lot of bodies with whom we work or we even establish as a Commission service versus Expert Groups, Working Groups, Comitology Committees.

For road transport, for instance, we have a committee on road transport, we have expert group on rules on posting of drivers in road transport, we have expert group on safe and secure parking areas, on road's charging. These are the fora, which we use regularly to consult and to collect the opinions of stakeholders, depending on the subject matter. And of course, when preparing legislative proposal, we usually also commission a consultant, external consultant, who does some preparatory work for us like data collection and data analysis, and also targeted interviews, case studies where they have to reach out to relevant stakeholders, talk to them to collect information, et cetera.

The officers from the European Commission have specified that this is not just an exercise, but that the knowledge that stakeholders can provide is crucial for the decision-making, and to ensure that the process is carried out fairly and that the proposal is as precise, appropriate and applicable as possible.

5.2. KNOWLEDGE-GATHERING PROCESS

What could be understood from the interviews performed is that, usually, associations provide the expertise of their engineers and experts from the industry, while the NGOs provide risk assessments, impact assessments and studies carried out by external consultancies. It is important to notice that NGOs often interpret public perception (or, at least, part of it) in a way that is more difficult for the industry. But on this specific topic of NGO influence, we will come back later in this discussion. What is important to consider is that stakeholder's advocacy effort still plays a role.

The second officer from DG MOVE (from now on, mentioned as DG MOVE 2), explains:

We discuss with stakeholders inside and outside Open Public Consultations, we always take it into account what they say because for us it's knowledge, it's a knowledge gathering exercise. We need to understand the point of view, interest needs and problems of all of the sector. Of course, because sector also has different interests depending on which side of the European Union they come from. Polish road transport operators would have different interests than German and French operators. So we need to collect all these different position papers to understand where we can build common ground for potential policy measure, where we can expect and assess the risks of total disagreement and how we can handle this situation. So it's very important.

This Commission's openness is expressed not only by Commission officials but also by the stakeholders. Besides the official and rather formal platforms and rounds of consultations organised by the Commission, Commissioners, director generals and policy officers from the Commission also have the opportunity to discuss with the stakeholders during third party events, stakeholders' events and other meetings.

The spokesperson from ACEA discusses this specific aspect in the paragraph below, saying that the Commission is deeply involved in the activities of other stakeholders of the Brussels bubble.

ACEA spokesperson:

The Commission is not just sitting on their chairs, in the buildings; they are a part of the different events that are organised by the industry, which is also another way how you can disseminate your thoughts, concerns, messages to talk to the members of the Parliament, but also to the Commission.

So there are different ways how you can somehow shape the opinion of the Commission before the Legislative Act is proposed.

5.3. INDUSTRY'S INFLUENCE

The CLEPA 1 spokesperson, however, moderates the positive tones used by ACEA when discussing the involvement of industry stakeholders in the decision-making process performed at a Commission's level. At this stage, and for the conclusions of the discussion here, it is important to notice that CLEPA confirms that industry stakeholders still play a rather relevant role in the process by providing its members' view, interpretation, and knowledge.

CLEPA 1 spokesperson:

Can we influence as industry? I think it really depends on how you enter into the dialogue. If you are perceived a credible partner in this dialogue you have influence and that's not, for definition, a negative thing because it comes with providing information and being cocreator and thinking. I'm not saying we're at an ideal point in this "cocreation world" because in our case, the automotive industry, there's still a lot of distrust; and this of course follows Dieselgate, with other examples, and I think that needs to change. So can we influence? Yes we can. But the how and to what extent are then still not question that we would have answered.

CLEPA 2:

I think it's becoming less interactive with stakeholders. I heard this also from other people. The Commission engages less with industry, engages also sometimes – I think – in a more restrictive way. Parliament no, I don't think there was any change. The role of Member States in the legislative procedure, I think has increased in the past few years.

On the industry's influence in the decision-making process, the ACEA spokesperson also agrees with the two positions expressed by CLEPA. The industry's role in influencing the early stages of the process has decreased over the years, and a correlation is seen with the increased importance that the European Commission is giving to external consultants providing impact assessments.

ACEA:

The think is openly worse and worse. I think that, in principle, - I'm here for 20 years - if I compare the involvement of the industry was much, much bigger. Of course, in case of automotive, this is a little bit specific because when I came here, everyone told me "this is the most problematic industry because everyone loves cars, everyone is an expert on cars., Everyone likes to talk about that". But in general, of course, then you had a Dieselgate, which did not help. But I think that if I talk to the others in chemicals, agriculture, etc., is the same. I think that's a mismatch between the reality and the political decisions. The Commission shouldn't just rely on external consultants that are providing impact assessments.

Their influence is growing, which definitely is not good. And, really, that does not improve the quality of the legislation that is proposed.

The increased role of external consultants in providing impact assessments is also discussed in the two interviews with DG GROW. The Commission has guidelines asking Commission officers to rely on such impact assessments, which should incorporate already the information the industry has provided in the stage of the open consultations.

Before giving voice to the two interviews, it is important to notice that the balance of trust in the European Commission and the importance given to external consultants is a very relevant element for understanding the decision-making system that characterises the Commission. Below, the words of the two interviewed persons from DG GROW.

DG GROW 1:

Every piece of legislation is preceded by an impact assessment provided by an external consultant. We have a huge toolbox ('Better regulation' Toolbox, n.d.) that we have to follow. But how the process is organised also depends on the topic and it depends also on how active the stakeholders are in certain areas.

DG GROW 2:

We have the CSC, which is the joint research centre of the Commission, and they are able to provide us scientific advice. The information that you gather from the industry can be a bit biased, so we have to be critical with industry studies.

5.4. DIESELGATE IMPACTS ON THE INDUSTRY CREDIBILITY

Stakeholders ask for more exchange on the pieces of legislation proposed by the Commission and recognise the decrease of their influence over the years. As discussed by Renn (2001), Lofstedt et al. (2011), Vogel (2012) and several other authors, the decreased role of the industry has been caused especially by several scandals that have impacted industry credibility.

Industry stakeholders have been asked if they think that there is a stigma on the automotive stakeholders because of the Dieselgate scandal. Interestingly, there is no agreement between CLEPA and ACEA on the topic, with the former stating that it is still very much there, and the latter considers it to be over.

CLEPA 1:

You don't start off from neutral territory. It's -20 where the discussion starts. And that's understandable. And I think also it's changing, because I think industry is changing attitude, and there's a bit of time passed, and there are examples of where industry is contributing, and there are effects like number of jobs concerned, the importance of this industry for economy and for trade and competitiveness.

You can't all discard that or disregard it. That is what it is. It's still a very important industry for Europe. So you cannot just not take industry and what it says seriously. But the credibility question is still an important one, and it does impact the discussions between the legislator and industry still to a certain extent.

ACEA:

It's over, it passed and we are back to the normal things. The Commission took some measures. The Commission decided they had to reflect that, listen to the voice of NGOs, and measures were taken.

Therefore, it is difficult to assess which perception reflects better the current state of play. From the insights grasped in one of the interviews with DG GROW, it can be understood that, even if it was true that the Dieselgate stigma influences the Commission, it does not cover the whole spectrum of the automotive industry production.

DG MOVE 1:

In my work I deal with a heavy duty vehicles, coaches or trucks. So it does not affect the work of my unit.

I think that it's not about having stigma, it's about EU legislators being more prudent and perhaps making in depth analysis before the legislative proposal is adopted and becomes a law. So, it's being more attentive to a certain part of industry and to certain types of data that is submitted. So, it's more attention to credibility of data, comprehensiveness of data, cross checking data and analytical methods applied.

5.5. INDUSTRY AND NGOs ROLE

The indirect response to the concerns shown above by the industry players about industry stakeholders losing their importance in the decision-making process is that the industry still plays a crucial role. The important value-add that the industry can provide is market intelligence (to what it concerns the applicability of the pieces of legislation) and the expertise on the topics that industry engineers can provide. To be more specific, in the case of the delegated act for implementing the Taxonomy Regulation, the industry's role concerns especially the advice on effective applicability of the criteria for labelling a product as sustainable.

DG GROW 2:

If you only have NGOs working with the Commission, it's just impossible because you need the expertise of the industry for the criteria to be usable and implementable. So in fact, the input is really important because if you take the transport industry and in particular aviation, it's quite technical, the manufacturing of an aircraft or the use of an aircraft, there are really technicalities that need to be taken into account. And if you only listen to NGOs, you end up with criteria which are not usable at the end.

Although, as it has been seen in previous parts of the interviews, it is widely acknowledged, among industry stakeholders, that the importance of NGOs has increased over the years (an aspect that is, as it has been seen, widely discussed and recognised by eminent scholars such as Vogel (2012) and Lofstedt et al. (2011)), there is mutual recognition of each other's role. In the coming pages, it will also be seen that this recognition is not always translated into a positive sentiment of the industry about the status-quo in the relations between industry, NGOs, and institutions. However, it is important to notice that, as stated by one of the spokespersons from CLEPA, the actors recognise themselves as such and establish collaborations, which are, in fact, not unusual.

CLEPA 1:

Environmental NGOs, or any other NGOs on other topics, tend to be automatically on the good side of the argument. This is the ticket that they fare on. They are lobbyists as well, but the term lobbyist is not used for them because it has a negative connotation. So they are NGOs.

But, of course, they are lobbying for a cause, and sometimes very one dimensional, without taking too much other interests into account. Because they are often campaigning for a certain goal. I wouldn't say that industry is campaigning for a goal. Industry is doing what it does, in this case produces vehicles and components.

Companies are part of the economic cycle. They invest, they innovate, they're entrepreneurs, they employ people. NGOs don't do that, but they often pretend that they know best what industry should be doing.

So they have, of course, legitimate interest that they defend, but they are more in the position to take more one dimensional perspectives and campaign for them. They're not equals in that sense, but they have more credibility. They're often taken more seriously. And we couldn't do without them either in democracy. If you don't have those organisations that really speak up and make a case, then maybe indeed we would altogether be more stuck in a not so favourable position. So, I think they have their role to play.

But it wouldn't be fair that only they say is ending up in policies and legislation.

Adding on what was mentioned above, the second spokesperson from CLEPA recognises and highlights that NGOs often play a very similar role as companies or associations, advocating for a certain policy or goal. During the interviews, industry stakeholders have often pointed out that NGOs

have a wider budget than industry associations, making them better placed to produce studies that can point to different takeaways compared to the Commission's impact assessments. But on whether NGOs have acquired more influential power than the industry, the response is not straightforward as it could have been expected from the findings by Vogel (2012). The reason can be the periodical cycle of influence that can bring the one or the other actor to receive more attention. The CLEPA spokesperson 2, in a passage that is not reported integrally in this paper, has pointed to the fact that the composition of each Commission and the background of each Commissioner may have a significant influence in determining which actor is the most heard one.

CLEPA underlines that NGOs can advocate for a certain precise objective, while associations, for their precise nature, often express a position that is the fruit of a compromise of the various priorities of the members. As it will be seen in the text reported below, this aspect makes industry stakeholders' ask more complex to explain than the ones of NGOs.

CLEPA 2:

Depends a bit on the topic. NGOs are influential because they can argue differently and participate in a discussion in a different way. They can be much more concise, they have a much sharper position than we have. By definition, we look for balancing the different interests of our members and that sometimes leads to not very sharply profile positions. While for NGOs it is much easier.

They can be much more black and white. And then on top of it, those which are well funded - and there are quite a few that are well funded - they can do very good work. So, the budgets for studies is quite impressive. And in what they are doing, they are doing good work. The only thing that you should not overlook is that there is an interest in that; they are not neutral.

5.6. INDUSTRY-NGOs COLLABORATION

Industry and NGOs, according to what has been reported by the interviewed stakeholders, do collaborate, and coalition building is in place. The discussion between these stakeholders may occur on different occasions and with different purposes.

Evidence of this is expressed by the spokespersons from CLEPA, ACEA and DG MOVE in the paragraphs below.

CLEPA 1:

There's a lot of coalition building. And stakeholders talk, they exchange, they meet in bilateral meetings, but also during policy conferences or events. They use communication channels for the exchange.

They debate in public, I would say, as well as behind closed doors, meeting each other also to learn about what are the others views, expectations, perspectives, the data that they base their arguments on, to understand what questions they have and give explanations, that's all important. Of course, happens that you already know you will not agree with each other, but you can at least try to better understand each other's arguments. And that sometimes leads also to changes in one or the other positions, because only by exchanging and then by having a dialogue and by understanding what the other is asking or claiming, you can come closer. And that happens.

ACEA:

If you use infrastructure, charging points, et cetera: you agree, okay, we had a joint statement with Transport and Environment because, okay, we want to push for e-mobility, we want to push for infrastructure. Fine. And after two months, suddenly they are saying it's not so important and this is not a problem, and we don't need that. Blah, blah, blah. Come on. How you can cooperate in a sustainable manner with a partner like that. Doesn't work.

DG GROW 2:

I work on the taxonomy regulation. This is a classification system for sustainable activities, in order to bring a kind of clarity on which activities are green and which are not.

So we have to make regulations on this, which is the taxonomy regulation. And in order to define screening criteria, to define which activities are green or not, the Commission has to adopt delegated acts. And to do this we have set up an advisory body which is a platform on sustainable finance. And the idea of this body is to have different experts and from different backgrounds.

For example, you have people from university, you have people from the industry - for transport, for example, Airbus is on this platform - but you have also NGOs to have another point of view. So, the idea is to collect viewpoints from a different kind of group of people in order to have a balanced position. And of course, we also listen to stakeholders from the industry, from the automotive industry or some other industry.

But the idea is not to be biased in the direction of one group of people, but to get a balanced view. I think it's important to give some credibility to the work of the Commission. The idea is not to be under the pressure of lobbyists. We need to listen to them because they certainly have good arguments. But we need to have a balance view, by listening also to NGOs, for example.

5.7. IMPROVING THE DECISION-MAKING PROCESS

In the interview with one of the two policy officers from DG GROW, the interviewed person invites the lobbies, being them NGOs or industry players, to develop a dialogue and try to reach a common ground before getting to the Commission to facilitate the work of the body. The proposal is building common ground in the early stages of the decision-making process and addressing the open points in front of the Parliament and the Council.

DG MOVE 1:

My opinion, individual opinion, based on my experience of working in the Commission, is that if stakeholders would be more active in finding the common position between themselves rather than going to the Commission individually one by one with totally different positions, the decision-making process would be easier. Because then, of course, the monkey is on our shoulder, in the Commission, and then we have to find a way how to find a common ground between the different interest groups. So what would certainly facilitate this process, would be if there was an initiative between stakeholders saying "listen, we have different interests: rail, roads, inland waterways; let's get together and discuss whether we can agree on some points and we submit the joint position papers in the Commission so that Commission does not wander like a child in the fog, but already has at least something to build on and the rest will see how we can negotiate in the further steps."

However, the position expressed by the policy officer has not been reflected in the ideas brought forward by industry stakeholders nor in the answer of the other policy officer to the same question.

What emerges is the overall agreement with the procedures and the Commission's decision-making scheme. ACEA has described the process to be essentially fair, although stakeholders have some complaints about the industry's decreased role in informing the decisions of the Commission.

The different suggestions received will now be reported below. The implications of this will be discussed in more detail in the conclusions, but it is interesting to notice that the changing scheme described by Vogel (2012) in his important work has not resulted in a substantial decrease in the industry's trust in the system.

The proper space is now given to the words of the different players, starting from the stakeholders and then moving to the second policy officer from DG GROW.

CLEPA 2

The procedures are in place, if we all respect them and if we all play along these rules. What I see critical are examples where you can argue that some arguments are disregarded, without good reason, in favour of others, where we cannot really say we are looking for balancing different interests as it should be done in a democratic debate. It's the majority that takes the decisions, but you have an interest in taking care of what the minority wants too. It's not like you can decide everything, and in one sided way because you have a majority. On the long run, this is going to undermine the political system. The problem is that doesn't play much of a role, currently. If you ask me personally, I would be a bit concerned from what I see often in political debates on European level.

They might be very well intentioned, but I would question whether we really achieve our intentions. We also are not critical in asking questions. "Is this what we are doing? Is this really getting us closer to our objectives?" Oftentimes it's the opposite.

We just may recognise that it doesn't work, and then we ignore it. Like the 20% manufacturing target that has been put forward, I don't can't recall which year it was, in an industrial policy strategy of the European Commission. Put it forward, set out a 20% target, industrial manufacturing as the objective. You have this in Germany, you have this in some other Member States. Others are structured differently and they wanted to have this as an average for the EU. Didn't work, they just stopped talking about it at some point. For climate targets, I'm not sure what we are currently adopting is really bringing us closer to protecting the climate.

CLEPA 1:

It's indeed about organising the information exchange early in the process. I don't really know if it could be organised differently. I do know that the Commission claims and tries to make it very transparent with public consultations with impact assessments.

But the Practise is sometimes a bit different, because the questions you put in a public consultation can already lead to certain answers. Impact assessments that you draft, if they're guided by the political outcome that you want to get to can also be biased. There are improvements possible, I would say, left and right. But if the process fundamentally should be very different, I don't know, because all stakeholders in the current situation do talk to the Commission that proposes legislation and they do talk to the member States and the European Parliament and negotiate and decide. In the end, it comes back to having a trustful relationship, respecting the different interests at stake, the different roles that the different stakeholders also play, and giving them the necessary importance.

[On the CO2 Emission Standards for Cars and Vans] I think there was a very clear political direction that the Commissioner responsible for climate policy wanted to follow. And I think he exchanged with industry and industry representatives, but not to the extent that he could have, and that has trickled down also, I think, to the other levels in the Commission and the discussion we were having there. So it could have been better, but I think the political views played a very dominant role.

ACEA:

I have to say that the Commission is fair, relatively, and, really, they mostly rely on the impact assessments.

Okay. We can discuss about the quality, et cetera. But mostly it's fair. Even if you have a look on the latest 55 package, it is a problematic package. But if you have a look on the proposal from the Commission, it's really coordinated, it fits together.

[On the CO2 Emission Standards for Cars and Vans] The proposal of the Commission had three pages on a technical, let's say substance, it's one, one page of changes. Okay. And this is exactly fair approach. As I said, they decided for one step extra, which I think is a fault. But again, it's nothing dramatic that they are changing every single piece of the legislation. They are keeping the framework, they are keeping the system, not changing any single parameter. So, I think that's a fair proposal.

This point that collaboration between stakeholders and the Commission can take place in an effective and trust-building manner is also confirmed by the spokesperson from DG MOVE 2, who is currently working on the adoption of a delegated act for the implementation of the Taxonomy Regulation.

DG MOVE 2:

From what I see in the platform on sustainable finance, I think this is highly satisfactory because it's not an easy job to put together all those people with such different views. But it's important to do it and we do it. And I think it has an impact on work, to get a work that is balanced and also it gives credibility to our work. So I think it's really important.

6. ANALYSIS

The interviews with stakeholders and the Commission have provided important findings that deserve discussion. In the present chapter, the different topics are discussed in more details.

6.1. DIESELGATE IS NOT COMPLETELY OVER

Different actors have reported different perceptions about the current influence of the Dieselgate scandal in the Commission's trust (and distrust) towards the automotive industry. The conclusion is that the "long wave" of the Dieselgate scandal is not completely gone. Different Commission officers likely have different perceptions of the industry. However, the scandal's influence is likely to be an imprecise predictor of the collaboration between stakeholders and the Commission.

This is not unexpected, and it has been discussed in the literature review that the theory of Salient Value Similarity can, in fact, play a role and may be – at least partially – confirmed in the case of the European Commission's decision-making process. Policymakers with a background in the industry are more likely to take a more neutral perspective on the automotive sector stakeholders; while policymakers with a political agenda more focused on "greening" the European industrial sector may be more sceptical about the purposes of automotive industry lobbying activities.

Moreover, it is significant to point out that NGOs often challenge industry players with arguments that aim at promoting the idea that automotive companies are polluting to keep the status quo. Although the Dieselgate scandal is not directly mentioned in current NGOs' lobbying effort, the communication from these players may be interpreted as an attempt to prolong the stigma, aiming to gain competitive advantage in the field of political influence. An example of the campaigns which may be interpreted this way is "Don't Look Up': The engine-makers' answer to the climate crisis", launched by Transport & Environment in January 2022.

6.2. STAKEHOLDERS DO COLLABORATE, ALSO IF THEY ARE DIFFERENT

Despite having different interests and being portrayed (and often portraying themselves) as different in their nature, NGOs and industry stakeholders exchange opinions, talk with each other in private and public meetings, and collaborate. This element is crucial for us because such different stakeholders often reach an agreement and collaborate by submitting position papers, letters, or other documents together, excluding that the system reflects an adversarial approach.

This does not mean that the stakeholders always collaborate. The actors build collaborations when they have a common purpose to bring forward, when the policy ask of one corresponds to the policy ask of the other. Moreover, the trust one actor gives to another may well not be absolute or moralistic. Players get together for specific reasons because the voice of several has more power than the voice of one. Recognition of each other's roles and understanding each other's differences make collaboration more appealing since actors who are often considered (and, in some cases, consider themselves) as adversaries deserve more attention and consideration.

Therefore, it can be discussed one of the most important questions of this paper, the one relative to the very nature of trust in the stakeholders' arena. However, the nature of the collaboration among stakeholders cannot be described straightforwardly, and the specific relations and alliances among different stakeholders require some differentiation.

The nature of the collaboration between NGOs and industry stakeholders is essentially based on strategic trust since the actors do not share the same pattern of values and rely on each other in a very limited way. NGOs and industry get together when they have common, limited, policy asks. But the overall vision of the industry's future may be very different, and the collaboration on one aspect does not impact the fields of discussion where the different actors contrast each other with fierce. Given the nature of the collaboration, trust is also particularised: collaboration is carried out when there is a common interest with whoever shares the same interest.

Different is for the collaboration among industry actors active in the same industry. Automotive associations often share the same interests, take a similar approach, and develop long-time and well-established collaborations. The dialogue among these associations is always ongoing, the exchanges are frequent, the development of common positions is the rule, not the exception. In brief, trust has moralistic dimensions and is more generalised (within the industry). An example of how intertwined the relations among industry stakeholders in the automotive industry are, is that, in May 2022, the President of EUWA (European Association of Wheel Manufacturers) is also the Treasurer of CLEPA. Moreover, it can be relevantly noticed that one of the two spokespersons from CLEPA has actively

reached out to ACEA to facilitate the process of getting an interview from the OEMs association. The CLEPA person also suggested interviewing Transport & Environment (the most active NGO in the sector), but preferred not to facilitate the connection because the collaboration was not carried out with the same frequency as with ACEA.

Lastly, the collaboration between the European Commission and the stakeholders – NGOs or industry groups – is also based on generalised strategic trust. This is essentially related to the guidelines the Commission has to follow, especially the one requiring them to be open to the instances of stakeholders. Trust is strategic because the Commission has a clear purpose behind its listening to stakeholders: giving credibility and recognition to the decision-making process, acquiring market intelligence and fulfilling the requirements of the toolbox for ‘Better Regulation’.

6.3. STAKEHOLDERS STILL HAVE A ROLE TO PLAY

Some of the measures and instruments adopted by the European Commission proved to be efficient and effective in informing decision-makers. It can be argued that stakeholders' involvement in the decision-making process and, especially, the industry's influence may vary based on the very nature of the legislative act on the table of the Commission.

As mentioned, part of the issue stakeholders raise is related to the potential politicization of the topics, which may result in consultations that already assume a certain outcome.

It can be argued that when the Commission presents a legislative initiative, the role of the underpinning political objective plays a more crucial role, and therefore the impact of external stakeholders may be less crucial (this has also been reported in the interview with CLEPA 2). Along the same lines is the case of legislative proposals, where only minor changes are usually performed.

When it comes to adopting delegated acts (technical acts to make the legislations applicable), the relevance of the advice of stakeholders, industry stakeholders especially, may be higher. The delegated act needs to be directly applicable, and the industry's expertise to assess and advise what is applicable and what is not possible to apply is more relevant. Moreover, as seen in the literature review's paragraph dedicated to independent EU Agencies, the co-creation of the technical requirements of technical regulations provides important advantages to the regulating body.

When the regulated industry is involved in the regulations' definition, the industry takes more responsibility and ownership of the regulation (Martinez et al., 2013; Ottow, 2015). This also implies

a reduction in the costs for control. It can be argued that there is a higher degree of collaboration on the delegated acts.

6.4. THE STAKEHOLDER'S INFLUENCE DEPENDS ON THE LEGISLATIVE PROCESS

From the interviews performed, it has been understood that there are still some forms of collaboration and trust among stakeholders. It has been discussed that trust has different dimensions based on the context, with industry stakeholders having a more moralistic trust in each other (this is probably also applying to the cluster of NGOs) and different stakeholders basing their trust on more strategic considerations (similar interests on a certain specific topic).

The dialogue among industry stakeholders is more active and durable over time compared to the dialogue between NGOs and industry players. This is not to say that there is total agreement between the industry players, but the arguments are discussed behind closed doors and not brought forward in the public domain. Taking the example of automotive suppliers and original equipment manufacturers, the discussion on the terms of the contracts is ongoing and – especially in this period of supply chain disruption and increased prices of raw materials – may also assume rather hard tones. However, industry associations and single companies consistently develop common strategies and advocate for similar objectives.

On the other hand, the Commission bases its collaborations on strategic considerations, aiming at acquiring relevant information from industry stakeholders and increasing the credibility of the decision-making process. Therefore, it is difficult to categorise the decision-making process at the Commission's level in one of the four dimensions proposed by Renn (2001).

For this paper, it is relevant and useful distinguishing between the decision-making style the Commission takes for legislative proposals and the approach it takes for delegated acts.

In the case of the legislative proposals, the European Commission takes a fiduciary approach towards the external consultancy providing the impact assessments, and the impact of stakeholders' lobbying is very limited. The CLEPA 2 spokesperson has indicated that there are wide differences from one Commission to the other, and the background and political agenda of each Commission have an important impact on the approach taken by each cabinet. As stated by both the CLEPA and ACEA spokespersons, the Commission relies on the impact assessments and bases its legislative proposal on

it. According to industry stakeholders, the advice and expertise of industry experts is often underplayed in favour of the policy objective that the Commission aims at bringing forward.

When, on the other hand, the European Commission has to work on a delegated act, the decision-making system is different. Although the Commission is, in theory, autonomous in taking the decisions, collaboration plays a more crucial role and benefits the Commission. As has been already mentioned, ensuring the applicability of the delegated acts is the institution's priority, and the expertise of industry players is needed. In the case of the delegated acts, NGOs have a role to play, but it is more limited: NGOs may provide studies and hire external experts to support their policy asks in the decision-making platforms and can also help the Commission distinguish what pieces of information provided by the industry are facts and what is lobbying. Considering the higher degree of mutual dependency and the higher openness towards European stakeholders, it can be argued that the decision-making process, in this case, is closer to the Corporatist Approach. This is especially true when the Commission establishes platforms where the stakeholders can provide input.

A step back should be taken to discuss the different “tools” the Commission uses for receiving inputs from stakeholders.

6.4.1. Call for evidence

“The ‘call for evidence’ consists of a ‘call for evidence’ document that describes an initiative and, where relevant, a public consultation questionnaire (for the initiatives that need one).

The ‘call for evidence’ is the Commission’s main opportunity to explain to the public and stakeholders why a particular initiative, evaluation, or fitness check is being prepared, what it aims to achieve, and gather their views.

Stakeholders and the public are invited to:

- give their feedback on the ‘call for evidence’ document, which explains the Commission’s understanding of the problem and possible solutions, as well as to
- respond to a public consultation questionnaire (for the initiatives that need one) to share their views and any relevant information they may have.” (‘Better regulation’ Toolbox, 2021: 439)

It can be understood from what is explained in the ‘Better regulation’ Toolbox that the influence of external stakeholders in a call for evidence may be limited by the fact that this tool is mostly intended to serve transparency purposes and explanations of the Commission’s intention in proposing a certain regulation. Moreover, it should also notice that, based on the knowledge gathered in the interview with

the CLEPA 1 spokesperson, industry stakeholders may find the public consultation questionnaire biased, driving respondents in a certain direction.

6.4.2. Feedback mechanism for delegated and implementing Acts

“Delegated act empowerments allow the Commission to adopt legal acts of general application to supplement or amend certain non-essential elements of a legislative act. Implementing act empowerments are used where uniform conditions for implementing legally binding acts are needed.

Stakeholders can provide feedback on the draft texts of delegated and implementing acts and regulatory procedures with scrutiny (RPS) measures, with exceptions. This feedback period lasts for four weeks.

In practice, DGs need to consider, already at the planning stage, whether an upcoming act qualifies for the feedback mechanism and flag this in the Decide planning module. The list of upcoming delegated and implementing acts and RPS measures that will be published for feedback is made available at regular intervals on the ‘Have Your Say’ webpage on European Commission, to allow stakeholders to plan ahead and prepare. Also, DGs need to factor in the additional time needed for feedback and analysis of the feedback received. For delegated acts, information on stakeholder input in general, including feedback, should be referred to in the explanatory memorandum” (‘Better regulation’ Toolbox, 2021: 447).

In this case, stakeholders may play a more relevant role, especially if their expertise on the topic regulated by the acts makes them acquire the status of “experts”.

The ‘Better regulation’ Toolbox (2021: 448) also specifies that “Discussions in the expert group can precede, run in parallel or come after the feedback period, depending on the nature of the act and the amount of technical expertise required for its preparation. In any case, Member State experts shall be allowed to see the last version of the draft (i.e. the one incorporating the feedback), before the launch of the adoption procedure by the College”. This is a crucial element for the analysis, since the expert groups are those platforms mentioned in the Interview with DG GROW 2, which were acknowledged to be an effective means of collaboration and co-creation between stakeholders’ experts and the Commission.

In the case of these experts’ working groups and bodies, representatives of companies and stakeholders sit at the decision-making table. Therefore, the decision-making system is somewhere between the Corporatist Approach and the Adversarial Approach described by Renn (2001). These platforms are composed of experts and representatives from the stakeholders and major forces of the society. The actors dialogue among themselves, hear each other’s position and asks, discuss the topics, and find common positions. The system, however, differs from the Corporatist Approach because stakeholders

and experts do not always find a common position, and therefore the role of the European Commission is taking the actual decision on the act to adopt. Using a football metaphor, it can be said that the Commission is the referee of the “game” played among stakeholders’ experts and is also the “judge” taking the final decision. The adversarial approach emerges from the fact that stakeholders whose policy asks were not reflected in the final act may often express their disappointment in the public sphere.

The DG GROW 2 spokesperson has described the system taken in these expert bodies and stakeholders’ platforms as an effective and efficient tool for involving stakeholders, gathering expertise, and acquiring knowledge on perceptions and sentiment on specific policies. Also, the interview with the DG GROW 1 policy advisor, indicating platforms for stakeholders’ discussion as a possible important means for improving the decision-making process, resembles these Commission’s platforms that are already existing for delegated and implementing Acts.

It has also been seen, in the interview with the CLEPA 1 spokesperson, that the request from stakeholders is having an exchange on policy proposals as early as possible in the process, and therefore it can also be argued that an expansion of the use of joint platforms may benefit the decision-making process and the overall agreement upon the final decisions. The system itself is not challenged, as CLEPA 1 stated: *“if the process fundamentally should be very different, I don't know, because all stakeholders in the current situation do talk to the Commission that makes the proposals”*; and ACEA, who explained: *“I have to say that the Commission is fair”*.

The dialogue is ongoing, stakeholders keep their dialogue open, they talk among themselves, they talk to the Commission, and they ask for their voice to be heard. A further implementation of platforms, with experts from the industry (the industry has in-house expertise) and experts from the NGOs (who also have the expertise and hire experts from consultancies and academia), with also a proper representation of social stakeholders and regional players may help the Commission taking a step forward and expanding the credibility of their decisions.

7. FUTURE VEINS OF RESEARCH

Interestingly, when addressing the question about the role of NGOs in the current decision-making system at a European level, the spokesperson from ACEA has pointed out his perception about the growing role of the Parliament. The ACEA interviewed person has indicated the MEPs' increased influence and appetite as the reason for the increased role of NGOs, which – according to the perception of the spokesperson – do not own the expertise that the industry owns and are lobbying in favour of specific policies as much as industry associations do. His words are reported here below:

ACEA:

The NGOs are a specific animal, which of course is playing their interests. And I think how the influence of the industry is lowering the role of NGOs is growing, which is, of course, something that - and this is from my personal perspective - is linked to the growing role of the European Parliament, which is additional layer of the considerations. Because you have the member States, where of course it's mostly natural interest to take care of their national industries and help. To be open with respect to the Parliament, the MEPs are not linked to anyone. This is a purely political game. And again, the mismatch between reality and what they are voting about is enormous. And the NGOs, especially here with the growing role of the Parliament, are gaining a much more relevant role because they are shaping opinions.

You can make your analyses about the transparency of funding of those NGOs. It's clear that they are independent, they are working for a welfare. But again, very few people really know what it means and what are the impacts. But it looks nice and that is voted. So yes, they have a bigger and bigger role in the overall decision-making process. I have to say that the Commission is fair, relatively, and really they mostly rely on the impact assessments.

Okay. We can discuss about the quality, et cetera. But mostly it's fair. Even if you have a look on the latest 55 package, it is a problematic package. But if you have a look on the proposal from the Commission, it's really coordinated, it fits together.

It somehow makes sense. But in principle it's a theory. Because then you go to the member States in Parliament and immediately everything goes somewhere. And absolutely at the end it will have no links in between.

Because you will have the particular interest, especially from the Parliament, priority here and there. So you start with a Commission: there I think the role of NGOs is limited. Of course, they have to listen, but I think they are still, let's say, focusing on the impact assessment and really the thorough analysis, what could happen and how to make really a good solution.

Then the NGOs problem is stepping in and the end is questionable.

[...]

The critical element is the European Parliament, I see disbalance between the institutions. And this was the problem. I think that the cards were clear.

You have a legislative proposal from the Commission, the Member States that do care and have to handle, and some kind of a safety guard from the Parliament. now, the growing appetite of the Parliament, over the last 10-15 years, starting with their thoughts about the initiatives or own legislative initiatives, it's completely changing the setup.

And there, of course, if everyone sees an opportunity, they will take it. But, from my personal perspective, this is completely wrong. Then, of course, you have certain national procedures, you have elections. Fine.

In many cases, second or third hand politicians that are failing at home, they are suddenly here and they are trying to make their new career with a growing appetite. And within that, again, you have the associations, NGOs, which are failing in many areas with the Member States because they say "sorry, we cannot do x, y, z". But, okay, through the back door, they are coming here to Brussels and they are shaping our future with the third class MEPs. This is an enormously complex picture. So I think that, of course, finding a balance is enormously difficult, but I think it just mirrors the changes in the balance between the institutions, which allows the other stakeholders to be involved, which is then also changing the balance between the NGOs, associations, et cetera; because mostly the Council is in defence, which is completely ridiculous.

So, the member States with their responsibilities everywhere, budgets, everything. If you have a look on the European budget, it's nothing, it is shaped through regulations and the Member States that have 99% of the resources and responsibilities are in a defence. For me, it's something wrong.

The positions expressed above may be extremely interesting for assessing whether the influential power of the European Parliament has played a role in increasing the influence of NGOs in the European decision-making process. This question has not been addressed in detail within this Master Thesis, as it is outside the scope of the present paper, which focuses on the decision-making process at a European Commission level.

The important and relevant research performed by Vogel (2012), and Lofstedt et al. (2011) may be further expanded by studying the decision-making process of the Parliament and by assessing the impact that the lobbying activity of NGOs on the amendments proposed and voted by the members of the European Parliament. What can be argued, in these regards, is the fact that MEPs belong to different national parties, are elected at a national or regional level and not at a European level, and therefore have to prove the effectiveness and relevance of their work to the local electors. This makes them less prone to develop a defined, strong position and alliances within the parliament house, making them appetible subjects for lobbying activities.

This applies to both NGOs and industry lobbying activities, but the ACEA spokesperson reports that, from his personal point of view, the MEPs rely more on emotional elements and society sentiments than on hard data.

The interview with the second spokesperson from CLEPA is the only one which took place after the interview with the ACEA spokesperson. Therefore, it has been asked to the CLEPA representative which was his point of view on the assessment by the ACEA spokesperson. For reference, the ACEA interview happened after the vote on CO2 Emission Standards for Cars and Vans (extremely relevant for both organizations) in the INTRE and TRAN committees, but ahead of the vote in the ENVI committee, which was the leading committee on the file. On the other hand, the interview with the CLEPA 2 spokesperson happened after the vote of ENVI committee. Below, the considerations from the CLEPA spokesperson.

CLEPA 2:

If the role of the Parliament has increased? Yes, they have more to say. But do they have more impact? From what I can see currently, not necessarily the power of the Parliament has increased because they are deeply split.

They're deeply split. It's chaotic. We had a vote on CO2 targets which ended in everything being rejected. So as long as you don't have a strong position, you can formally be as involved as you want, as much as you want. But if you don't have a strong position, you don't achieve much.

Although the two opinions are rather different, the different timing of the two interviews may have shaped the responses. The overall topic may, however, deserve further research and may lead to relevant and interesting findings.

8. CONCLUSIONS

The Master Thesis you have read aimed to assess the dimensions of trust in the relations between European stakeholders and the European Commission, and to discuss if and how the decision-making system should evolve to develop legislations that are less disputed by the different sectors of the European society.

The decision-making process of the European Commission cannot be described by using a one-only definition, both because different legislations/ regulations on the Commission's table are currently handled with different approaches and because none of the Renn's (2001) categories seem to fit the actual system perfectly. Although having started the Thesis by thinking that the system was moving towards an Adversarial Approach, the evidence provided in the pages above demonstrates that the dialogue is open, and stakeholders are collaborating (also stakeholders starting from very different positions, such as industry associations and NGOs).

Not all topics are the same, and different policy objectives on certain elements, which may imply an open and vibrant discussion in the public sphere between actors, do not compromise stakeholders' ability to build collaborations and common position on other policy files. Trust has essentially strategic dimensions, both in the collaboration between the different stakeholders (with the relevant exception of stakeholders belonging to the same industry) and between stakeholders and the European Commission.

However, there is a relevant disbalance in power between stakeholders and the Commission, especially concerning the proposal of new or revised legislation. In this case, the stakeholders may express their opinion and view, but the impact assessments performed by external consultancies and the political priorities of the Commission nudge the work of the institution in a certain direction. This is considered by industry stakeholders to be a critical aspect; stakeholders also recognise that their influence on this phase of the decision-making process has significantly decreased over the years. In the case of legislative proposals, it is somewhat more difficult assessing the exact allocation of trust: the Commission widely relies on the impact assessments, and stakeholders reported to struggle informing the institution on their position. It is likely, and also mentioned by the CLEPA 2 spokesperson, that the Commission is more prone to listen to the instances of the stakeholders that share the policy view of the Commission itself. In this regards, the theory of Salient Value Similarity shows to be confirmed in this case, and based on the analysis.

It is different in the case of delegated and implementing acts. Here, the voice of industry stakeholders and other informed experts has higher relevance, especially given that those acts have to be directly applicable on the regulated sector all over Europe. The role of experts is high, and those experts may come from both the industry and NGOs. Here, it has also been discussed that the decision-making model has some elements of the Corporatist Approach (stakeholders are invited to take part in the decision-making process and do collaborate in the definition of the act itself) and some elements of the Adversarial Approach (given that the stakeholders often express their disappointment on the final act on the public sphere).

It was extremely relevant to note that the stakeholders do not disagree or show disappointment on the overall decision-making system, which is considered correct and fair. According to the interviewed stakeholders, the concern is on the decrease of their informative role, which should happen at an early stage of the legislative process.

An improvement on this aspect may be provided by establishing platforms where all actors are represented and consulted ahead of the adoption of legislative proposals. Those platforms, which proved to be effective for the delegated and implementing acts, may be used for legislative proposals to make stakeholders feel engaged and avoid the critiques coming for the supposed politicization and biases of the public consultation questionnaires the Commission currently uses.

The research confirmed that the industry stakeholders have seen their influence decrease over the years, and it has also been confirmed that NGOs have increased their power over the same period. However, based on the interviews, it is impossible to confirm the existence of a direct link between the two things, at least to what pertains to the Commission's level. Industry stakeholders recognise the role of NGOs, and their presence in the process is not challenged.

Overall, the interviews have also confirmed that stakeholders do talk to each other, not only taking the opportunities provided by the institutions, but also by bilateral meetings and by discussing at media/stakeholders/ institutional events and panel discussions. The COVID pandemic has made the direct contacts and discussion ahead and after those events more difficult, but the situation in Brussels is getting back to a (new) normal, where in-person meetings are more frequent than the past months. This may benefit the exchange among the different players, which did, however, never pause completely as it has been said in a number of occasions.

Different is the situation in the European Parliament and the Council, which were outside the scope of the research and may be further discussed and taken into account in future studies.

To summarise in a sentence the overall findings of this study: the decision-making system could be better, and improvements are possible by providing more opportunities to all stakeholders to sit around

the decision-making table and openly discuss and provide their inputs on policy files, but the system is currently not as challenged as it could have been expected.

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