

Moe, Signe Louise

Research Report

Governing production, shaping legislation? Apparel and automotive sector governance and firm representation in European Commission Expert Groups

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Governing Production, Shaping Legislation? Apparel and Automotive Sector Governance and Firm Representation in European Commission Expert Groups

Signe Louise Moe

Masterarbeit

77 FORUM



**Governing Production, Shaping Legislation?
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and Firm Representation in European
Commission Expert Groups**

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Masterarbeit

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**Österreichische
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Preface

The Master thesis of Ms. Signe Louise Moe with the title “Governing Production, Shaping Legislation? Apparel and Automotive Sector Governance and Firm Representation in European Commission Expert Groups” analyzes the interconnection between the economic power of firms’ in global value chains (GVCs) and their political power, in particular with regard to their representation at the EU level. Given the large-scale geographic reorganization of production at the global level since the 1970s, which also had important effects on the economies of the Global South, GVC analysis has become a topical field of inquiry in development studies. However, the GVC literature has – for a long time – overlooked the role of the state and the interconnection between the state and the corporate sector. By way of linking the GVC framework with the strategic-relational approach (a concept taken from Critical Political Economy), Ms. Moe’s thesis offers an innovative perspective on how and why the articulation of political power differs across GVCs, sectors and firms. In doing so, the thesis reveals the links between the governance of the automotive and apparel sector and their representation in the European Commission Expert Groups.

Given the eminently important role of properly understanding corporate behavior and the relations between the corporate sector and governments, the novel approach applied in this study is of particular relevance for the forthcoming discussion on EU binding human rights due diligence legislation in GVCs.

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**Governing Production, Shaping Legislation?
Apparel and Automotive Sector Governance and Firm
Representation in European Commission Expert Groups**

verfasst von / submitted by

Signe Louise Moe, B.Sc.

angestrebter akademischer Grad / in partial fulfilment of the requirements for
the degree of

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Foreword and Acknowledgments

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The thesis has received funding from the Arbeiterkammer Niederösterreich, and I wish to thank them for their support.

Finally, a few notes on style. The thesis uses italics to signify emphasis. Central terms appear in italics the first time mentioned. Double quotation marks demark direct quotes, while single quotation marks are utilized for colloquial expressions as long as they do not occur within double quotation marks. In this case, they mark a quote within a quote. The generic feminine functions as neutral pronoun in cases where gender is unknown or irrelevant.

Abstract

The European Commission expert groups (EGs) advise the Commission in all areas of policymaking. EGs bring Commission officials together with external actors to coordinate and discuss the preparation and implementation of EU legislation. As a unique, semi-formal communication platform, the EGs foster mutual trust and ensure systematic, long-term inclusion of firms and other actors into policymaking. This thesis explores the interconnection between economic power in the form of firm position within specific sectors and global value chains and political power in the form of representation at the EU level and especially participation in EGs. Utilizing the Global Value Chain (GVC) theoretical approach to analyze inter-firm power relations in globalized sectors and combining them with a strategic-relational understanding of the state, the thesis offers a new perspective on how and why the articulation of political power differs across sectors and firms. Methodologically, the thesis draws on sector-mapping, data analysis of the EU transparency register and the expert group register, and semi-structured expert interviews. The key finding is that the participation of large firms in EGs depends on governance dynamics and related firm positions and strategies within sectors. Political representation is linked to the governance of sectors. The thesis provides a novel conceptual framework for analyzing firm access to policymaking. It further adds to the body of literature on societal determinants of interest group participation in EGs by focusing on sector governance dynamics.

Die Expertengruppen (EGs) der Europäischen Kommission stehen der Kommission in allen Bereichen politischer Entscheidungsprozesse beratend zur Seite. Sie bringen Entscheidungsträger*innen und externe Akteure zusammen, um die Vorbereitung und Implementierung von Gesetzgebung zu diskutieren und koordinieren. Als einzigartige, semi-formelle Kommunikationsplattform fördern die EGs gegenseitiges Vertrauen und ermöglicht Firmen und anderen Akteuren systematische, langfristige Teilhabe an Gesetzgebungsprozessen. In dieser Masterarbeit wird der Zusammenhang zwischen ökonomischer Macht in Form von Firmenposition in spezifischen Sektoren und globalen Wertschöpfungsketten und politischer Macht in Form von Vertretung auf der EU-Ebene, besonders der Vertretung in EGs untersucht. Die Arbeit verbindet den Zugang des Global Value Chain (GVC)-Ansatzes zu Machtstrukturen zwischen Firmen in globalisierten Sektoren mit der strategisch-relationalen Konzeptualisierung des Staates. Ausgehend von dieser neuen Perspektive wird untersucht, wie und warum sich politische Macht für verschiedene Sektoren und Firmen unterschiedlich ausdrückt. Der methodologische Zugang verbindet Sektor-Mapping, Datenanalyse des EU-Transparenzregisters und des Expertengruppenregisters und Expert*inneninterviews. Das zentrale Ergebnis der Analyse ist, dass die Vertretung von Firmen in EGs von sektorspezifischen Governancedynamiken und den damit zusammenhängenden Firmenpositionen und Strategien abhängt. Politische Repräsentation ist mit der Governance von Sektoren verbunden. Die Arbeit bietet ein neues konzeptuelles Verständnis des Zugangs von Unternehmen zu politischen Entscheidungsprozessen. Außerdem leistet sie mit dem Fokus auf Governancedynamiken einen Beitrag zur Literatur zur Verbindung zwischen gesellschaftlichen Faktoren und Interessengruppenvertretung in EGs.

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Introduction

State institutions are not closed entities. They interact with a variety of societal actors, simultaneously shaping and being shaped by these actors and society. Among the actors with which state institutions interact are companies. Though there may be good reasons for close relations between firms and state institutions, this is not unproblematic. Firms' economic power "tends to be translated into political power, which is nurtured and privileged within capitalist societies." (Forsgren 2017, p. 162) Including firms in policymaking therefore risks privileging firms over other actors and stabilizing the status quo, thereby reproducing existing economic and social inequalities.

In the case of the EU, criticism of the inclusion of corporate actors in policymaking has been prevalent from its beginnings. The criticism reaches from the significant role of large corporations in defining the foundations of EU institutions as members of the European Roundtable of Industrialists (Greenwood 2002), to the so-called 'revolving door' effect, which entails EU politicians and officials moving into high-level corporate positions, or that private actors are granted significant political positions (Luechinger and Moser 2020). Critics have further pointed to the lack of transparency regarding the interactions between EU institutions and societal actors. Lacking transparency means independent actors have limited possibilities to monitor EU relations and actions. In recent years, the EU has put in place some measures to address the issue of transparency. Most importantly, it has established the voluntary EU Transparency Register, listing interest groups active at the EU level (European Commission 2020a). However, these measures only address issues of transparency, not privileged access, and entries in the transparency register frequently remain incomplete or lack detail on how actors influence policy processes. Still, the provision of information through the transparency register and other public registers enables a certain level of independent scrutiny of the ties between the EU and societal actors. The analysis in this thesis relies on the information provided by this and other publically accessible registers.

Recent prominent cases like the Transatlantic Trade and Investment Partnership (TTIP) negotiations and the diesel emissions scandal have once again sparked debates on transparency and the ties between corporate interests and policymaking in the EU (CEO and FoEE 2017; ALTER-EU 2018). Among others, discussions directed attention towards the European Commission expert groups. The role of these advisory groups, up until then unknown to most, came under scrutiny for uncritically embracing business perspectives in their recommendations to the Commission. In the case of TTIP, lacking transparency and allow-

ing business interests privileged access to early debates behind closed doors sparked reactions (ALTER-EU 2018). In the emissions scandal, automotive firms faced accusations of using the groups to delay binding regulations and prevent emissions tests from taking place under real world conditions (CEO and FoEE 2017). Notably, the European Parliament has twice frozen the EG budget over lack of reforms in the rules guiding the EG work. It argued that the significant role played by EGs in the policy development was not accompanied by the necessary transparency (European Parliament 2015, 47ff.).

With increasing EU responsibilities vis-à-vis national states, individual large firms have become a more proactive part of policymaking processes (Coen 1997). Due to its agenda-setting function, the Commission is especially attractive for firms (Eising 2007b). EGs bring Commission officials together with external actors to coordinate and discuss the preparation and implementation of EU legislation. Seeking to ensure technical feasibility and unified application of policy measures, the Commission engages with member state officials and scientists, but also societal actors, like trade unions, NGOs, or firms. Large firms take part in groups either as individual members or through their membership in business associations. The type of actors included, and the stages of policymaking discussed vary for different policy fields. Member state officials participate in the most groups. Among societal actors, business interests are most frequently represented. Though a platform for information exchange and thus a lobbying tool, EGs differ from other sites of lobbying, like meetings with Members of the European Parliament (MEPs) or public campaigns. First, they allow inclusion into very early stages of policy development. Second, they open for stable and formalized ties to both the Commission and member state officials. Third, they facilitate eye-level communication and consensus-based decisions (Metz 2015; Larsson 2003). This fosters mutual trust and ensures systematic, long-term inclusion of among others firm interests into legislation. The unique role of EGs within EU policymaking and the controversies surrounding the access of firms to the groups are the point of departure of this thesis.

The thesis uses the EGs as an entry point to explore how economic power extends into the political sphere and interrelates with political power. Much of globalized production today takes place within so-called Global Value Chains (GVCs). The different steps needed to manufacture a product are globally dispersed and completed in different locations. So-called lead firms structure the value chain and exert power over other firm and non-firm actors, like workers and states. They do not necessarily own manufacturing facilities. To understand the power of major corporations, tracing the structures of GVCs is key. The GVC literature delivers such insights and thus an interesting lens for unpacking variations in firm representation in EGs (Gereffi 1994; Bair 2005). This thesis therefore approaches economic

power through the concept of inter-firm governance developed within the GVC literature (see Gibbon et al. 2008), but of course numerous other ways of formalizing economic power exist. Inter-firm governance conceptualizes economic power by highlighting the dynamics driving characteristics and outcomes of GVCs. The strength of the concept is the focus on the agency of major firms as central actors in a globalized world and its “shared language” (Bair 2005, p. 162) for understanding hierarchies between firms across sectors. It decenters control of production as the key determinant of economic power and shows that governance can originate both from major producers (producer-driven chains) and global buyers (buyer-driven chains) (Gereffi 1994). Additionally, suppliers may be more or less independent of lead firms (Gereffi et al. 2005). Applying the concept to the issue of EG representation can enhance our understanding of how differences in sector structure and governance translate into different types of political involvement and add to analyses of the relation and interdependence of economic and political power.

The overarching theme guiding the thesis is how economic power translates into political power in the form of access to policymaking. The thesis empirically approaches this issue by investigating the EG participation of large firms from two globalized sectors with greatly differing sector structures and governance, namely the apparel and automotive sectors. The research addresses the following research question: *How are inter-firm governance structures translated into representation of apparel and automotive firms in European Commission EGs?* The thesis thus links governance dynamics within sectors and related firm positions and strategies with corporate political activity in the form of representation in EGs. The overall research question breaks down into two subquestions, which focus on main dimensions of differentiation between the two sectors:

1. Are there differences between lead firms and suppliers and between lead firms in buyer-driven chains and lead firms in producer-driven chains in terms of representation in EGs?
2. Do greater supplier independence and closer ties between lead firms and suppliers positively affect representation of suppliers in EGs?

The analysis goes beyond a view of political activity of firms as merely a question of superior resources. Rather, it sees large firms’ political representation in connection with the factors determining their economic position and strategies, i.e. the inter-firm governance within their sectors. Thus, the research adds to existing literature the view of corporate political

representation as simultaneously bound by sectoral structures and contingent on strategic choices within GVCs.

The focus of the thesis lies on inclusion into EGs as a measure for representation in policymaking and one expression of firms' political power. Other forms of formal and informal political representation are of course also relevant but lie beyond the scope of this thesis. The special role of the EGs in policymaking, their fairly stable membership patterns and the availability of data invite academic investigation. Focusing on representation means I am interested in understanding membership patterns, i.e. *access* to the groups. Analyzing patterns of access shows which firms have the possibility to provide input to policy discussions, and why. Access to EG discussions is the precondition for impact on their outcomes. "Gaining access to the EU institutions is [...] a *conditio sine qua non* to exercise influence in the EU legislative process." (Bouwen 2002, p. 366) Access is easier to quantify and observe than influence and outcomes, and is therefore a popular research subject (Eising 2008, p. 18). Hence, the thesis does not look at the influence of individual actors or the output of the groups. Due to the consensus-based decision making and lack of transparency, pinning recommendations coming from a group to one specific type of member is very challenging and often not possible. This means it is difficult to decipher the *influence* of firms on concrete outcomes.

The conceptual framework comprises insights from the Global Value Chain (GVC) approach and the strategic-relational theorization of the state. The concept of inter-firm governance as developed in the GVC literature provides a comparative understanding of the hierarchical structure of globalized economic sectors. From this perspective, firms' economic power links to their position and strategies within GVCs. Exploring inter-firm governance in relation to political representation sheds new light on the foundations of firms' political interests, strategies and priorities. The conceptual framework combines the inter-firm governance approach with the strategic-relational conceptualization of the state and state power to clarify the link between firms' economic and political power. The strategic-relational approach sees the state as intertwined with and in societal struggles and thus economic and political power as interdependent. From a strategic-relational perspective, economic power within GVCs extends to the political sphere and shapes state decisions and priorities. Variations in economic power may thus lead to varying expressions of firms' political power. Though contingent on societal power structures, the state still has the agency to affect changes in them (Jessop 2008). By applying the GVC framework in the context of the strategic-relational approach, it becomes possible to account for sectoral specificities of EG participation while simultaneously not losing structural privilege, selectivity and the sometimes contradictory nature of

state institutions out of sight.

The contribution of the research is both conceptual and empirical. The theoretical contribution is combining the conceptualization of EU institutions and social relations as co-constitutive with an understanding of sectoral hierarchies and their effects, i.e. linking the strategic-relational and GVC approach. It contributes to the empirical literature by applying this approach to two industrial sectors and the field of EU interest representation. Despite its widespread use in the analysis of economic sectors, neither the GVC approach nor the related Global Production Network (GPN) approach have been applied to the analysis of firm access to EU policymaking. The thesis thereby adds to the literature on interest groups and factors determining access to EGs (Chalmers 2014; Gornitzka and Sverdrup 2015a) by focusing on sectoral structures and inter-firm governance.

The methodology combines sector mapping, descriptive data analysis of the EU transparency register and the Commission expert group register and semi-structured expert interviews. I answer the research question in three steps. First, I utilize the theoretical insights of the GVC approach and secondary literature on the apparel and automotive sectors to identify the inter-firm governance structure and firm positions, strategies and characteristics in the two sectors. Second, I investigate how the major firms from each sector are represented at the EU level in general and in the Commission EGs specifically and identify main patterns. For this, I analyze the data from the EU transparency register and the expert group register. By looking at firms' general presence at the EU level as well as their participation in EGs, the specifics of the latter in the broader context of interest representation become clear. Third, I discuss the link between the identified patterns and the sector structure. This analysis is based on expert interviews and additionally draws on the sector mapping and the conceptual framework. By relying on insights from expert interviews, I acknowledge that sectoral structures can be mediated in a variety of ways to become observable patterns of interest representation and participation in EGs. It opens for tracing the multi-faceted process of *translation* of firm position within sectors to political power and thus the interrelation of economic and political positions.

The key finding of the research is that variation in inter-firm governance structure translates into different representation at the EU level as well as participation in EGs. Sectoral positions and hierarchies structure patterns of political participation, even in the case of major global firms. Depending on governance dynamics within sectors, firms will be more or less visible at the EU level. The producer-driven structure of the automotive sector means substantial EU-level political activity is attractive for these firms. Especially for the firms producing

in Europe, participation in EGs and development of technical regulations ensures planning security and reduces the risk of sudden tightening of the regulatory framework and related cost increases. Firms from the buyer-driven apparel sector do not seek representation in EGs to voice their political interests. As global buyers, apparel lead firms' primary interest is liberal trade, which is already a core priority of the Commission. Further, since major EU firms tend to be buyers, technical regulations related to apparel production do not fall into the EU's area of responsibility.

The relational governance in the automotive sector with strong ties between automotive lead firms and suppliers continues in the political sphere and leads to significant representation of the entire sector. Further, many suppliers have the economic clout to voice positions distinct from lead firms and therefore have supplier-specific EU-level representation. Mainly based in Asia, major apparel suppliers remain organizationally and geographically distant from lead firms and thus from EU policy making. They share lead firms' interest in liberal trade and do not manage production facilities in Europe, which reduces the strategic relevance of EGs. The findings question the explanatory power of headquarter location, which at a first glance might seem to explain patterns of representation and rather center the underlying governance structures. Sectoral structure and governance was further found to impact the capability of a sector to organize in associations, thereby indirectly affecting firm access to policymaking. While the fragmented apparel sector has no clear sector representation at the EU level, nearly all major firms in the concentrated automotive industry hold membership in sector associations. Associations play a major role in representing firm interests in EGs. Firm power does not solely express itself through individual firm activity. It also articulates through association representation at the EU level.

There are important limits to the research. The thesis does not draw conclusions on the concrete policy effects related to the patterns of firm participation in EGs. Further, the research is exploratory, which means it investigates a new perspective on firms as political actors. It does not establish causalities between quantifiable firm characteristics and patterns of participation. Geographically, political power is limited to the EU, and the interviews only included actors based in the EU. However, as transnational actors, the large firms within the apparel and automotive sectors also interact with institutions outside of Europe. Finally, due to its firm-centered focus on sectoral structures and power relations, it does not investigate how societal power structures derived from gendered, racialized or postcolonial inequalities are mediated through economic power to influence political representation. The interrelation between these social inequalities and economic and political power does not receive systematic attention. The thesis accounts for this on a theoretical level by acknowl-

edging the interconnectedness of social forces and state institutions, but not in the empirical analysis.

The thesis is structured in six sections. In the first section, I describe the characteristics and roles of Commission EGs within EU institutions and situate the participation of firms in EGs within the academic debate on interest group representation. In the second section, I provide a brief overview of the GVC and GPN approaches to globalized production, zoom in on the inter-firm governance concept and connect it with the strategic-relational theorization of the state. The third section operationalizes the theoretical concepts needed to answer the research question and discusses the methodology. The fourth section presents the empirical findings, while the fifth section analyzes patterns of representation and answers the research question. The last section concludes.

1 Setting the Scene – Expert Groups and Lobbying

1.1 Contextualizing expert groups within EU institutions

EGs are created by the European Commission or its departments and are meant to facilitate debate on the preparation and implementation of legislation as well as improve coordination between member state officials. The European Commission is the key EU body for policy-making. The Commission is the only EU institution with so-called right of initiative, the right to propose legislation. Besides proposing legislation, the Commission oversees implementation of existing legislation in member states. The Commission formulates the details of implementation on behalf of the European Parliament (Parliament) and the Council of the European Union (Council). Two different instruments are used for implementation: implementing acts and delegated acts. They differ both in their aim and their procedure of adoption. Implementing acts, or implementing measures, are legally binding and ensure uniform application of EU laws through rules, deadlines or procedures. They must be accepted by committees comprised of member state representatives (European Commission 2020b). Delegated acts supplement “non-essential parts” of existing legislative acts by defining detailed measures related to them (ibid.). They are legally binding, passed directly by the Commission and are enforced as long as the Parliament and the Council do not have objections. Non-essential does not mean that these acts are insignificant, but rather that they don’t change the basic characteristics of the legislation. Delegated acts can for instance include details on licensing of specific substances, and have therefore been critically scrutinized

in the past (LobbyControl 2019, p. 24).

The work of the Commission requires detailed knowledge of the areas subject to legislation, be it chemicals, data security, or any other field falling within EU competence. Commission bureaucrats of course possess expertise within their fields. However, given the scope and variety of EU policy, the Commission is understaffed, and it is not possible to have all necessary expertise in-house (Chalmers 2014, p. 4). Therefore, the Commission has to rely on external expertise for the development of proposals and implementation of existing legislation. Member states, consultants, scientists and societal actors supply the Commission with specialized expertise from within their field. External expertise is accessed by means of, among others, studies by external consultancies, public consultations, national experts, workshops or conferences, or bilateral exchange with interest groups or advisors. Moreover, the Commission is both geographically and organizationally distant from the communities being affected by EU regulations (Gornitzka and Sverdrup 2015b, p. 406). Therefore, the Commission has developed various, more or less formalized, channels to societal actors to improve the interaction on issues relevant to EU citizens.

EGs are one relatively formal channel of information exchange within the extensive web of Commission advisory bodies. These groups have always been part of the network assisting Commission work, and until recent years, their number increased continuously. As of summer 2020, there are 723 active EGs. They are mainly established in areas where legislation is being planned and are especially involved in the drafting of laws and delegated acts (Metz 2015, p. 6). They also support the preparation of implementing acts as well as the coordination and cooperation with member states (European Commission 2016a, p. 4). In this function, the EGs are “vital instruments for the survival of the Commission” (Metz 2015, p. 10). They are utilized as instruments of technocratic problem-solving through provision of information, as a means of substantiating positions by gaining expert support for an already existing political standpoint, or for political consensus building by bringing together relevant actors (Hartlapp et al. 2014, 282ff.). By providing a platform for contact with various societal actors, the EGs have additionally become an important link between the Commission and its environment (Gornitzka and Sverdrup 2008, p. 727). Their function lies at the intersection of formal and informal structures, and they allow for eye-level communication between a variety of actors, which smooths the process of policy development (Larsson 2003, p. 24).

The function, composition, size and procedures of EGs vary considerably. The guidelines structuring their creation and operation are recommendations and not binding rules. As official consultative bodies, the Commission establishes them in areas deemed relevant. More

precisely, the horizontal rules that govern the creation and operation of the EGs define the groups as “consultative bodies set up by the Commission or its departments, composed of public and/or private-sector members, which are foreseen to meet more than once” (European Commission 2016b, p. 2). The groups can be either temporary or permanent, formal, i.e. created by the Commission directly, or informal, i.e. created by a department of the Commission. They formally differ from “other similar entities” that also work for the Commission, but are not appointed by it (European Commission 2016a, p. 4). The eye-level and ad-hoc channel of communication provided by the groups makes them similar to groups created by nation states or other supranational institutions to include external expertise (Gornitzka and Sverdrup 2015b, p. 403).

The Directorates General (DGs) of the Commission are responsible for creating and administering the groups. The advice supplied by the groups is not binding and they do not have to strictly follow their mandate (Metz 2015, p. 58). Of the 723 EGs, the majority are permanent (489) and informal (587). Normally, one DG heads the EG, other DGs can be associated with it, which clusters the group according to DG policy areas. Each DG differs in number of EGs, but also in terms of the role the EGs fulfill. There are a few “super users” Gornitzka and Sverdrup (2008, p. 734). In 2015, DGs GROW (Internal Market, Industry, Entrepreneurship and SMEs), ESTAT (European Statistical Office) and TAXUD each administered more than 80 EGs. The DGs SANTE (Health & Food Safety), MOVE, ENV and RTD (Research & Innovation) also managed a larger number of groups (European Parliament 2015, p. 28). Gornitzka and Sverdrup (2008) found that most groups were active in areas where the EU and member states share competences. Further, they found that DGs with a high level of in-house capabilities generally are responsible for more EGs. This suggests that inclusion of EGs in Commission policymaking goes beyond simply ‘filling a hole’ of lacking expertise. Generally speaking, DGs appreciate the groups due to their relatively stable and affordable character, and importantly, their institutional framework allows for repeated interaction, which means that consultations can take place over time (Metz 2015, p. 48).

Following its pluralist mandate, the Commission defines expertise broadly, thereby “cast[ing] the net as widely as possible” (Chalmers 2014, p. 977). EG members can derive their position as expert from scientific competence, from specific practical experience or from knowledge of a geographical region. This means that experts can both be independent experts in a narrow sense as well as stakeholders (Gornitzka and Sverdrup 2015a, p. 154). Members are sub-divided into five different types; A, B, C, D, E. Type A are individual experts appointed in his or her personal capacity, typically scientists and researchers. Type

B are individuals appointed as representatives of a common interest. Their position is shared by different stakeholders, and may represent for instance consumer affairs, finance industry or civil society. Type C are organizations. Organizations can be anything from companies, trade and business associations, law firms or think tanks, to NGOs, trade unions and consumer organizations. Unlike type B members, they represent the view of their organization. However, this view, as in the case of associations, can be determined by a broader membership body. Type D members represent member state authorities. They are mostly bureaucrats with detailed knowledge of their national context. Type E members represent other public entities, like third country representatives, international organizations, or other EU bodies.

The Commission members or DG in charge of an EG decides on the composition of groups. There are no concrete rules for this process, and members are not paid for their participation, merely compensated for their costs. The guidelines suggest that the selection process should strive for balanced views, but this is not obligatory. Organizations or associations must not send the same representative to every meeting. Calls for application should be open. Calls are then published online and distributed through Commission email lists. Anyone can apply, and the responsible DG decides whether an applicant is included. If deemed necessary, the Commission can select members according to “objectively verifiable criteria” (European Commission 2016a, p. 7). Although the formal procedure should be the norm, research has found that members are frequently appointed as a result of informal processes (Field 2013). Following criticism of lacking transparency, the Commission introduced the expert group register, the Register of Commission Expert Groups and Similar Entities in 2005 (Metz 2015). However, in the subsequent years, Parliament directed increased attention towards what it considered unsatisfying reforms in EG rules regarding balance of representation and conflicts of interest. It criticized a mismatch between the significant input to EU decision-making and the little information provided by the Commission on their members, their meetings, their concrete contributions. Such criticism has twice culminated in Parliament freezing the EG budget, in 2011 and 2014 (European Parliament 2015, 47ff.). Although the documentation of the groups’ membership structures and meetings has by now improved, watchdog organizations continue to criticize the privileging of corporate interests within the groups (ALTER-EU 2018). Increased control of the EGs by the Parliament may partly explain why the number of EGs has been slightly declining the last ten years.

Member state authorities, or type D members, participate in the most, around 608 or 84 percent. This means a large share of the groups are forums for exchange between Commission officials and member state bureaucrats. Type E members, i.e. other public authorities,

participate in slightly more than half of all EGs. Organization representatives, type C members, take part in around one third of all groups. Business interests are represented in all 228 of them. Individual experts are included in less than 100 groups. Type B members hardly occur at all.

Firms take part in expert groups, either in their individual capacity or as members of business associations. Firms can additionally be represented by consultants, law firms or other actors more or less officially fronting industry positions (Field 2013, p. 17). However, this type of representation is difficult to trace and measure. Providing information in EGs and other fora is an essential lobbying tool and is part of business actors' strategic considerations (Chalmers 2019; Eising 2007a; Klüver 2012; Bouwen 2002; Broscheid and Coen 2003). Provision of information, and thus their expertise is an "access good" (Bouwen 2002) to policymaking. Although the expertise they provide in expert groups may be accurate, it is not neutral and represents a possibility to increase their influence on policymaking (Klüver 2013).

Business interests play an important role in the EG landscape for several reasons. First, business actors make up the majority of type C members, although social actors (consumer organizations, NGOs, trade unions) in sum provide a certain counterbalance to this trend (Gornitzka and Sverdrup 2015a, p. 157). Second, whereas social partners like unions and NGOs primarily assist in monitoring implementation, business and professional associations tend to be included in the preparation of policies. Moreover, business interests are more frequently represented in EGs of DGs with distributive tasks and in policy areas with a high level of internal EU competences (*ibid.*, p. 160). Third, they dominate within core EU policy fields. In 2015, the DGs GROW, CNECT (Communications Network, Content and Technology) and MOVE included the most business actors in their EGs (European Parliament 2015).

1.2 Factors determining access to expert groups

Existing literature debates a great variety of aspects of interest group access to policymaking (for a recent collection of contributions see Dialer and Richter 2019). These contributions highlight the effect of institutional, organizational and societal factors on interest representation. Though distinguishable, these factors are, as Eising (2007a) stresses, of course interdependent. Lobbying is not a "unidirectional activity" (Bouwen 2002, p. 368) and the factors determining access do not exist completely independently of each other.

Research focusing on institutional factors centers characteristics of government bodies and investigates their compatibility with different types of interest representation (Coen 2007; Woll 2007; Klüver et al. 2015). For instance, Coen (1997) links the surge of individual large firms as important policy actors to changing political dynamics at the EU level, and Eising (2007b) argues that the agenda-setting function of the Commission makes it the most important subject of business lobbying efforts. Research on EGs has linked the participation of societal actors in the groups to differing need for information in DGs (Gornitzka and Sverdrup 2015a, p. 156).

Major findings on organizational factors, i.e. structure and functioning of interest groups and how this determines access to policymaking add to these insights. This research finds that professional organizations with more resources, as well as organizations representing specific interests in contrast to diffuse interests are in a beneficial positions, as they can quickly gather and communicate their positions (Klüver 2012; Beyers 2004). Organizational characteristics not only determine overall access to EU institutions, but also specifically to EGs. Accordingly, a higher lobbying budget as well as specific interests facilitate access to EGs (Chalmers 2014; Rasmussen and Gross 2015). Albareda and Braun (2019) further find evidence that the degree of functional differentiation, consensus and qualified majority-based decision making, and European scope positively affect participation in EGs.

A sectoral perspective has proven fruitful for understanding the link between societal, i.e. economic, social and cultural dimensions and political representation of business interests. Earlier research in this strain has linked competition and concentration, firm size, and regulatory context to individual representation of firms as well as overall sectoral representation. The level of competition and the related concentration and fragmentation within a sector influences firms' political participation. Research suggests a certain number of firms and therefore a certain level of competition is needed to cover all sector-relevant topics and prevent major players from moving alone. At the same time, sectoral wealth must be somewhat concentrated to limit challenges to cooperation (Greenwood 2002). Confirming this, Berkhout et al. (2015) find that sectors with more firms are represented by more interest groups, as are sectors with higher value-added per firm. In other words, many semi-large firms within a sector result in comprehensive representation of the sector at the political level.

Regardless of sectoral context, the larger a firm is, the more likely it is to seek direct representation at the EU level. Bernhagen and Mitchell (2009) find that the positive correlation between size and firms' EU activity holds even among the largest firms in the world and inde-

pendent of their headquarter location. Furthermore, firms trading across European borders are more interested in EU-level representation and allocate more resources to it (Greenwood 2002, p. 70). These companies tend to be larger than those with national scope. SMEs do not have the resources to be represented individually, and therefore depend on associations as their lobbying tool (*ibid.*, p. 57). However, also for large firms, associations provide a unique forum for communication between members as well as access to EU organizations (*ibid.*, p. 64). Wealthy business associations are more apt to have access (Eising 2007a). Findings by Berkhout et al. (2015) suggest that the existence of an umbrella association rather fosters than replaces other types of interest representation, regardless of a sector's wealth.

Firms' political activity is further dependent on their regulatory context and existing ties to institutions. Policy development within their field positively affects both the presence of business associations and individual firm representation (Eising 2007a; Bernhagen and Mitchell 2009). Other types of "common enemies" (Greenwood 2002), like protests, also intensify political cooperation between firms. Moreover, information provision is more effective as a lobbying tool when a DG is friendly towards the respective interest (Bernhagen et al. 2015). Despite the verified importance of EU-level regulatory context, there is little evidence that firms' relations to national institutions impact their representation at the EU level. Eising (2007a) and Bernhagen and Mitchell (2009) find no significant differences in the representation of business associations or firms from corporatist, pluralist and statist countries. However, "Cultural capital and the density of organised interests lobbying the European Parliament" (2017) show that size of national economy and the degree of citizen's engagement in voluntary associations within a country positively affects interest representation in general. It remains rather unclear whether and how firms' activity at the EU level is contingent on institutional and societal ties in the EU context, nationally and regionally.

The direct link between economic power and EG participation remains under researched. There is little evidence on how societal factors influence the access to EGs specifically. Interest group authors have established a connection between the density of interest groups within a DG's policy area and the number of EGs (Broscheid and Coen 2007) it leads. Further, Gornitzka and Sverdrup (2015a) find that interest group density influences the number of societal actors in EGs. As the insights above show, interest group density is related to broader societal dynamics, like competition, firm size, regulatory context and institutional ties. As opposed to other authors, Chalmers (2014) looks into societal factors directly affecting EG access. Besides a positive effect of lobbying resources and European-level interests, he finds that actors with existing ties to the EU through the Social Dialogue

are prone to more seats in EGs. This finding reiterates the relevance of already existing institutional ties for firms' political activity. Put simply, potential political participation is dependent on prior political participation. Though helpful, the findings presented by Broscheid and Coen (2007), Gornitzka and Sverdrup (2015a), and Chalmers (2014) are far from providing sufficient insights on the link between societal dynamics and EG participation.

This thesis answers Chalmers' call for increased attention to EU-external determinants of EG participation. While further work on the institutional and organizational dimensions of interest group activity is still needed, explaining the link between economic power within sectoral hierarchies and access of business actors to EGs is the main aim of the research. It thereby addresses three main shortcomings of the literature on societal dimensions of interest group access to policymaking. First, existing research does not investigate the specificities of firm membership in EGs. The importance of political pressure within a policy field, actors' lobbying resources, interest scope and existing political ties have been confirmed, but these are factors relevant across Type C members and not firm-specific. Second, the contributions above tend to understand sectoral firm hierarchies as differences in firm size, with larger firms seeking other types of representation than SMEs. This observation ignores differences between other origins of hierarchy, both within and across sectors, for instance in terms of their dependence on other firms or the channels through which they exert pressure on other actors in the sector. Third, the current work within the interest group literature assumes state institutions and firms or other societal actors as discrete, independent actors. However, this assumption disregards that all actors within society are interdependent, constituted and shaped by social relations. The research presented here centers EGs and firms, it offers a differentiation of economic power and connects it with a theory of the state. With a comparative GVC analysis of the EU-level activity of large firms from two differing sectors combined with a broader, strategic-relational contextualization of state power it offers new dimensions of interpretation and complexifies the perception of corporate political activity.

2 Conceptualizing the Interrelation of Economic and State Power

The conceptual framework explains why firms are powerful within their sector and broader society and explores how this power links to their political position. Thus, observable determinants of firms' political activity analyzed by earlier research, like concentration, fragmen-

tation or firm sizes, are considered a consequence of more general sectoral dynamics. The framework does not negate the importance of these characteristics but aims at a holistic perspective on the dynamics of dependency and domination facilitating them. Two main elements make up the theoretical foundation. The first is a critical discussion of the concept of *inter-firm governance*, which formalizes the positions of firms within globalized industrial sectors and thus makes it possible to understand inter-firm hierarchies beyond firm size and compare governance dynamics within and across sectors. It provides a formalized vocabulary for explaining which firms are large and powerful and why. The second element is a conceptualization of the EU within a strategic-relational approach to the state. This element addresses key points of criticism of the firm-centered inter-firm governance concept by contextualizing it within a broader understanding of the state and emphasizing the interdependence of societal power structures.

2.1 Inter-firm governance

In this thesis, economic power within globalized production chains is approached through the concept of *governance* (Gibbon et al. 2008). Due to the multiple meanings of the term governance depending on context, the specific type of governance addressed here is referred to as *inter-firm governance*. Over the past years, the inter-firm governance concept has been refined and applied within the Global Value Chain (GVC) and Global Production Network approaches. These are firm-centered approaches to economic development, which deliver insights on positioning, strategies and power relations within globalized production (Bair 2005; Henderson et al. 2002). Firm-centricity means they decenter the nation state and consider TNCs “the chief economic organizing agent in global capitalism” (Gereffi 1995, p. 103).

The GVC approach focuses on sectors and seeks to identify their organizational and structural characteristics and ensure comparability between industries through a common terminology (Bair 2005). As the name suggests, the GPN conceptualization is less vertical than the GVC approach, and it aims at incorporating non-firm actors, like workers or states, as well as geographical dimensions more systematically (Henderson et al. 2002). In GPNs, value, power and embeddedness are the three main factors constituting global production (ibid., 448ff.). They draw attention to the creation, enhancement and capturing of value, the types of actors exercising power within GPNs, and the links between individual actors as well as their different local contexts. Inter-firm governance is part of this constitution

process because it affects which actors capture value and determines lead firm power over other firms (Henderson et al. 2002, p. 450). Power in GPNs originates from corporate, institutional and collective actors. With this distinct categorization of power, it opens for analyzing how corporate power interrelates with institutional power to form conditions of production. By emphasizing these differing spheres of power within globalized production, the GPN approach informs the overarching theme of the thesis. However, the thesis will combine inter-firm governance with the strategic-relational understanding of the state, not the GPN concept of institutional power, to include a more holistic understanding of the state, state power and its connection to society.

In the chain and network approaches, economic power of firms expresses itself through their capability to control and determine parameters, or preconditions, of production (Selwyn 2016, p. 1775). Two important assumptions underlie this approach to economic power. First, firms' power results from deliberate coordination and is thus not random, and second, globalized production exists within an institutional framework and historical contingencies (Bair 2008). These assumptions imply a departure from the idea of the 'free market'. Globalized production is actively constructed, and the power relations within it are not in any way objective or natural (Selwyn 2016, p. 1775). This is helpful for the analysis of how governance dynamics continue into the political sphere undertaken in this thesis.

The inter-firm governance of sectors as developed by GVC authors explains why firms have economic power vis a vis other firms, institutions and in broader society. Major firms are not necessarily powerful for the same reasons. By highlighting overall sector dynamics, different lead firm interests, and lead firm relations to suppliers, inter-firm governance describes the logics of sectors and "illuminate[s] the nature of power relations that exist along a chain." (Bair 2005, p. 159) Though it has a clear firm focus, the inter-firm governance concept captures wider socio-economic dynamics to explain the organization and power relations within sectors. Historical context, the unevenness of globalization processes, general trends towards specialization and differentiation, and shifting ownership patterns all impact sector logics (Gibbon et al. 2008, 317ff.).

There are different types of firms within sectors. The inter-firm governance concept distinguishes *lead firms* and *suppliers*, as well as different tiers of suppliers, and describes the relation between them. Lead firms are transnational corporations (TNCs) and "the most powerful" (Bair 2005) firms in a chain. As the name suggests, lead firms lead the chain of production and thus strongly influence the activities of other chain actors. They possess and protect the capabilities difficult for new entrants into a sector to acquire, i.e. where the entry

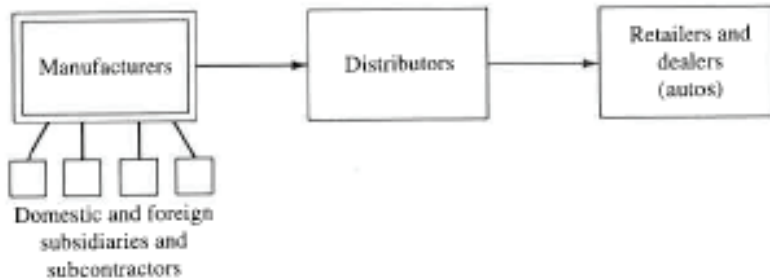
barriers are the highest (Gibbon et al. 2008). Different types of lead firms are distinguished according to their relation to other firms, meaning how their activities stand in relation to the activities of other firms in terms of entry barriers, value added or capital intensity (ibid.). This means inter-firm governance is a relational concept and a broader mapping of a sector or chain is necessary to identify lead firms. The exact capabilities relevant for the hierarchies between firms vary according to sector. For instance, in the apparel sector, branding, design and marketing are central, and in the automotive industry possession of technology and research capabilities are important. (Gereffi 1994; Sturgeon et al. 2008) The distribution of activities and competences across the different tiers of suppliers varies accordingly. Common terminology enables a comparison of the inter-firm governance regimes in different sectors.

Three widely acknowledged inter-firm governance concepts exist within the GVC literature. These are *governance as driving*, *governance as coordination* and *governance as normalization* (Gibbon et al. 2008). Governance as driving divides chains into producer- and buyer-driven according to whether buyers or producers control a chain (Gereffi 1994). This means the governance of the chain is divided into two categories, depending on whether the lead firm derives its power from a position as buyer or producer (for an overview, see figure 1). Governance as coordination is a concept from the literature which focuses on the relation between lead firms and first-tier suppliers and identifies five types of governance accordingly. Governance as normalization focuses on the construction and reproduction of norms justifying power relations. It highlights elements of self-regulation, conventions, and intentional and unintentional processes of standardization and norm production in GVCs (Dallas et al. 2017, p. 6). This thesis utilizes and combines the two former types of governance, which offer a structured, comparative framework for analyzing the power of major firms.

A producer-driven structure is generally attributed to capital- and technology-intensive sectors, like aircrafts, heavy machinery or automobiles, where the lead firms are manufacturing Transnational Corporations (TNCs) (Gereffi 1994). Production is conducted in-house and thus remains organizationally, and in some cases geographically close to the lead firms (Bair 2005, p. 159). Still, labor-intensive production is frequently offshored to reduce cost, but is conducted at vertically integrated manufacturing sites (Gereffi 1994, p. 97) This means lead firms have a high degree of knowledge of and control over all phases of production, how it is conducted and where it is located. Production know-how and Research and Development (R&D), make up the core activities of lead firms (Kaplinsky and Morris 2000, p. 34).

Buyer-driven governance mainly occurs in labor-intensive sectors, like apparel, footwear, toys and increasingly electronics (Gibbon et al. 2008). Lead firms are retailers, brands and

Producer-driven commodity chains



Buyer-driven commodity chains

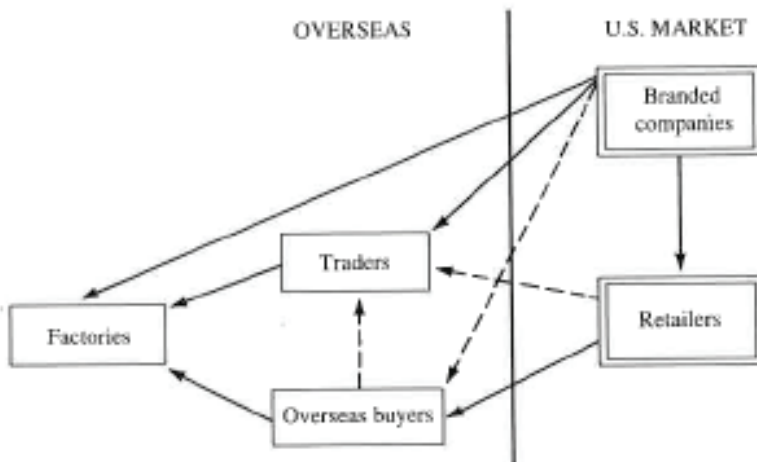


Figure 1: GVC governance as driving
Solid lines are primary relationships, dotted lines secondary.

Source: Gereffi (1995)

trading companies that do not control production, but still define the structure of the chain (Gereffi 1994, p. 97). They source from a massive network of independent suppliers, which are themselves responsible for holding the relevant production capabilities. The main task of lead firms is to "make sure all the pieces of the business come together as an integrated

whole.” (Gereffi 1994, p. 99) Designs are generally supplied by the buyers, and thus design, marketing and distribution belong to the core activities of these lead firms.

Simply put, in buyer-driven chains, the globalization of the industry has mainly been affected through the outsourcing of production, whereas in producer-driven chains, globalized production has been realized within the lead firm (Dallas et al. 2017, 4ff.). Consequently, producer lead firms are powerful because they have knowledge of production, and buyer lead firms are powerful because they determine from whom, where and to what price they source. The concept of governance as driving has been criticized for over-simplification, and a general move in all chains towards buyer-driven organization has prompted doubts regarding its explanatory power (Gibbon et al. 2008, p. 321). The main contribution of the governance as driving concept is a differentiated view of economic power as not necessarily dependent on direct control over production (Bair 2005). It opens for investigating how variation in firms’ economic power relate to their political activities. It informs the first, simple subquestion guiding the analysis of corporate participation in EGs:

Are there differences between lead firms and suppliers and between lead firms in buyer-driven chains and lead firms in producer-driven chains in terms of representation in EGs

As a means for further differentiation of the governance dynamics within a sector, the governance as coordination typology, introduced by Gereffi et al. (2005) is helpful. Accordingly, governance of GVCs can be divided into five different types: market, modular, relational, captive and hierarchy (for an overview, see figure 2). Differences between them are determined by three main characteristics of production: First, the complexity of information and knowledge, second, the possibility to formalize and standardize this information, i.e. its codifiability, and third, supplier capabilities (ibid., p. 85).

Following Gereffi et al. (ibid.) in the case of *market* value chains, information is simple, codifying is easy, and suppliers are capable of acting independently from lead firms. Need for coordination by the lead firm is at a minimum, and the price set by sellers governs interactions. Value chains become *modular* when complex product specifications need to be codified and suppliers reduce the need for buyer monitoring through full-package supply. This implies a reduction of the number of suppliers, thereby reducing the overall scope of the supply chain. *Relational* value chains result from non-codifiable product specifications, complex transactions and high supplier capabilities. This means that the lead firms and relational suppliers complement each other and are mutually dependent. Since neither lead firm nor supplier possesses all necessary knowledge, costs of changing partners are high. *Captive*

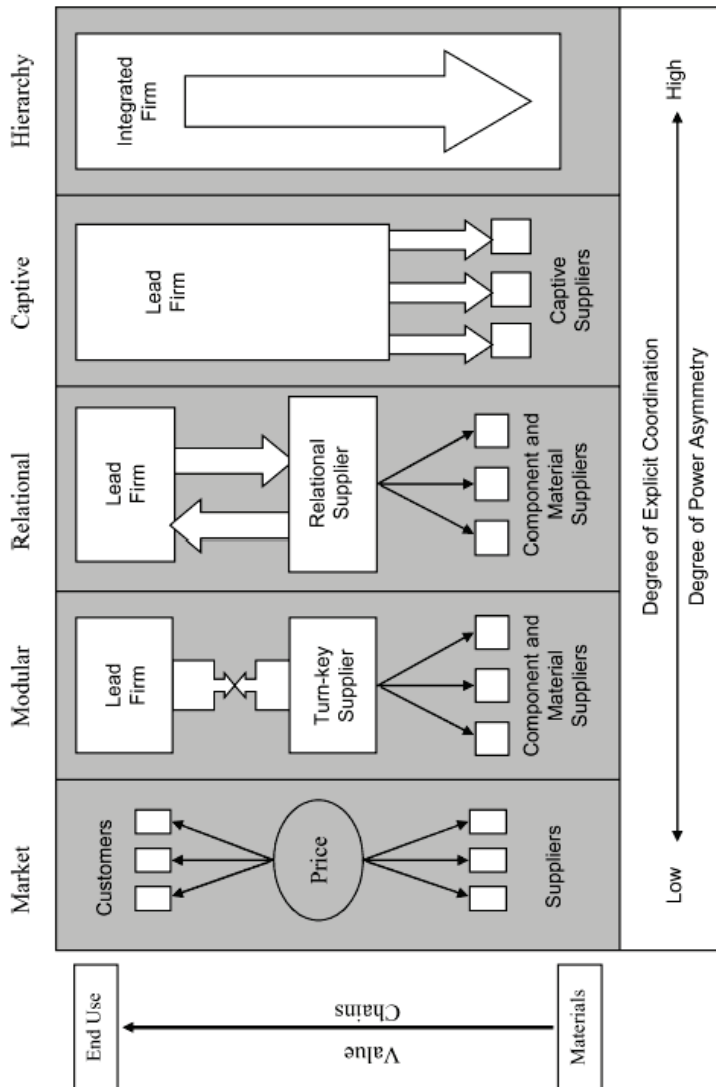


Figure 1 Five global value chain governance types.

Figure 2: GVC governance as coordination

Source: Gereffi et al. (2005)

value chains are strongly controlled by lead firms due to lack of capabilities on the supplier level combined with complex, but codifiable product specifications. Suppliers are reliant on the lead firms to decode specifications, while the lead firms can easily switch suppliers since they control all necessary information. A *hierarchy* value chain entails in-house production by a firm. It is a result of complex products in combination with specifications that cannot be codified, as well as a lack of competent suppliers (Gereffi et al. 2005, p. 86). Governance as coordination shows that powerful suppliers can exist, despite the important role of lead firms.

Governance as driving allows a high level of abstraction and thus a view of general dynamics within a value chain by explaining what type of firms dominate it, although some critics have deemed the focus too narrow and abstract (Gibbon and Ponte 2008). Governance as coordination highlights structural rather than strategical factors of firm interaction and zooms in on lead firms and first-tier suppliers and supports a conceptualization of inter-firm hierarchies on this first level, i.e. whether interactions are characterized by mutual dependence or dominance by the lead firm (ibid., p. 323). Even if the lead firm-supplier relations change, for instance from captive to modular, a value chain can still be considered buyer or producer-driven, but coordination and management responsibilities “have been driven down the chain” (Kaplinsky and Morris 2000, p. 30). Therefore, governance as coordination should not be understood as an alternative to governance as driving, but rather as a supplement, which describes supplier power and potential changes in the dynamics of buyer- or producer-driven value chains. For the analysis of political activity, this leads to the following second subquestion:

Do greater supplier independence, i.e. modular and relational governance structures, and closer ties between lead firms and suppliers, i.e. relational governance, positively affect representation of suppliers in EGs?

Inter-firm governance provides a differentiation of economic power. It delivers an analytically valuable formalized and schematic typology, which recognizes heterogeneity of firm actors. It opens for understanding how differing positions of firms in a global context translate into varying roles on all institutional levels, i.e. how the economic position and political position of large firms are connected. Moreover, it fosters a truly transnational approach, avoiding issues of methodological nationalism. Actors are simultaneously determined by global and local structures (Selwyn 2016, p. 1770). The GVC literature shows that economic power is not only power vis a vis institutions or other actors, but also exists between firms. This thesis investigates whether and how the governance dynamics between firms are relevant for

political representation.

The two subquestions guide the analysis of how economic power within sectors creates patterns of EG membership. They capture the new categories of analysis presented by the chain and network approaches, namely lead firm and supplier power, production and buyer power, and lead firm-first tier supplier relations. The subquestions signify the shift in analytical perspective undertaken in this thesis compared to previous research on the field of interest representation.

Economic power is of course inter-related with other types of power, like discursive or collective power, but inter-firm governance does not consider these. The narrow and formalized approach to power is its strength, but it is also problematic. A major criticism is the lacking consideration of broader institutional context, “which shape[s] chain dynamics and the distribution of value-added along the chain” (Bair 2005, p. 164). The role of the interrelation with institutions for the construction of economic power is not clear. The underdevelopment of institutional setting as an integral part of inter-firm relations is an overall issue regarding GVC approaches (*ibid.*, see). The problem is that the state’s role in establishing the necessary conditions for the existence of globalized production is undertheorized (Smith 2015, p. 292). The GPN approach incorporates institutions somewhat more systematically and recognizes different types of power. However, neither the GVC nor the GPN approach incorporates the contested nature of the relations and actors they describe.

Even though the approaches account for change in positions or activities of GVC actors, all actors, both firms and others, are taken for granted. This is especially apparent for the state. Several authors have noted a general lack of actual empirical research on non-firm actors, like the state (Coe et al. 2008; Coe 2012; Glassman 2011), and even when incorporated, the role of the state rarely goes beyond a schematic listing of relevant policy (Smith 2015). State institutions are thus reduced to one-dimensional “facilitators” (Horner 2017) or “architecture” (Neilson and Pritchard 2009) of globalized production. This can be attributed to chain and network approaches’ roots in a development framework. Focus has mainly been on, especially so-called developing countries’, possibilities for facilitating “upgrading” or “development” through incentives, subsidies or trade policy (Horner 2017). As a facilitator, the state remains a stable and objective actor, a framework, which exists independently of societal power asymmetries. Even when the state is systematically included in the understanding of GVCs and GPNs, the analysis disregards the social relations which underlie the structuring and outcomes of production (Selwyn 2016, p. 1770). Neither the inter-firm governance concept, nor the GPN approach described above account for how the

balance of power between different societal fractions translates into specific configurations of the state and how this in turn affects the balance of power (Smith 2015).

2.2 The strategic-relational EU and structural bias

To assess empirical findings on corporate inclusion in political processes and understand their limits, it is necessary to define what the state is, how it functions and links to social relations. The strategic-relational approach delivers such a theorization of the state. Two main dimensions make up the strategic-relational understanding of the state. First, the state is relational. This means it arises from the interaction between societal fractions, like for instance capital and labor. Second, the state behaves strategically. This means the state is not objective or neutral but privileges some actors and interests. These two dimensions imply that the state is structurally biased, both intentionally and unintentionally. Though societal power structures form the state, it still possesses agency. This subsection unpacks the main concepts of the strategic-relational approach and discusses their implications for the analysis of firm access to EU-level policymaking.

2.2.1 The relational and strategic state

The relational state is not an absolute entity or ‘thing’, but rather a social relation which is in turn affected by and affects other social relations. This builds on insights from Nicos Poulantzas and Antonio Gramsci on institutions as a result of class struggles, mainly between capital and labor (Jessop 2008, p. 23). It means the state arises from the balance of power within society as a whole. The state does not function independently of societal actors, nor do societal actors function independently of the state. Societal actors evolve through conscious and unconscious compliance and contention with state structures and priorities. State institutions are not passive, neutral or static, but rather interact with societal power relations, and will therefore tend to benefit powerful and privileged actors in society (ibid., p. 28). The state is a result of processes of social contestation within and beyond the state, which are mediated through state officials. This “[...] provides a context for understanding state frameworks for capital accumulation as not simply a functionary of capitalism, but one which recognizes the social basis and hegemonic struggles within the state (at different scales) over the forging of accumulation strategies.” (Smith 2015, p. 299). In this context, non-state actors are integral in all facets making up the state.

Societal actors do not interact with one unified state. Rather, the state consists of a continuously changing “institutional ensemble” (Jessop 2016, p. 54) which is constituted by and in turn constitutes social actors and the hierarchies between them. This institutional ensemble is a set of organizations and institutions. It consists of ministries, border controls, military, research funding, hospitals. These are interdependent institutions, which relate to each other. The relations between these entities as well as the rest of society then make up what we consider ‘the state’ (Jessop 2008; Koivisto 2012). The mediation between different societal actors and the state takes place within all parts of the institutional ensemble. This explains why state actions are not necessarily unambiguous or strictly logical. “The state is clearly not a unitary entity, but a constellation of functions and capacities, [and] the enactment of these functions does not always crystallize in consistent signals [...]” (Neilson et al. 2014, p. 3).

The relationality of the state does not imply that the access of societal actors to institutions is a “zero-sum” game (Jessop 2016, p. 192). One type of societal actor can gain access to or influence the state and still not threaten the position of other types of actors. This has several reasons. First, society is not made of two definitely opposed and mutually excluding groups of actors, so the improved position of one group do not need to limit the significance of other fractions. Second, there are different dimensions of societal power, e.g. ideological, economic, political, and increased importance within one sphere does not necessarily impact other spheres. Third, even though the state is actually not one entity, the image of the state and its institution is relatively stable. There is therefore frequently a lag in the perception of power shifts, so even if one type of societal fraction loses access and influence, the image of their power may remain (see Poulantzas 1969, 117ff.).

Within the relational understanding of the state, there exists so-called strategic selectivity. This strategic dimension accounts for the state’s and other actors’ intentionality regarding their choices and priorities. The state is a “system of strategic selectivity” (Jessop 2008, p. 36). This means the structures and organization of the state *selectively* open for specific economic and political strategies by societal actors. The state “has a specific, differential impact on the ability of various political forces to pursue particular interests and strategies in specific spatio-temporal contexts through their access to and/or control over given state capacities” (Jessop 2004, p. 50). Consequently, some actors are more influential than others because they are allowed greater access to state capacities and fit better to the state’s strategic priorities. The bias, or selectivity, of the state depends on its specific configuration in a given context, i.e. its government, its form of organization, its bureaucrats, and their short- and long-term strategies. Though this means strategic selectivity is subject to change,

the political situation in society will always underpin any reworking process of state strategies (Jessop 2004, p. 50).

2.2.2 Structural bias and state agency

The relationality and strategic selectivity of the state means there is a structural component to societal actors' political participation. Seeing the state as a social relation highlights the existence of structural power. The interests of powerful actors are more apt to gain access to institutions and more likely to reflect in policy decisions, even when they are not visibly represented. Their powerful position within society ensures that their position is an integral part of political decisions. (Jessop 2016, p. 54). Firm presence at the EU level and participation in EGs does not take place on a level playing field where all societal actors are equal. Actors with economic power, like TNCs, might for instance benefit from structural privilege.

Strategic selectivity constrains individual and collective actors in different ways. This means some actors appear almost naturally as more 'compatible' with processes of policy creation and implementation. Classes or groups with close links to state institutions and/or with strategies fitting state priorities are much more likely than other groups to influence policy as well as the more general strategic considerations and configuration of the state in a way beneficial to them (ibid., p. 59). The difference between diffuse and specific interest groups in terms of access to and influence on state bodies is such an example. Specific interest groups can more easily communicate their position than diffuse interest groups and are therefore frequently heard in policymaking (Beyers 2004). Strategic selectivity also means the state follows particular strategies with more rigor. This could for instance be strategies for enhancing economic growth or exports, which in turn benefit some actors more than others. However, regardless of what actions are actualized by the state, it remains structurally biased. Strategic selectivity does not imply complete intentionality. However, it does involve a path dependent, more or less conscious act of prioritizing of areas of and approaches to policy (Jessop 2016, p. 56).

Even though structures constrain strategic-relational state power, the state institutions do possess a certain degree of agency. There are two main reasons for this slightly contradictory 'conditional' independence of state institutions. The first reason for state agency is the role of state officials. State institutions possess potential powers in the plural, which can be, but are not necessarily activated. In other words, the state does not always do everything it is

capable of. The actualization of state powers depends on “the action, reaction, interaction of specific social forces located both within and beyond this complex ensemble” (Jessop 2008, p. 37). For example, during the Covid-19 pandemic curfews and other state powers that are otherwise less visible, have been actualized. However, the actualization of state powers varied across countries due to historical and societal contexts. Though state officials and their priorities are of course formed by historic-specific social realities, they act “in the name of” (Jessop 2016, p. 22) the state, which provides a sense of unity and consistency to the state and state power. In this position, state officials have some degree of authority and autonomy. They can for instance act against short-term interests of specific actors, but in the long term stabilize the position of these same actors (Campling et al. 2006, p. 1755).

The second reason is that the state is an *emergent* structure. The state is an emergent institutional ensemble because it is more than the sum of its parts and dependent on social structures. It is not only determined by social relations, but capable of producing effects in these social relations (Koivisto 2012, p. 59). Water is a classic example used to describe emergent structures Sayer (1992, p. 119). In the same way as the characteristics of water differ greatly from those of its components, which are both highly flammable on their own, the state as an emergent structure differs from the relations that constitute it and acts in different ways than them. And in the same way as water can extinguish fire, the state can affect changes in social relations. The effects the state has as an emergent entity is a result both of individual agency and structural constraints (Koivisto 2012, p. 64). Since power arises from historical contingencies and is always intertwined with social forces, state action remains relatively stable, even in the context of large political changes, like landslide electoral results (ibid., p. 64).

2.2.3 The strategic-relational European Commission and expert groups

The EU is of course not equivalent to the nation state. However, in the strategic-relational approach, both the national and the international are emergent institutional ensembles, determined by social relations, historical contingencies and human agency (ibid.). The social relations underlying the different levels partly overlap, but this does not mean that the international is merely an aggregate of the national (ibid., p. 62). Applied to the EU, this means it is embedded in similar social relations as member states, but still has its own historical contingencies and attracts different actors than the national level. Due to differences in scope and responsibilities, the relation between EU institutions and social forces might differ to that of member states. Whereas the EU determines trade policy, affecting all

areas of life related to it, member states provide welfare systems or levy taxes. Therefore, transnational capital interests might for instance more easily dominate the constitution of EU trade policies, whereas national trade unions might more frequently be incorporated in policymaking at a national level. Changes at any scale, regional, national or international, of course affect the others, because they impact the balance of social forces and strategic decisions. The EU is thus not an aggregate of nation states or a detached sovereign overseeing its territory from a distance.

The powers of the EU complement and contest the power of nation states. The EU reproduces the conditions for, as well as redesigns markets, organizations and the state apparatus at all levels. It coordinates, oversees and organizes more than it owns or actively directs. This *metagovernance* manifests at local, national and global levels, they are *multiscalar*. The EU is thus a “supranational instance of multiscalar metagovernance” (Jessop 2008, p. 219). Nation states consciously and unconsciously influence these processes, both through activities at a national and local level, and through their international ambitions and strategies.

As the executive branch of the EU, the Commission “plays a key metagovernance role in organizing parallel power networks, providing expertise and recommendations, developing benchmarks, monitoring progress, exchanging best practice, promoting mutual learning, and ensuring continuity and coherence across presidencies.” (ibid., p. 221) Through participation in EGs, firms access decision making on the realization of this multiscalar metagovernance. However, the Commission is a space of political contention, and the standards it sets, the recommendations it gives and the way it structures governance in different spheres are a result of this contestation. At the same time, it is not a ‘tool’ for public actors to operate, but a body “with social interests transcending functional or institutional relevance.” (Horn 2012, p. 42) Even though firms gain access, they do not dictate Commission decisions. This is a result of the relative autonomy of the Commission as an emergent institutional ensemble, the particular configuration of actors at any given time, and institutional continuities.

The Commission is socially embedded, strategically selective and at the same time capable of relatively autonomous decisions. This can explain why it “at times proposes legislative drafts that are opposed by a majority of member states, that introduce strikingly high or low standards, or that contradict extant European law” (Hartlapp et al. 2014, p. 2). From a strategic-relational perspective it is clear that member states are by no means the only relevant actors for the organization and activity of the Commission. Its long-term perspective, varying strategies by societal actors and varying biases in the different bodies of the Commission can all result in outcomes that deviate significantly from the status quo.

The EGs represent an observable empirical case where these different aspects come together to produce policy outcomes. They aim at stable, long-term agreements, are explicitly open for societal actors and are utilized in different ways by different DGs. The Commission EGs are one specific instance of the relational and strategic constitution of EU institutions. They are special because the interactions between societal actors and the state are observable and quantifiable. Applying this perspective to the observations by Hartlapp et al. (2014) mentioned in section 1.1 concretizes the understanding of EGs as strategic and relational.

In their work on processes of political positioning within the Commission and their relation to external actors, Hartlapp et al. (*ibid.*, 282ff.) identify three main processes of position formation amongst actors in the Commission – technocratic problem-solving, ideologically driven policy-seeking and maximizing own organizational competences. The first refers to a positioning process mainly based on a wide range of neutral internal and external expertise. The second is based on a politically or ideologically founded conviction of social justice or normative rightfulness of a policy measure. The third relies on a strategically motivated selective choice of information, which is considered suitable for expanding the competences of an actor or DG, and thereby their budget. The Commission EGs function as an arena where certain societal actors are actively involved in this process of position formation (*ibid.*, 221f.). From a strategical relational standpoint, these three processes are all expressions of the societal foundations of the EU.

The first process of position formation, technocratic problem solving, opens for actors that in society are considered objective experts within their field. However, social relations influence who currently holds such expert status. In a society where TNCs are considered key actors, their representatives will tend to gain roles as experts. By including firm representatives in this role, EGs reproduce the position of these firms within society. The second, politically or ideologically based problem solving, does not seek neutrality. However, political and ideological positions dominant in society and/or represented by powerful actors are more visible and more apt to already enjoy support within the Commission. Consequently, positions may be widespread in society, but still not included in the policy formation process if they lack access to state institutions or visibility. The third type, strategically motivated selective choice of information by Commission actors, means that actors or groups capable of complementing existing capacities of a DG are benefited. Here, again, visible actors, who already have close ties to institutions are in advantage. The same actor can of course engage in all types of position formation, either with its expertise, with an ideological position or by complementing competences of actors or DGs. In sum, the EGs provide societal groups or actors, which possess the necessary resources, complementing strategies and societal position, with a direct

link to the Commission policymaking.

What exact actors are structurally privileged and how, is difficult to determine. However, the analysis presented in this thesis keeps in mind that representation is not solely a result of inter-firm relations and sectoral dynamics but also of structural bias, for instance towards larger firms as opposed to smaller firms or towards actors from specific geographic regions. For the EC to actualize potential powers and affect changes within social relations beneficial for one type of societal actor, the interests of this actor must on the one hand dominate within society, and on the other hand, state officials must internalize them in their decisions. Presence at the EU level and membership in EGs feeds into this overall visibility. By cooperating among other in EGs with Commission officials responsible for activating and shaping the power of initiative, firms influence the actualization of state powers.

2.3 Utilizing the concepts

Figure 3 illustrates how the different concepts connect and create the foundation for discussing the interaction between economic power and political participation. It provides an overview of the assumptions guiding the research and the questions arising from them. The arrows signify effectual relationships, i.e. which elements influence each other. States, firms and other actors evolve from social relations and societal power structures between different societal fractions. The constitution, agency and position of states reflect societal power structures, and therefore the state structurally privileges some actors over others. State actions in turn influence power relations between and within societal fractions. Corporations make up one of these fractions. Societal fractions are not homogenous, and inter-firm governance highlights differences in economic power between firms incorporated in global chains of production. Inter-firm relations and broader political economic dynamics form governance dynamics. This creates differences between sectors and reproduces dependencies and domination, even between large firms. The resulting hierarchy translates into variations in political representation in the form of lobbying at the EU level and inclusion into policy-making processes through membership in EGs. Corporate activity within the EU, whether it is lobbying at the EU level or membership in EGs, is connected to their position within their sectors and differences between sectors. The analysis aims at investigating the process illustrated by the red arrow in the center of the figure. The main question is how inter-firm governance translates into variations in one formal type of access to policymaking, i.e. participation in expert groups.

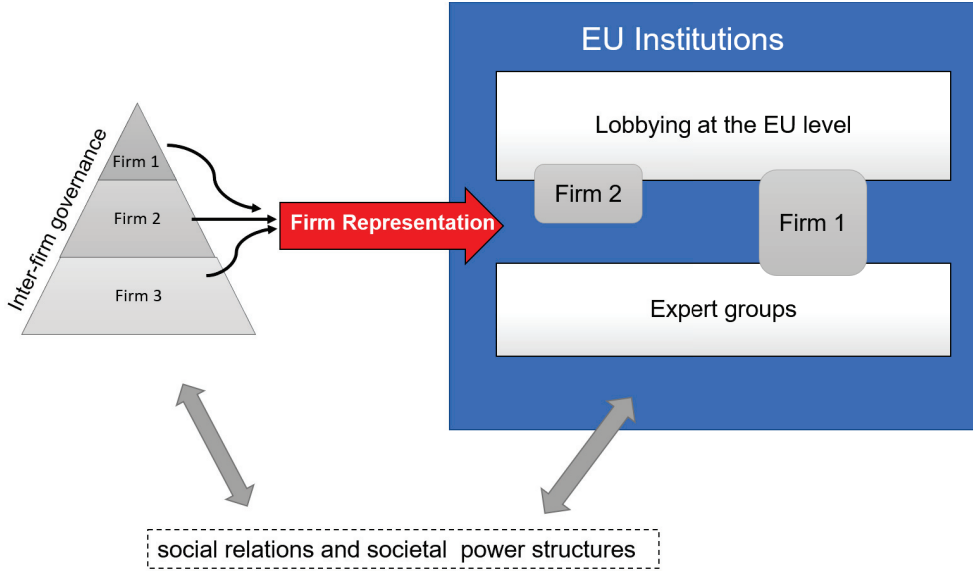


Figure 3: Overview of conceptual framework
Arrows signify effects. Author's own creation

Two terminological distinctions are key for the work in this thesis. The first regards the field of interest representation, and the second clarifies different possibilities of firm representation. I distinguish the overall presence of firms or associations at the EU level documented in the transparency register from participation in EGs by referring to *general interest representation* and *EG participation*. This is a key distinction, since dynamics that define general interest representation do not necessarily have the same effect on EG participation. Moreover, firms engage in EU policymaking either individually or as members of associations. *Individual firm representation* implies that a firm is politically active on its own, as opposed to representation through an association.

The two subquestions presented above stake out the three main governance dynamics that will be considered in the empirical exploration of the link between inter-firm governance and access to EGs. These are *lead firm power* versus *supplier power* and *buyer power* versus *producer power* (subquestion 1), and *degree of supplier independence and cooperation between firms* (subquestion 2). Investigating how these governance dynamics underpin patterns of firm participation, at the EU level in general and in EGs particularly, is the empirical endeavor of the thesis. Additionally, the strategic-relational perspective draws attention to broader societal power structures and structural bias. In this way, the research provides a

novel perspective on what potentially determines access to policymaking.

3 Methodology

This section discusses the approach to operationalizing the theory introduced in the previous section and the main methods, namely sector mapping, data analysis and expert interviews used to answer the research question. The analysis relies on the identification of powerful firms and their specific position in globalized production as well as the degree of their representation in EGs. For this, I proceed as follows. First, by applying the concept of inter-firm governance to the apparel and automotive industry, I map central dynamics of globalization and firm hierarchies. With this, I highlight differences in governance dynamics across and within sectors. I then identify lead firms and powerful suppliers based on their revenue. Second, based on the previous step, I explore the varying representation of the firms from the two sectors at the EU level in general (their lobbying activity) and their inclusion in EGs. Third, with the insights on the two sectors and the participation of firms in EGs, I identify main logics of firms' political participation to ultimately answer the research question. For the first step of the analysis, I draw on secondary literature on the apparel and automotive sector. For the second step, I conduct a data analysis based on the EU Transparency Register and the Register of Commission EGs. Finally, for the third step, I draw on expert interviews, the sector overview from the first step and the theoretical concepts. Lobbying activity does not rely on acceptance by state institutions, whereas participation in EGs does. Thus, by contrasting participation in EGs with more general lobbying activities of firms, the strategic selectivities and bias of the EGs and their compatibility with specific types of firms become comprehensible. In the following, I elaborate on my choice of methods and their concrete application.

3.1 Sector mapping with secondary literature

Identifying inter-firm governance structures, relevant actors and institutional linkages is a complex task, which could fill a whole thesis on its own. At the same time, it is a task which has been executed by numerous authors before me. They have explored the different dimensions of this issue and in sum create the mosaic which is an overall understanding of the dynamics of globalization within industrial sectors. Therefore, the thesis relies on their insights to provide an overview of the apparel and automotive sectors. The sector mapping

considers contributions that utilize the vocabulary and framework of the GVC approach, which ensures comparability. Based on this work, I discuss how the governance dynamics introduced in the conceptual framework apply to the concrete cases of the automotive and apparel industries.

The choice of the apparel and automotive industry originates from two main considerations. On the one hand, the apparel and automotive industries have always been prominent subjects in work on GVCs, and there therefore exists a large body of literature on both. In his seminal work on buyer-driven commodity chains, Gereffi (1994) used the apparel industry as his case study. In the case of the automotive industry, its large manufacturers and their important role for many industrialized countries, like Germany, USA or Japan, have continued to catch researchers' attention (Sturgeon et al. 2008). On the other hand, the two sectors differ significantly, which enables a fruitful comparison of their political participation. Whereas apparel is considered to be buyer-driven and fragmented and exists in nearly every country in the world, the automotive industry is seen as producer-driven, highly consolidated and regionally clustered. The large body of literature demarcates the variations in governance dynamics within the two sectors (Gereffi 1994; Palpacuer et al. 2005; Appelbaum 2005; Sturgeon et al. 2008; Humphrey and Memedovic 2003; Schmitt and Van Biesebroeck 2013). By exploiting the differences between the two sectors, I additionally illuminate variations between sectors. I rely on this discussion of sectoral economic power to conduct the data analysis.

3.2 Descriptive quantitative data analysis

Participation of firms in EGs is an indicator for their access to policymaking and thus state capacities. By gathering data from the EU Transparency Register and the Register of Commission Expert Groups and Similar Entities, I identify patterns of EG participation for the powerful firms in the two sectors. I contrast it to their general representation at the EU level.

The Commission introduced the transparency register in 2008. In 2011, it became a joint project of the Commission and the Parliament. It contains information on societal actors who are in any way involved with the EU institutions. It lists a wide range of information: The name and address (headquarter and, if existent, Brussels office) of the organization, the name of the person with legal responsibilities as well as the person responsible for EU relations and the persons with access to the Parliament, organization type (trade and business

associations, consultants, companies & groups, unions, NGOs), estimated lobby costs, overall budget, fields of interest and initiatives at the EU level, participation in forums or groups (e.g. EGs), number of employees working on EU relations, and membership in associations or federations. Although organizations are asked to list members and customers, the links between different actors frequently remain blurry. For instance, it is not necessarily possible to identify which actors and interests law firms or consultants represent. The register on the one hand facilitates an overview of the resources disposable for EU lobbying in general and on the other hand of the membership of firms in EGs. The register is voluntary, which continues to be criticized by civil society actors, but it is becoming increasingly difficult for organizations with activities at the EU level to avoid registration. In reaction to the reluctance of many actors to register their activities, the Commission and Parliament have over the years created incentives for registration. First, in 2011, all actors with permanent accreditation to the Parliament were obligated to register. Since 2014, all actors meeting with Commission members or its DGs must register. Since January 2019, the same holds for actors meeting with MEPs (LobbyControl 2019). In 2016, the Commission presented new rules for the EGs, which instituted that all organizations participating in EGs must register in the Transparency Register. This allowed linking the transparency register with the expert group register (European Commission 2016b).

Following criticism from the Parliament on lacking transparency, the expert group register was established in 2005. It lists all current and previous EGs and offers information on the responsible DGs, policy area, their tasks, type (formal, informal, temporary, permanent), scope (broad or limited) and member types. Policy area is divided into fields like administration, taxation or internal market according to the responsible DG. Tasks are divided into six main categories: (1) Assist the Commission in the preparation of delegated acts; (2) Assist the Commission in the preparation of legislative proposals and policy initiatives; (3) Provides expertise to the Commission when preparing implementing measures; (4) Assist the Commission in relation to the implementation of existing Union legislation, programmes and policies; (5) Coordinate with Member States, exchange of views, and (6) Other. Members are listed as type A, B, C, or D members, as individuals appointed in their own capacity, as individuals appointed as representatives of a common interest, as organizations, as member state authorities, or as other public entities. This categorization at first seems very clear. However, it does not sufficiently capture conflicts of interest. In the past, seemingly objective individual experts have for instance turned out to be closely linked to corporate interests (LobbyControl 2019, p. 37). In some cases, register entries provide information on meetings, like dates, subgroups, or documents (agendas, minutes, reports, slides etc.). However, de-

tailed information on group activities is usually missing. Additionally, the sheer number of groups and their technical names means it is difficult to navigate the register. It is therefore not easy to derive the political relevance of individual groups.

The empirical work does not focus on stating the political relevance of EGs. Rather, it aims at identifying and interpreting the patterns of inclusion into these groups. I therefore focus on the quantitative information provided by the two registers. I first provide a structured overview of the representation of firms from the two sectors at the EU level in general. This overview draws on the information on lobby resources, accreditation to the Parliament, representation in EGs. Second, I outline the participation in EGs – the DGs responsible for them, their tasks and group type. Based on this, I can identify patterns and link them to the sectoral analysis.

3.3 Expert interviews

The data analysis facilitates a detailed investigation of the patterns of firm participation in EGs. To grasp the underlying logic of these patterns, I revisit the sector analysis. However, I recognize that relying solely on secondary literature analysis might overlook certain elements, or how different aspects come together to impact EG participation. Therefore, the empirical section supplements the sector mapping and data analysis with expert interviews. This takes into account that knowledge about firms' motives for interest representation and participation in EGs is frequently not formal. Combining this non-formalized, insider knowledge with the observable governance dynamics identified in the literature on the apparel and automotive sectors aims at systematizing expert knowledge and thereby providing a multi-layered interpretation of the link between governance dynamics and representation at the EU level.

Following Meuser and Nagel (2009, p. 468), an expert is someone, who, based on her activity within a field, has privileged access to particular information. Experts are not merely at the 'receiving end' of an issue, they are active participants in it. This means that they for instance actively develop problem solving strategies related to their field. This role can, but does not have to, depend on the person's professional position (ibid., p. 468). Activists or other people engaging in an issue on a voluntary basis can also be experts. This allows critical analysis, which does not privilege the views of professionals, but rather recognizes its multiple facets and highlights different perspectives. The expert interview is not primarily interested in the interviewee as a private person, but rather aims at generating data related to her

function as expert (Meuser and Nagel 2009, p. 469). Expert knowledge is not personal in a private way but personal in the sense that the individual expert holds it (almost) exclusively. Although biographical factors are not completely separable from a person's function, this focus narrows down the interview to delimited, problem related information and not the broader personal aspects of it.

Meuser and Nagel (ibid., 470f.) provide a definition of expert knowledge. They thereby extend the typology of expert knowledge introduced by Bogner and Menz (2002). Accordingly, they distinguish between "technical knowledge", "process knowledge" and "interpretive knowledge" and add to these three dimensions the overarching categories "operational knowledge" (Betriebswissen) and "context knowledge". I refer to the first three as levels of knowledge, and to the latter two as categories of knowledge. Technical knowledge is the factual know-how a person acquires through a specific position – *where, what, when, who*. It is explicit and immediately accessible in the interview. Getting this technical information through other sources, like publications or surveys, might be possible, albeit time consuming. However, it may also be knowledge that has not been formalized in any way and is therefore not accessible through other methods than interviews. Process knowledge is knowledge that is acquired by a person through long-term experience with information cycles and workflows. It explains *how* elements are connected, or a process structured, as well as the limits and possibilities of specific actions. Interpretive knowledge is also a result of long-term engagement with an issue. However, it is more subjective and deciphers the meaning of a specific context and activities taking place within it. *Why* do activities take place or actors behave in a specific way, *what role* do they play in a broader context and so on.

The two categories of knowledge capture the position of the expert knowledge in relation to the subject matter and depend on the role of the expert interview in the research (Meuser and Nagel 2009, p. 471). Sharing her operational knowledge, the expert provides information on her own activities and the factors structuring them. The interview aims at highlighting the conditions of specific tasks or programs that the expert is responsible for. Context knowledge centers a context or group the expert has privileged insight on. Whereas operational knowledge is focused on individuals, context knowledge provides a more holistic view of the problem or population of interest to the researcher. Hence, whether an expert interview aims at capturing operational knowledge or context knowledge strongly depends on the research design and research question.

The expert interview aims at specific categories and levels of knowledge. At the same time, it must be open for unknown dimensions of the issue at hand. Therefore, Meuser and

Nagel (ibid.) recommend conducting semi-structured interviews, followed in a flexible and unbureaucratic way. This combines the necessary narrowing of the topic with openness for descriptions that reveal implicit and explicit elements as well as unconscious assumptions or unknown dimensions of the issue. This thesis is interested in expert interviews that illuminate firm participation in EGs. For this purpose, accessing process- and interpretive knowledge is central. I am interested in understanding *how* and *why* firms seek representation at the EU level in general as well as in EGs. Of course, the experts also provide useful technical knowledge on EGs, what issues they deal with, the frequency of meetings or who actually attends. However, their capability to provide insights on the relevance of this type of representation as well as how it enfold is my focus. Since especially interpretive knowledge can be quite subjective, it is of particular importance in this research to contrast different expert views on the issue. As mentioned above, accessing insider knowledge is essential for deepening and adding complexity to the analysis of the logics of participation in EGs. Further, contrasting a variety of perspectives, as propagated by Meuser and Nagel (2009), is critical for an adequate interpretation of the issue, especially due to the controversial nature of the topic. By applying the functional focus inherent in the concept of expert interviews, these perspectives can be brought together for a differentiated analysis of firms as political actors, which goes beyond personal sensitivities. I am interested in the context knowledge of the experts to investigate how actors related to the issue frame the link to governance dynamics. I am not interested in understanding the activity of individual EG members, but in a holistic view of the sector-specificities of interest representation and EG participation. This I utilize to interpret the link between governance dynamics and firm participation in EGs. My sampling was aimed at contrasting different expert positions and therefore based on my existing theoretical knowledge in combination with my first empirical insights on the issue.

Concretely, the sampling reflects different societal positions on the inclusion of firms in EGs. I focus on interview partners who mainly have expert knowledge about the two sectors, and not on EU institutions. This has two reasons. First, as mentioned in the introduction, this thesis looks at the dynamics in broader society, and not the EU's need for or interest in external expertise, affecting inclusion of societal actors into EGs. It follows that I am interested in experts assessing the link to the political field based on sector dynamics and not on EU strategies. Second, the strategic-relational foundations of this research imply that societal actors are central in the constitution of the state. Therefore, the sampling focuses on societal actor expert views, however within the theoretical context of the state as relational and biased. Moreover, this focus was also a somewhat pragmatic decision, as

including further actors, like EU officials, would quickly exceed the scope of a master's thesis. Altogether, this means I decenter state actors in my interviews and rather concentrate on societal actors. Following the considerations elaborated above, the selection of the societal actor experts adheres to two general criteria: sector-specific expertise and experience with sectoral interest representation at the EU level. I contrast the interview partners according to their perspective, roughly divided into four categories: (1) individual firm, (2) sector association, (3) workers, (4) other civil society interests. Based on this, I identify four relevant types of experts. These are (1) firm representatives, (2) sector association representatives, (3) union representatives, (4) lobbyism observers and consumer representatives.

Interest representation of firms and their participation in EGs is a sensitive issue, which is not considered public information. This problem accompanied both the process of finding interview partners and conducting the interviews. Table 13 can be found in the appendix and provides an anonymized overview of the interview partners. It proved more or less impossible to access firm representatives. Despite several personal contacts and communication with associations, firms did not respond to requests. Therefore, the interviews were conducted with association representatives (of which some have themselves worked for individual firms in the past) to access operational knowledge of the inclusion of firms into EGs. Association representatives provide both operational and context knowledge, considering that they have an overview of different actors in the field.

Union representatives, lobbyism experts and consumer representatives provide context knowledge and varying perspectives on the firms and their political participation. Whereas unionists are to some degree structurally dependent on firms and their success, NGOs have a more distant, independent overall view. However, the latter might have a limited understanding of some dimensions only available to insiders. The interviews were semi-structured and lasted between 30 and 60 minutes. For practical and organizational reasons, nearly all interviews were conducted via phone. This on the one hand meant it was possible to conduct interviews with experts that would otherwise not take the time. On the other hand, telephone interviews are less personal and therefore risk being more superficial. Hence, sensitive information or less formal thoughts might not be communicated. The majority of the interviews were recorded and transcribed. The rest was documented with notes. To forego recording enabled access to information that the interviewees would not otherwise share. Considering that the interview was semi-structured, it was possible to take useful notes. For privacy reasons, and because I am not interested in individual opinions, but rather the view of different societal actors, the discussion of the findings refers to the aggregated insights of the different groups listed in table 13 and not to the individual interviewees.

All in all, 14 interviews were conducted, five within the automotive industry, six within the apparel industry. Three of the experts were from lobby watchdog organizations or consumer organizations. These mainly had expertise on the automotive industry. The experts were either EU and international level organizations located in Brussels or Geneva, or national actors located in Germany or Austria. Germany and German firms are important actors in the EU. However, this bias is equally a reflection of my own position (as a former German resident and student in Austria) and language skills. Accordingly, views of actors in other TNC headquarter countries like USA or Japan were not considered. The guiding question of the interviews was: “What inter-firm dynamics, sector- and firm-specific factors contribute to differences in representation of firms at the EU level and in expert groups?” The main question was operationalized by first dividing the interview structure into two categories, interest representation in general and participation in EGs. Second, sub-questions in the two categories facilitated discussion of different sector-specific factors leading to the observable degree of representation in the two sectors. The aggregate data provided by the interviews complements the literature analysis of the sectors and the data analysis of the transparency and expert group registers.

An adapted version of the “content structuring qualitative content analysis” (inhaltlich strukturierende qualitative inhaltsanalyse) assisted the systematization of the interview transcripts and notes Kuckartz (2016, 78ff.). The method was adapted due to the special role of the expert interviews in this research as a tool facilitating the interpretation of the descriptive, quantitative data. I am interested in specific themes and arguments and therefore not in all-encompassing inductive coding. The content analysis helped structure the data generated in the interviews, laying the foundation for the analysis of the different governance dynamics and their link to interest representation and EG participation. I first developed a set of “main categories” (ibid., p. 79) derived from the research question and other considerations that guided the structure of the interview. This included insights from theory, previous research and first empirical work. The main categories are listed in table 14 in the appendix. Considering that the thesis investigates two different sectors, the list includes both sector-specific and general main categories. Based on these categories, I first coded and subsequently sorted the entire text material. This provided an overview of which experts provided what type of answers within which categories.

Following the main category coding, Kuckartz (ibid.) suggests recoding the material along sub-categories. I chose a slightly different approach. Given the quite high degree of detail in my main categories and the role of the interviews in the research design as a way to add layers to the interpretation of the data analysis, I decided to not look for further sub-categories.

Rather, I aimed at identifying how these different categories explained different observable patterns of firm representation. I thus ascribed the individual codes to the main patterns arising from the data analysis. In addition, I utilized the codes to deepen my understanding of the overall context of firm representation, so on the one hand technical knowledge on EGs within the sector and on the other hand contextualizing the links to the EU within the broader societal context. The main categories initially introduced structure the evaluation. Adapting the method introduced by Kuckartz (2016) connects the process of coding directly with the observations from the data analysis. This rules out cherry-picking of expert views and ensures robust argumentation.

The subquestions derived from the GVC concepts and the strategic-relational approach to the state structure the final debate of the differences within and between sectors. By discussing the differences within a common framework, it becomes possible to compare how sectoral factors determine political participation. It establishes a link between power structures within economic sectors and the access of large firms to policymaking. In this framework, factors do not *determine* outcomes as isolated variables in a strict causal sense. Rather, they determine them in the sense that they provide a plausible explanation. The methodological approach to the research adjoins sensitivity for the opaqueness of firms' political activity and the concomitant importance of insider knowledge with an aim for comparability. The combination of qualitative and quantitative methods fulfills this task.

3.4 Limitations

There are several limitations to the research design. The main limitation is the exclusive focus on access to EGs. The research only assumes that access translates into influence, but does not analyze how this plays out empirically. However, as argued above. Access is a precondition for influence and therefore highly relevant. In addition, the research only focuses on the 'hard facts' of firm representation, i.e. publically available data and written documents. This means the thesis cannot conclude on informal ties between firms and policymakers, which might for instance enhance the effectiveness of EG participation and thus make participation more attractive for some actors. Even though the expert interviews deliver insights on informal ties, the thesis does not systematically investigate them or their effect on the observable representation outcomes.

In terms of data quality, the characteristics of the transparency register limit the explanatory power of the research. In contrast to the expert group register, the EU transparency register

is voluntary. This means it does not capture all interest group representation at the EU level and might distort representation patterns. Some firms may be active at the EU level, but simply not registered. However, Type B and C expert group members must be registered in the transparency register (European Commission 2016, p. 6). For the qualitative data, the scope and type of expert interviews represent a limitation. On the one hand, no firms agreed to interviews and all interview partners are based in Europe. Thus, insights into individual firm decisions as well as strategies in other regions are limited. However, association interviewees compensate this to some extent. On the other hand, the interviews do not include Commission officials. Consequently, the internal priorities and strategies of the Commission in relation to EGs can only be approached on a superficial level. A lack of EG-specific knowledge among many of the external actors further contributed to a bias towards firm narratives.

4 Sector Structure and Firm Access to Policymaking

4.1 Mapping sector structures

4.1.1 The apparel sector

The apparel industry as we know it today is frequently named as one of the most globalized industries in the world (Pickles et al. 2015, p. 383). This is largely a result of its low entry costs due to labor intensive production, standardized production and simple technology, which means it is a popular first stop within national industrialization strategies (ibid., p. 383). The European and North American apparel industry first expanded to Japan in the 1950s and 1960s, in the subsequent decades to Hong Kong, Taiwan and South Korea, before production was established in mainland China in the 1980s (Gereffi 1999). In Sub-Saharan African (SSA) countries, the industry picked up pace in the late 1990s and early 2000s (Staritz 2012). The apparel GVC is frequently named as a typical example of a buyer-driven GVC (Gereffi 1994). However, the relation between lead firms and suppliers and the political economic context of the sector is steadily evolving, which impacts inter-firm governance of the sector. This subsection presents the apparel production process and its actors. It discusses the globalization and details the inter-firm governance of the sector against the backdrop of its regulatory context.

The different levels of the apparel production process and the process of value adding are dispersed across the globe. The apparel sector relies on the production of natural (cotton, wool) and man-made (nylon, polyester, acrylic) fibers, yarn and fabric, the apparel production itself, and distribution and sales channels (Frederick and Staritz 2012, p. 44). Whereas textile production is capital intensive, apparel production depends mainly on labor for assembling either woven or knitted fabric into finished pieces of clothing. Hence textile production tends to take place in countries with a certain capability of capital investment. Apparel production is, in contrast, generally based in countries with low wages and excess labor. The lion's share of value is added through contributions not directly linked to production, like branding, research, design and marketing, and the entry barriers to these activities are high (Gereffi and Memedovic 2003, p. 31). Lead firms possess knowledge within these areas and function as “strategic brokers [...] linking overseas factories and traders with product niches in their main consumer markets” (ibid., p. 31). They outsource large parts or all of physical production to low-cost suppliers (Frederick and Staritz 2012, p. 47).

There are four main types of apparel suppliers and four types of lead firms. Suppliers pursue assembly or cut-make-trim (CMT); full-package supply or original equipment manufacturing (FPS)¹; original design manufacturing (ODM); or original brand manufacturing (OBM) (Gereffi and Frederick 2010). CMT solely concentrates on the assembly of clothing. Inputs and specifications are provided by the buyer. Buyers are either lead firms or full-package providers. FPS refers to suppliers that source their own inputs and are responsible for all steps of production, finishing and packaging. Design is provided by buyers. ODM firms provide the entire palette of production services and are additionally involved in processes of product development, design, and selection of materials. OBM suppliers fulfill similar tasks to ODM firms. However, they also brand and market products, either for a buyer firm or for their own line of products. FPS, ODM and OBM firms do not necessarily fulfill all tasks in-house, but they are responsible for delivering a complete product to the buyers. In addition, the apparel value chain includes full-package service providers that coordinate the entire supply chain for a buyer without producing themselves (Frederick and Staritz 2012, p. 52).

Lead firms are frequently sub-divided into mass merchant retailers, specialty retailers, brand marketers, and brand manufacturers (Gereffi and Frederick 2010). Mass merchant and specialty retailers do not produce apparel themselves and source globally from FPS, ODM or OBM suppliers. Specialty retailers sell low-cost so-called private labels, which are only available in their stores. They specialize in clothing and related products (H&M, Mango, Zara),

¹I abbreviate the term full-package simply to prevent confusion with automotive OEMs

whereas mass merchant retailers are general discount and department stores that sell both private labels and other clothing brands (Walmart, Costco, Target). Brand manufacturers are brands that manufacture their own products. They own factories, organize sourcing as well as branding and marketing. In contrast, brand marketers control branding, marketing and distribution, but do not own manufacturing plants (Nike, Adidas, PVH). They are “manufacturers without factories” (Gereffi 1999, p. 46), and their products are either sold in their own stores or by discounters and department stores. Brands like Dior or L Brands are typically named as brand manufacturers. However, also these brands have by now outsourced the most of production, making the term redundant as an analytical distinction. Therefore, I summarize the two last types of lead firms as “brands”, which all focus on value adding through branding, research, design and marketing, although some may still be slightly involved in production.

The history of the apparel sector in the 20th and 21st century is a history of a spread of global production in search of lower costs, framed and determined by the changing terrain of trade policies and preferential treatment. Although changing to some extent, especially in the case of China (Frederick and Staritz 2012, p. 92), production in Asian, Latin American and African countries was and is mainly directed towards the North American and European market. Despite massive shifts within the industry, lead firms in North America and Europe possess a substantial market share and remain powerful (Gereffi and Frederick 2010). Although they no longer have production capacities, they influence the dynamics of the sector through their position as buyers. Production has become superfluous for sustaining a position as lead firm. These dynamics are a consequence of the interplay of strategic considerations by firms and changes in international regulations and trade policies (*ibid.*). Of course, the globalization of the apparel sector articulates differently in different localities. For instance, Palpacuer et al. (2005, 423ff.) show how national differences in sourcing strategies by lead firms remain, despite strong global trends. They specifically identify a UK, a Scandinavian, and a French model of sourcing and link it to the structure of firms, notably their size and their ownership structure, in the different countries. Still, there are strong overall trends of globalization in the sector. Following the literature, there are four main dimensions of this globalization process. These are (1) global division of labor, (2) increasing supplier capabilities, (3) consolidation and (4) lean retailing.

Facilitated by quota regimes and preferential access schemes, a global division of labor has since the 1970s manifested itself in the apparel sector. As a reaction to fears of North American and European clothing producers, the Multi-Fibre Agreement was introduced in 1974 (Robertson 2012). It opened for bilateral quotas on a range of products. These were

meant to protect both textile and apparel manufacturing in the global North by preventing markets from being flooded by cheap imported products. It limited the possibilities of low-wage countries to export their products, enabling countries in the global North to maintain production within the apparel sector. However, the pressure of the quotas meant that apparel suppliers, especially in Asia, on the one hand became more competitive by shifting their focus towards more profitable segments of production. On the other hand, it led to an increase in internationalization of the sector, because CMT manufacturing moved to countries that had not filled up their quotas or were simply not subject to quotas at all (Pickles et al. 2015). Thus, new suppliers emerged, while the existing ones enhanced their competences (Gereffi 1999). Instead of containing globalization of the industry, the quota regime fostered it.

Apparel-related trade policies have never only aimed at liberalization. Rather, they have aimed at structuring how globalization takes place, resulting in intentional and unintentional outcomes, as in the case of the MFA. In response to the increase in globalization within the industry by the 1980s, the focus of core country trade policies started shifting from protection of the entire apparel and textile sector to more specific regional trade policies meant to protect textile production. For instance, the EU's Outward Processing Trade (OPT) agreements fostered intra-European apparel trade and shaped the integration of former socialist states into the Western European economy in the 1980s and 1990s (Plank and Staritz 2015). They gave apparel firms headquartered in the EU beneficial import conditions, allowing them to export fabric and other apparel inputs for assembly in neighboring regions like North Africa and Central and Eastern Europe before reimporting them at low cost to the EU. This established a regional division of labor and fostered the rise of buyer lead firms in Europe (*ibid.*). Thus, despite the global scope of the apparel industry, there is always also a regional division of labor defining the dispersion of production.

Despite the dismantling of the MFA by 1994, apparel exports continued to face high tariffs. Following the establishment of the WTO, the MFA was replaced by the Agreement on Textiles and Clothing (ATC) in 1995, which aimed at phasing out the quota regime in four steps over a period of ten years. The phase-out was completed in 2005. However, it was followed by other, more liberal quotas, which means that the quota system was completely dismantled only by 2009 (Frederick and Staritz 2012). Preferential access to leading end markets remains highly relevant for apparel suppliers, since it helps keep costs down and thus boosts their attractiveness with lead firms. Accordingly, preferential access schemes have further facilitated and modified the spread of the labor-intensive parts of apparel production to new regions, for instance in Sub-Saharan Africa (*ibid.*, p. 54). Today's apparel industry is a globally integrated industry with firms in different regions specializing on different levels

of the production process. This implies that capabilities have shifted both on the supplier and on the lead firm level.

In the years following the dismantling of the quota system, global overcapacity led to a higher degree of cost competitiveness, lead firms concentrated on their core competences and required a broader range of capabilities from their suppliers. The consequence was an increase in supplier capabilities. Smaller production regions and smaller firms have thus become less attractive, and China has significantly increased exports (Frederick and Gereffi 2011). Lead firms have specialized on activities with high value added, like branding and marketing. As already mentioned, brand manufacturing has almost become completely insignificant, and CMT suppliers are not linked directly to lead firms but rather to FPSs, ODMs or OBMs. This means that production in the Global North has been drastically reduced. As manufacturing capabilities in lead firms were reduced, production by major independent providers surged. All in all, this benefited large players both on the lead firm and supplier side capable of profiting from economies of scale. The consequence was a trend towards consolidation (Frederick and Staritz 2012, 56ff.). The financial crisis of 2008-2009 fueled this trend, worsening the situation for smaller firms (Frederick and Gereffi 2011, p. 68). Thus, the globalization of the apparel industry has been a globalization of capabilities resulting in the rise of new global players, like Asian “TNC producers” controlling their own transnational production networks while producing for lead firms (Appelbaum 2005, p. 10). Major FPS, ODM or OBM suppliers can all be considered TNC producers. Branding and marketing remain the most valuable and least accessible activities within the sector, securing non-manufacturing lead firms’ position within sector governance.

The MFA phase-out also meant that buying decisions shifted from mere quota-hopping to a more complex set of decisions, and so-called *lean retailing* and *fast fashion* have become attractive. In response to insecurity in end-market demand, time has become an increasingly important aspect in apparel sourcing (Plank et al. 2014, p. 130). Along with reduced lead times, production flexibility, quality and delivery have become important factors, adding to the massive price pressure resulting from the vast number of producers. Lean retailers “continuously adjust [...] the supply of products offered to consumers at each retail outlet to match actual levels of market demand” (Abernathy 1999, p. 55). Fast fashion sourcing trends expand this concept by “combin[ing] quick response production capabilities with enhanced product design capabilities to both design ‘hot’ products that capture the latest consumer trends and exploit minimal production lead times to match supply with uncertain demand.” (Cachon and Swinney 2011, p. 778) The aim of fast fashion is to continuously offer new fashionable pieces, while minimizing excess production, which of course demands

an extremely high level of flexibility from design to logistics.

On a global level, the necessary degree of flexibility can only be met by TNC producers with control of an entire supply chain and thus can compensate longer delivery times to lead firms through quick and efficient organization of the production process (Appelbaum 2005, p. 8). Alternatively, proximity enables quick restocking of products, heightening flexibility, securing quality and reducing risk (Abernathy et al. 2006). This means that also regional suppliers can survive, despite higher labor costs. Lead firms in North America rely on regional sourcing from Mexico, Central America and the Caribbean, European firms source from Central and Eastern Europe and North Africa, and Japanese from China, as a main rule (Appelbaum 2005; Abernathy et al. 2006). The rise of large, especially US and European retailers has driven the development of lean retailing. Mass merchant retailers like Walmart are expanding private label collections, sourced directly or through intermediaries from ODMs or OBMs. The decreasing dependence on sales of other brands has increased their apparel market share. At the same time, they exert price pressure on independent brands (Appelbaum 2005, p. 7). Lead firms successfully deflect market pressure onto their supply chain. This shows that a high level of competition is still existent among suppliers, despite consolidation over the past years. The low complexity of the apparel production itself means that suppliers are still easily exchanged and subjected to pressure from lead firms.

The developments in the apparel sector have changed sector governance. In the apparel industry, capabilities and globalized networks not only originate from buyers, but also from powerful suppliers (*ibid.*). The global division of labor, which has been marked by a reduction of in-house manufacturing by lead firms and increasing capabilities among larger suppliers, which in turn outsource simpler manufacturing steps, has altered the traditionally buyer-driven governance structure. Supplier firms' increasing capabilities in acquiring complex information, like interpreting designs, making samples, sourcing, quality monitoring, pricing, and on-time delivery means they have become more independent (Gereffi et al. 2005). The general inter-firm governance structure of the apparel sector has moved away from captive buyer-driven governance towards relational governance on the first tier supplier level (*ibid.*, p. 92). Large suppliers derive power both from their position as indispensable producers for lead firms and buyers sourcing from lower-tier suppliers. The globalization of the apparel sector since the 1970s has not reduced power asymmetries between the assembly floor and lead firms, but rather enhanced the importance of global scope and control of non-production knowledge-based capacities.

Though dynamics of interaction are changing within the apparel industry, ties between

apparel lead firms and suppliers are generally not strong. Suppliers are still subordinated to lead firms, and simple technology and the sheer number of firms means they can be exchanged. Dynamics of captive governance within the apparel sector exist, especially in terms of the labor intense parts of production (Gereffi and Frederick 2010). The rise of fast fashion and lean retailing give renewed emphasis to the power of lead firms within the supply chain and thus in the GVC as a whole. However, due to the need for exact coordination, cooperation between firms may in some cases be enhanced by this trend (Gereffi et al. 2005, see). The large firms in the apparel sector are powerful because they source globally and set suppliers up against each other to minimize costs, while sustaining branding and marketing capacities and distributing to end markets. Beneficial trade policies and liberalization of global trade reproduce their position within the GVC. To some degree, larger suppliers also possess significant power as producers, but lead firms still dominate them.

Even though there has been a trend towards consolidation among apparel suppliers, the supplier base is still very fragmented, thus compiling a comprehensive list of suppliers is challenging. However, table 1 lists the ten largest TNC producers in the sector. These suppliers are mainly located in Asia, frequently Hong Kong or Taiwan, but they to a great extent offshore labor-intensive steps of production to lower cost countries in the region and also to Africa. Korean Hansoll Textiles and Luthai in mainland China represent the only TNC producers in the top ten list deviating from this rule. The three largest companies, Crystal Group, Esquel Group and Hansoll Textiles report revenues above 1 billion USD, so still somewhat below the smallest lead firms in the top 20 list. Besides TNC producers, sourcing companies play a central role in the apparel sector. Li & Fung is the most notable of these. This Hong Kong company does, however, not own its own factories, but is rather a trading company which functions as a coordinator of sourcing networks. Its turnover in 2018 was 12.7 billion (Li & Fung 2019).

Table 3 2 shows the top 20 apparel lead firms, according to the Forbes Global 2000 list for 2018. Merchant retailers are listed with their apparel revenues, which was taken from their annual reports. Though the numbers for Walmart are not quite accurate, the table clearly shows that the US mass merchant retailer is an important player in the global landscape of the apparel sector. All merchant retailers but Marks & Spencer's (M&S) are based in the USA. Also, four of the eight brands in the list are headquartered in the US. Five specialty retailers dominate the upper half of the list, each based in a different country. Only one firm is from outside of North America and Europe. Fast Retailing, the Japanese owner of Uniqlo belongs to the group of specialty retailers which has transformed the inter-firm governance structures in the apparel sector over the past years. Retailers dominate among the 20 top

Table 1: Top 10 apparel TNC producers according to revenue

Rank	Name	HQ	Revenue 2017 (USD billion)
1	Crystal Group	Hong Kong	2.12
2	Esquel Group	Hong Kong	1.3
3	Hansoll Textiles	Korea	1.2
4	Luthai Textile	China (Shandong)	0.927
5	TAL Group	Hong Kong	0.85
6	Luen Thai Holdings	Hong Kong	0.768
7	Makalot Industrial	Taiwan	0.761
8	Yee Tung Garments	Hong Kong	0.28 ¹
9	Tai-Nan Enterprises	Taiwan	0.277
10	Nien Hsing	Taiwan	0.267

¹Revenue 2019

Source: Compiled from company websites.

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apparel lead firms, but some brands, like Nike, Adidas or luxury group Kering are equally strong players. Since this table only includes the largest lead firms, one special characteristic of the apparel sector, which distinguishes it from the automotive sector does not show up. In Europe, nearly every country has its own semi-large specialty retailers. These firms are of course also politically active and can for instance be members of apparel associations at the national and EU levels. However, this thesis will only focus on the largest firms in the sector and therefore not investigate the implications of these smaller firms' activities on the political activities of the sector.

There is no clear EU-level representation structure of the apparel sector. For an overview of central associations at the EU level, see table 4 3 The European Textile and Apparel Federation (Euratex) represents national textile and apparel federations at the EU level. No firms are members. Moreover, Sweden, home of the second largest specialty retailer, H&M, is not a member. In the European Branded Clothing Alliance (EBCA) the specialty retailers H&M, Inditex and Tendam accompany by the brands PVH, Ralph Lauren, VF and Levi Strauss. Nike and Adidas are members of the Federation of European Sporting Goods Industry (FESI), which is both an umbrella organization for the sporting goods industry as well as an association for sports clothing and footwear firms. Walmart and Macy's are together with the retailers Nordstrom, J.C. Penney, Ross stores as well as TJX, the Japanese

Table 2: Top 20 apparel lead firms according to revenue

Rank	Firm type	Name	HQ	Revenue 2018 (billion USD)
1	Merchant Retailer	Walmart	USA	108.7 ²
2	Brand	Dior	France	55.2
3	Specialty Retailer	TJX	USA	39
4	Brand	Nike	USA	38.7
5	Specialty Retailer	Inditex	Spain	30.7
6	Brand	Adidas	Germany	25.9
7	Specialty Retailer	H&M	Sweden	24.3
8	Specialty Retailer	Fast Retailing	Japan	20
9	Specialty Retailer	GAP	USA	16.6
10	Merchant Retailer	Costco	USA	16.6 ¹
11	Brand	Kering	France	16.1
12	Merchant Retailer	Target	USA	15.1 ¹
13	Brand	VF	USA	13.6
14	Brand	L Brands	USA	13.2
15	Merchant Retailer	Kohl's	USA	12.5 ¹
16	Merchant Retailer	Macy's	USA	11.4 ¹
17	Brand	PVH	USA	9.7
18	Merchant Retailer	Nordstrom	USA	8.3 ¹
19	Merchant Retailer	Marks & Spencers	UK	8.1 ¹
20	Brand	Hermes	France	7

¹Apparel revenue is listed based on annual reports.

²Number represents US sales of general merchandise is listed, numbers for Walmart apparel sales were not available

Source: Forbes Global 2000 for 2018

Fast Retailing, the Dior-owned LVMH and GAP among the 18,000 members of the US National Retail Federation (NRF). Further, apparel lead firms are represented in other larger associations like the American Chamber of Commerce or the World Federation of Advertisers. Retailers and brands adjoin through association membership, which suggests that associations represent the industry across lead firm type. However, no association represents the majority of lead firms, their density is low. On the supplier side, there are European associations for the suppliers of textiles, yarns or cotton, but no global or European federation for TNC producers. The largest apparel exporter countries of course have industry associations, like the Asia Fashion Federation (AFF) or the Bangladesh Garment Manufacturers and Exporters Association (BGMEA). In the Sustainable Apparel Coalition (SAC), brands and specialty retailers come together with TNC producers. However, this is not so much a representation of the industry, as a cooperation aimed at a business approach to sustainability. In the analysis of the transparency register and expert group register, I look into the political representation of the top apparel firms presented here, both as individual actors and association members.

Table 3: Selected apparel associations

Association name	Major firm members
Euratex	National Apparel and Textile Associations
EBCA	Inditex, H&M, PVH, VF
FESI	Nike, Adidas
NRF	Walmart, Macy's, Nordstrom, J.C. Penney, Ross Stores, TJX, Fast Retailing, LVMH, GAP
SAC	Adidas, Fast Retailing, Hanesbrands, H&M, Inditex, J.C. Penney, GAP, Kering, Kohl's, Levi's, LVMH, Macy's, Nike, Nordstrom, PVH, Target, VF, Walmart

Source: Compiled from association websites and the EU transparency register

4.1.2 The automotive sector

The production in the automotive industry encompasses the production and assembly of components or larger subsystems into complete vehicles. There exist few global standards in the industry, which means production of each vehicle is highly specialized, and end products are mostly strictly customized. Though there are some exceptions (see Sturgeon et al. 2009, p. 20), the rule is that vehicles are adapted in accordance to customer income, standards and regulations, driving conditions, consumer preferences and taxation rules in the end market (Humphrey and Memedovic 2003, p. 18). According to their position in the GVC, firms handle different levels of the production process. Innovation, design and frequently also assembly are considered core lead firm activities. Lead firms are also known as Original Equipment Manufacturers (OEMs). First tier suppliers supply parts directly to assemblers and receive components from second and third tier suppliers. In contrast to second and third tier suppliers, they possess design and innovation capabilities. In some cases first tier suppliers evolve to “global mega-suppliers” (ibid., p. 22). Global mega-suppliers supply complete systems to assemblers, manage own supplier networks and have worldwide scope, following assemblers to markets around the globe. They possess the necessary technology to develop own solutions for assemblers. Second tier suppliers receive designs from assemblers or global mega-suppliers and therefore need to possess process-engineering capabilities. Third tier suppliers manufacture basic products, which are exported to various global suppliers or assemblers (ibid.).

Following the literature on the development of the automotive GVC, four dimensions have been of particular importance to the inter-firm governance of the industry the past decades. These four dimensions are (1) FDI and outsourcing, (2) regional integration, (3) emerging markets, and (4) consolidation.

As in other industries, like electronics or apparel, automotive Foreign Direct Investment (FDI) started to increase dramatically in the 1980s. Firms from the so-called triad nations (Germany, USA, Japan) increasingly sought possibilities of reducing costs by seeking new production locations. Additionally, lead firms focused more on their core activities and frequently outsourced a broad range of tasks to independent suppliers. This has enhanced supplier competences (Sturgeon et al. 2009, 8ff.). Suppliers are expected to be capable of delivering entire modules and not only individual parts (Sturgeon and Van Biesebroeck 2010). This has further led to the rise of global mega-suppliers (Sturgeon and Lester 2004). Lead firms increasingly consider global scope a condition for engagement with first-tier suppliers. In this sense, global integration is increasing. Further, design and contract allocation is

becoming more globalized and generalized with cars in different regions based on the same core components (Humphrey and Memedovic 2003, pp. 21, 46).

In contrast to other industrial sectors, the globalization of automotive manufacturing has been a process marked by simultaneous internationalization and regionalization. There exist "competing pressures of centralized sourcing [...] and regional production [...]" (Sturgeon et al. 2008, p. 306). The last three decades have seen a clear trend in production away from headquarter nations. However, this trend has not mainly been towards global dispersion, but rather towards regional integration. Due to the lack of industry-wide standards and the accordingly high proportion of tacit knowledge in the manufacturing process, close collaboration between lead firms and first tier suppliers is necessary. Complex, firm-specific information is shared through close personal networks, frequently enhanced through geographical proximity. This further enables just-in-time manufacturing and design collaboration (Sturgeon and Van Biesebroeck 2010).

Despite tendencies towards globalization, automotive firms still "build where they sell" (Sturgeon et al. 2008). Automotive assembly frequently takes place close to end markets, which is a further specificity of the automotive industry. In 2018, 50 percent of total manufacturing by European manufacturers took place in Europe. The corresponding number for the US is 41 percent, for Japan 33 percent (CCFA 2017). Home regions remain not only important production sites, but also important markets for automobile manufacturers. Most lead firms sell over half of their vehicles in their home region (Sturgeon et al. 2009). In 2018, European lead firms still registered the most new vehicles in their home country in comparison to other European countries (CCFA 2017, p. 75). In contrast, simple, generic parts are sourced globally, either by global mega-suppliers or lead firms, from third tier suppliers. "The automotive industry is [...] neither fully global, consisting of a set of linked, specialized clusters, nor is it tied to the narrow geography of nation states or specific localities as is the case for some cultural or service industries." (Sturgeon et al. 2008).

Regionalization of production has continued with the rise of new markets. Manufacturing has been outsourced along with the emergence of new, so-called emerging markets. Engagement in markets outside the core areas of North America, EU and Japan has increased since the 1980s. Latin American (primarily Mexico and Brazil), East Asian (primarily China and India) and Central and Eastern European markets have all experienced growth in automobile demand. Even in the wake of the economic crisis of 2008, developments remained positive or at least stable in these regions (Pavlínek 2015). China has since 2009 been the most important automotive market globally (see Lejarraga et al. 2017, p. 5). Leading firms have

been expanding sales and production into emerging countries with large domestic markets. In the most recent years, not only production has been outsourced. In some cases, also more knowledge intensive sides of the automotive industry, like R&D, have been established close to emerging markets, as lead firms seek to diversify their knowledge-base (Colovic and Mayrhofer 2011). This expansion is again characterized by regional integration. From the 1990s onwards, as assembly dispersed into these markets, regional production clusters near these new assembly sites were developed. Due to pressure from the lead firms on suppliers to accept "follow sourcing" (Humphrey and Memedovic 2003, p. 23), i.e. following lead firm activities to new markets, and positive expectations regarding economic prospects, major suppliers were integrated in these networks (Schmitt and Van Biesebroeck 2013). Simultaneously new, especially Chinese manufacturers have been emerging. Consequently, the market share of the triad nations, and more generally North America, Europe and Japan has decreased. However, main lead firms still have their headquarters in these countries, and the triad nations still drive innovation, which means that they remain highly relevant (Lejarraaga et al. 2017, p. 6).

The automotive industry has experienced continuous consolidation and is highly concentrated. A handful of lead firms each possess massive market shares, which inhibits the development of industry-wide standards. This binds suppliers to lead firms (see Sturgeon and Van Biesebroeck 2011). Due to increasing requirements directed towards suppliers, also the supplier structure of the industry has experienced consolidation. "With consolidation and crisis, we must question the staying power of smaller, lower-tier, local suppliers, however well supported they are by local institutions and inter-firm networks, especially since many upstream materials suppliers [...] are also huge companies with global operations" (Sturgeon and Van Biesebroeck 2010, p. 4). Despite the clear orientation towards regional integration, global scope and sheer size influence the possibilities of suppliers to enhance capacities and increase their profit margin in an extremely competitive environment. In addition, with the rapidly changing lead firm strategies, most notably towards electric mobility and autonomous driving, the requirements to suppliers are changing. However, this does not seem to have an effect on the "global pecking order" (Automotive News 2019). The top suppliers remain more or less the same. Only major suppliers have the extensive knowledge capacities and the capability to adapt to the changing priorities within the sector, and lead firms depend on their competences.

Of course, the dimensions of globalization described above are highly generalized, and several authors have identified regional differences in automotive lead firm governance. For instance Sturgeon et al. (2008, 8ff.) find that Japanese and North American lead firms react differently

to increasing supplier competences. Whereas North American firms frequently seek to cut ties to suppliers to "keep supplier power in check" (Sturgeon et al. 2008, p. 308), Japanese firms rely on long-term relationships based on mutual trust, and suppliers dedicate themselves to their largest customer. However, Japanese lead firms generally do not authorize suppliers with design tasks, which is more common in the North American context. Patterns of outsourcing also vary for different headquarter countries. For instance, France and Italy have focused on complete outsourcing of manufacturing to emerging countries. In contrast, German firms follow a logic of global division of labor, only outsourcing parts of production, mostly to nearby countries, and then re-importing components or subsystems for assembly in Germany (Chiappini 2012). Still, all automotive makers are subject to the global trends discussed above and maneuver within the space defined by them.

The globalization of the automotive industry was and is strongly determined by the political position and regulatory context of the sector. Dicken (2011) establishes two main methods states have used to influence the structure of the automotive industry: First, by determining "degree of access" to domestic markets, including possibilities of establishing production plants, and second by deciding to actively support domestic firms and discriminate against foreign firms (*ibid.*, p. 342). This means states with domestic lead firms tend to support them by means of stimulating or protectionist measures, whereas states wishing to attract automotive manufacturers provide a beneficial framework for investment. Particularly the support of lead firms in their home countries is a result of the industry's historical importance. The automotive sector has been vital for employment in lead firm countries, and the degree of unionization is high. Furthermore, lead firms and their associations are powerful societal players. These factors as well as the mere presence of the end products in the public have resulted in political pressure on lead firms to keep production near their headquarters (Sturgeon et al. 2008, p. 303). This has manifested the regionalization of the industry. Especially following the financial crisis in 2008, the extent of support for lead firms became evident when nearly all countries in North America and Europe with a substantial automotive industry intervened in the hope of saving domestic jobs (Sturgeon and Van Biesebroeck 2010, 8ff.).

At the same time, as has been highlighted by GVC research, outsourcing decisions are influenced by the regulatory conditions in potential countries. Political incentives were for instance one reason for Toyota's decision to establish its first overseas R&D facility in Thailand in 2003 (UNCTAD 2005, p. 145). Moreover, the rise of automotive manufacturing in countries like India, Malaysia or China was determined by protectionist state interventions (Humphrey et al. 2000, p. 48).

The four factors of the globalization process in the automotive industry and the regulatory context discussed above add to the understanding of the automotive industry as producer-driven. Increasing supplier capacities and the emergence of global mega-suppliers means that relations of dominance have shifted.

As capabilities have shifted to suppliers, the inter-firm governance structure has moved from captive to relational. Global suppliers and lead firms are mutually dependent within a relational structure (Sturgeon et al. 2008, p. 307). The extensive outsourcing means lead firms to a lesser extent assemble in-house, so their power vis-à-vis suppliers is increasingly derived from their position as buyers. Due to the low degree of standardization and the close regional collaboration between first-tier suppliers and lead firms resulting from it, first-tier suppliers cannot easily move to a different lead firm, and lead firms rely on suppliers. Other suppliers, specifically in the case of production of generic parts, are still subject to captive governance, mostly through their dependence on the first-tier supplier (Özatagan 2011, cf.). The rise of markets and manufacturers outside of the triad regions has intensified the competitive character of the industry, pressuring lead firms towards cost reduction and outsourcing (Chiappini 2012). Consequently, lead firms are more dependent on exerting pressure on their suppliers.

Not only mutual dependence determines inter-firm governance structures within the automotive industry. Due to other structural factors, like their position within the GVC and mere financial size, lead firms still exert power and are capable of inflicting pressure even on large suppliers (Rutherford and Holmes 2008, p. 540). The high concentration of lead firms also manifests their power in the GVC (Ponte and Sturgeon 2014). Moreover, state policy aimed at global competitiveness tends to asymmetrically benefit lead firms (Rutherford and Holmes 2008). This leads to reproduction of the other structural factors and enhances asymmetries in inter-firm relations. Further, research shows that even if suppliers have structural advantages through the dependence of manufacturers, they frequently do not activate this potential (Gulati and Sytch 2007). The shift towards global scope amongst suppliers and simultaneous regionalization has definitely caused changes in inter-firm power relations. However, lead firms, both due to their producer power and buyer power, are still capable of determining developments in the sector and, with the help of regulators, secure their position.

Table 4 shows the top 20 lead firms according to revenue and number of sold vehicles. Table 5 shows the main suppliers globally as well as their position in Europe and North America. Some of the dynamics discussed above are clearly visible in these tables. Despite

the obvious presence of lead firms from the so-called emerging economies China and India, European, Japanese and US firms still produce the most cars and generate the most revenue. Consolidation on the lead firm level also shows up on the table. Counting the Renault-Nissan-Mitsubishi alliance together, it becomes the largest player in terms of automotive production, whereas revenue still lags behind Volkswagen and Toyota. Fiat Chrysler (FCA), which resulted from a merger of the Italian and American manufacturers in 2014, is also a dominant firm. This testifies to the importance of consolidations for the automotive industry. The dominance of the triad regions is even more evident in the case of the largest suppliers. None of the 20 largest suppliers ranked by sales of OEM parts globally are from outside these regions. The largest suppliers are globally integrated firms, which can almost keep up with the smaller lead firms in terms of revenue within the automotive sector, as the tables show. There is a clear bias in the European part of the industry towards European and North American suppliers. Besides the European lead firms, three out of five Japanese firms, the Korean Hyundai-Kia, the US Ford, the Chinese Volvo owner Geely and the Indian owner of Jaguar Land Rover, Tata, all have production sites in Europe. GM pulled out of Europe in 2017. Only Ford has more than 10 sites. Despite being one of the top automotive producers, Toyota only has five European production sites. These numbers are of course just an indication, since production sites vary significantly in output and number of employees.

In the case of suppliers, the pattern of follow-sourcing is evident in the table. Nearly all suppliers have manufacturing facilities in Europe, although they vary greatly in number and size. It is not possible to find reliable numbers for all suppliers on automotive production sites, but generally speaking, Japanese suppliers have significantly less production sites in Europe than European and US firms. In the case of the North American markets, global suppliers headquartered in the region are in a privileged position, and all foreign suppliers are registered in the US. This illustrates the relevance of regional networks for the sector. However, the overview of suppliers also shows the global relevance of mega-suppliers. The top 20 global suppliers are with one exception all under the top 40 suppliers to both the European and North American market. This highlights how the structure of the sector benefits large players that can provide for different markets.

The largest lead firms and suppliers of the automotive industry do not simply stand in competition to one another. They frequently collaborate politically and economically in alliances, like the Renault-Nissan-Mitsubishi alliance which has entered a strategic partnership with Daimler. Further, firms are members of industry associations where they share views and develop common strategies. Associations generally include firms with production sites in a region, regardless of their headquarter location. In their extensive work on the politi-

Table 4: Top 20 global automotive lead firms in 2018 according to vehicle sales and revenue.

Rank Vehicles	Lead Firm	HQ	No. of Ve- hicles	Revenue 2018 (billion USD)	Rank Revenue
1	Volkswagen	Germany	10 834	278.2	1
2	Toyota	Japan ¹	10 567	272.1	2
3	GM ²	USA	8 384	147	5
4	Hyundai-Kia	South Korea ¹	7 275	137.2 ⁴	7
5	Ford ²	USA ¹	6 651	160.3	4
6	Nissan	Japan ¹	5 654	108.7	11
7	Honda	Japan ¹	5 357	142.6	6
8	FCA	United Kingdom	4 842	133.4	9
9	Renault	France	4 120	67.7	13
10	PSA	France	3 868	87.3	12
11	Suzuki	Japan ¹	3 437	35.1	16
12	Daimler AG	Germany	3 352	197.4	3
13	SAIC	China	2 848	135.2	8
14	BMW	Germany	2 542	115	10
15	Geely	China ¹	2 177	16.1	24
16	Mazda	Japan ¹	1 597	32.1	17
17	Changan	China	1 419	64.0 ³	14
18	Mitsubishi	Japan	1 271	22.4	20
19	Tata	India ¹	1 221	44.9	15
20	Dongfeng Motor	China	1 122	15.9	25

Vehicles include passenger cars, light commercial vehicles, industrial vehicles, coaches, buses.

¹Production site in Europe, ²Ford and GM have joint production in China, ³Numbers for Changan from Asian Review, ⁴Hyundai-Kia revenue = Hyundai+Kia

Source: Forbes Global 2000 for 2018 and CCFA (2017)

cal position of the automobile industry in Europe, McLaughlin and Maloney (2005, p. 105) emphasize the importance of analyzing firms both on their “own account” and as members of European and national associations. Table 6 provides a brief overview of key associations within the automobile industry in the European context.

Global, regional and national associations and federations represent different segments of the automotive industry. The International Organization of Motor Vehicle Manufacturers

Table 5: Top 20 global automotive suppliers 2018 according to revenue from global OEM automotive part sales and their rank in the European and North American sub-sectors

Rank Global	Name	HQ	Sales OEM automo- tive parts (billion USD)	Rank Europe	Rank North America
1	Bosch	Germany	49.5	1	5
2	Denso Corp.	Japan	42.8	14 ¹	4 ²
3	Magna Interna- tional Inc.	Canada	40.8	41	1
4	Continental	Germany	37.8	2	2 ²
5	ZF Friedrichshafen	Germany	36.9	3	3 ²
6	Aisin Seiki Co.	Japan	35	25 ¹	9 ²
7	Hyundai Mobis	South Korea	25.6	31	23
8	Lear Corp.	USA	21.1	8 ¹	6
9	Faurecia	France	20.7	5	13
10	Valeo	France	19.7	7	17 ²
11	Yazaki Corp.	Japan	17.5	27 ¹	11 ²
12	Panasonic Auto- motive Systems Co.	Japan	17.5	28 ¹	8 ²
13	Adient	USA	17.4	18 ¹	12
14	Sumitomo Elec- tric industries	Japan	15.4	- ¹	19 ²
15	Yanfeng	China	14.5	37 ¹	26 ²
16	Thyssenkrupp	Germany	14.4	6	20 ²
17	Mahle	Germany	14.4	9	18 ²
18	JTEKT Corp.	Japan	13.1	34 ¹	30 ²
19	BASF	Germany	12.9	12	22 ²
20	Aptiv	Ireland	12.9	21	14 ²

¹Company produces in Europe, ²Company has subsidiary in the USA

Source: Automotive News (2019)

(OICA) is based in Paris and is the global federation of automobile manufacturers. The members are national automobile federations. OICA has 37 members from 34 different countries (*Members*). The triad nations are represented by the German Verband der Automobilindustrie (VDA), the Japan Automobile Manufacturers Association (JAMA) and the two US associations, Auto Alliance and Truck and Engine Manufacturers Association (EMA). China is represented by CAAM, South Korea by KAMA and India by SIAM. Further, the European Automobile Manufacturers Association (ACEA) is a member. Preceding the foundation of ACEA in 1991, the automotive industry was represented by a satellite of OICA, The Liaison Committee of the Automobile Industry of the Countries of the European Communities (CLCA) as well as The Committee of Common Market Automobile Constructors (CCMC) (McLaughlin and Maloney 2005, p. 106). These two associations struggled with finding common ground, and thus an important task of ACEA was, and continues to be, to foster industry-wide agreement on common strategies. ACEA received more resources than the two previous associations together, and included American and Swedish firms (*ibid.*, p. 119). Today, almost all the largest lead firms are members of the association. Additionally, the Tata subsidiary Jaguar Land Rover, Geely-owned Volvo Cars and the leading heavy-duty vehicle manufacturers CNH Industrial, DAF and Volvo (not the same as Volvo Cars) are members.

Of the top 20 lead firms with production in Europe, Nissan and Suzuki are the only ones not represented by ACEA. Together with the other Japanese lead firms, Nissan is a member of JAMA. GM is a member of the Auto Alliance where also the US sections of the largest European and Japanese firms are members. JAMA, like CAAM, only includes domestic firms, and in VDA, FCA and Ford are the only non-German lead firm members. SIAM also represents, besides Tata, nearly all major triad nation lead firms. VDA has a wider scope than its sister associations. Members also include suppliers like Bosch or Denso. At the European level, suppliers are represented by the European Association of Automotive Suppliers (CLEPA), where VDA is also a member. Tire producers are additionally represented through the European Rubber and Tyre Manufacturers' Association (ETRMA). Of course, firms come together in numerous other associations, think tanks and organizations, like the Forum for Mobility and Society or the European Green Vehicle Initiative Association, but the ones mentioned above comprise the main representational bodies of the sector and as such are central to the analysis of firm access to policymaking.

Table 6: Selected automotive associations

Association name	Members
OICA	National Automotive Associations
ACEA	Volkswagen, Toyota, Hyundai, Ford, Honda, FCA, Renault, PSA, Daimler, BMW, Volvo (Geely), Jaguar Land Rover (Tata)
VDA	Volkswagen, Ford, FCA, Daimler, Opel (PSA), Bosch, Denso, Magna, Continental, ZF Friedrichshafen, Lear, Faurecia, Valeo, Yazaki, Panasonic Electric Works, ThyssenKrupp, Mahle, BASF
JAMA	Toyota, GM Japan, Nissan, Honda, Suzuki, Mazda, Mitsubishi
Auto Alliance	Volkswagen, Toyota, GM, Ford, FCA, Daimler, BMW, Mazda, Mitsubishi, Land Rover Jaguar (Tata)
KAMA	GM Korea, Hyundai-Kia, Renault Samsung (Renault-Nissan)
CAAM	SAIC, Geely, Changan, Dongfeng Motor
SIAM	Volkswagen, Toyota Kirlostar, Hyundai-Kia, Ford, Nissan, Honda, FCA, BMW, Daimler, PCA, Renault, Suzuki, Volvo (Geely), Tata
CLEPA	Bosch, Denso, Magna, Continental, ZF Friedrichshafen, Aisin, Faurecia, Valeo, Yazaki, Panasonic, Adient, Mahle, JTEKT, Aptiv
ETRMA	Continental, Sumitomo

Source: Compiled from association websites and the EU transparency register

4.1.3 Comparing sectoral governance dynamics

The two sectors differ greatly in the governance dynamics staked out by the two subquestions formulated in the conceptual framework. Though lead firms in both sectors are transnationally active firms, the way this globalization has played out differs. While lead firm power in the apparel sector arises from buyer activities and ties between actors remain loose, automotive lead firms are powerful because they control technological capabilities related to production and firm cooperation is strong. Although the automotive sector has also witnessed a high degree of outsourcing, production procedures remain organizationally closer to lead firms than in the case of apparel where major suppliers frequently coordinate supply networks.

In terms of supplier power, the picture is more complicated. Both apparel and automotive suppliers exert power as producers and possess a certain degree of independence due to their relational connection to lead firms. However, the major automotive suppliers are frequently located close to lead firms, while apparel suppliers are geographically distant. Despite trends towards consolidation in both sectors, the apparel industry remains more fragmented than the automotive industry. Revenues of non-mass merchant apparel lead firms are significantly lower than lead firm revenue in the automotive sector in which a few major lead firms and suppliers dominate. The broader political economic context of protectionism, selective liberalization and trade agreements have facilitated the observable governance structures. Exploring the EU-level activity of the identified central firms and associations, the next subsection illuminates whether and how these differences translate into variation in access to policymaking.

4.2 Apparel and automotive firm presence in EU policymaking

4.2.1 Apparel interest representation

Table 7 summarizes the presence of major apparel firms and associations at the EU level, their lobbying resources and their participation in EGs. The most noticeable aspect of apparel firm representation at the EU level is the general lack of presence, especially among TNC producers, but also among lead firms. Of the merchant retailers among the top 20 apparel firms, only one is represented at the EU level. Walmart has three persons working in Brussels, altogether an 0.75 full-time equivalent (FTEs). The company spends between 200,000 and

300,000 Euro on its lobbying activities. None of the others are directly represented. The EU presence of Walmart as the only mass merchant retailer reflects its leading position within the US American retail landscape as well as in the apparel sector as a whole. All the US firms in this category are members of the NRF, the US American National retail federation. However, NRF's EU lobbying resources are very limited. Neither the NRF nor Walmart are members of EGs or have access to the Parliament, which restricts their possibilities for action. It seems plausible that US merchant retailers are more present in US politics, considering the importance of the domestic market for their business. However, it is interesting that also the UK mass merchant lead firm, Marks & Spencer, is not represented in any visible way at the EU level. This suggests that EU activities are not only of little relevance to US firms due to geographical aspects, but that they are also of limited interest to this category of apparel lead firms in general.

Table 7: Overview of large apparel firms' representation at the EU level

Firm Type	Name	HQ	EU EEs	FTEs EP acc.	Annual Lobby Costs (TEUR)	Expert Groups	
B	LVMH (Dior)	FR	4	3.25	4	1,125	None
B	Nike	US	4	4	3	950	None
B	Adidas	DE	10	3.75	0	450	None
S	H&M	SE	4	2	2	250	None
M	Wal-mart	US	3	0.75	0	250	None
B	Hermes	FR	4	2.5	0	75	None
B	VF	US	1	0.25	0	17.5	None
B	Kering	FR	1	0.25	0	5	None
A	EURATEX	BE	4	2	2	350	Trade Contact Group; Commission Expert Group on Textile Names and Labelling; Group of Experts on EU Trade Agreements; Expert Group on the exchange of information on Best Available Techniques related to industrial emissions;

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A	EBCA	BE	4	2	140	Competent Authorities for Biocidal Products
						Trade Contact Group;
						Commission Expert Group on Textile Names and Labelling
A	FESI	BE	4	2.5	5	Trade Contact Group;
						Commission Expert Group on Textile Names and Labelling;
						Expert group on implementation of the White Paper on Sport;
A	NRF		3	0.75	-	Expert Group on liability and new technologies;
						-
						17.5
Source: EU Transparency Register and Register of Commission Expert Groups and Other Similar Entities 2019						
						End of table

Representation at the EU-level not only seems of little relevance for mass merchant retailers. Also specialty retailers largely lack representation. The absence of non-European specialty retailers from the transparency register is immediately apparent. They are only present as members of NRF. H&M is represented in Brussels and has two FTEs working on interest representation at the EU level and a lobbying budget in the same range as Walmart's. H&M representatives do not partake in EGs. Inditex, an equally dominant European actor, is not represented at all. The difference between Inditex and H&M in terms of EU presence indicates that the explanation might lie beyond the location of headquarters and position in the value chain. None of the specialty retailers have representatives with Parliament accreditation. It seems that much of the specialty retailer interest representation that does exist at the EU level is handled by associations. In the transparency register, EBCA is registered with four persons involved in interest representation, whereby employ two FTEs and has estimated costs of 140,000, equivalent to 20,000 per member. They do not have staff accredited to the Parliament. EBCA is a member of two EGs: The Commission EG on Textile Names and Labelling and the Trade Contact Group.

Brands deviate somewhat from the general trait of non-representation. Brands are more active at the EU level than any other type of apparel lead firm. None of the brands with EU-level representation are members of EGs, but representation at the EU level is much more widespread among the top apparel brands than among retailers. Six of the eight brands in the top 20 apparel list have their own representation in Brussels. However, their lobbying costs and number of people responsible for EU representation vary greatly. Three brands allocate substantial resources to this work, LVMH, Nike and Adidas. Two have access to the Parliament. Still, none participate directly in EGs. In terms of spending and resources, the sports apparel firms are dominant. Nike employs four people full time at the EU level and reports costs slightly below the 1 million Euro mark. Fellow sports apparel brand Adidas spends around 500,000 on its EU interest representation but has registered 10 people responsible for interest representation and 3,25 FTEs. So, of the two large sports apparel brands, the US firm spends the most. Thus, location of lead firm headquarters is not necessarily the main determinant of representation. Dior-owned LVMH is a luxury brand, and its portfolio includes other luxury products besides clothing. Its representation in Brussels with costs exceeding 1 million Euros therefore has a broader scope than the other clothing brands. The other brands all spend less than 25,000 with FTEs below 3. L Brands and PVH are not represented at all. They are both firms headquartered in the US, but so are Nike and VF, which are both represented. All European brands are represented in Brussels.

As with the retailers, membership in large associations or federations like the NRF is common

among brands. Some brands are additionally members of the smaller associations EBCA and FESI, which grants them access to EGs. VF and PVH have access to EGs through EBCA. Like EBCA members, FESI members Nike and Adidas have access to the Trade Contact Group and the Commission EG on Textile Names and Labelling. Further, the association partakes in the EG on Implementation of the White Paper on Sport and the EG on Liability and New Technologies. With average costs of 400,000, 4 employees working 2,5 FTEs and, interestingly, 5 people accredited for the Parliament, FESI's presence adds to the individual representation of Nike and Adidas. It seems that there are differences between retailers and brands regarding the relevance of interest representation. Shifting the view towards the role of associations, brands and retailers apparently also have common interests, for instance as EBCA members.

Non-European TNC producers are absent, while European manufacturers are represented by an association. None of the major non-European suppliers are present at the EU level, at the most they are represented by national trade associations. European apparel manufacturers, on the other side, are represented through Euratex, which has several employees at the EU level and access to the Parliament. The Turkish Textile Employers' Association (TTEA), which represents a major apparel exporting industry is a member of Euratex. Other national federations from non-European exporting countries are not represented in any way. Notably, the federation has less resources than the three top spenders among brands. However, Euratex is a member of several EGs. Like FESI, it participates in the two EGs where EBCA is a member. The other groups Euratex participates in deal with EU trade agreements, industrial emissions and biocidal products. This means that lead firms must not only relate to other lead firms as actors at the EU level, but also to apparel manufacturers, though not their own suppliers.

Associations seem to be responsible for much of the representation of the sector. Several firms are members of other large associations, like the WFA, European Brands Association (EBA), or NRF, whereof some participate in EGs. Direct firm access to policymaking is limited in the case of such associations. The smaller associations representing specific interests, EBCA and FESI, are of greater interest because they have few members. Their members tend to be closer to EG activity than firms only represented through large and accordingly broad associations. The Trade Contact Group and the Commission EG on Textile Names and Labelling include the widest range of apparel firms through the participation of EBCA, FESI and Euratex. Interestingly, European manufacturers of textile and apparel, represented by Euratex, participate in several groups to which no lead firms have access. Among these is the EG on EU trade agreements, a topic of great relevance for lead firms.

In sum, few of the top apparel lead firms are represented at the EU level at all, and even fewer allocate a larger amount of resources to the work in Brussels. No individual firms are represented in EGs, and apparel-specific associations altogether participate in 7 groups. Brands are more substantially represented than retailers. The three apparel lead firms with the highest lobbying costs are brands. Within the category brands there is, however, great variation in terms of lobbying resources. Firms not represented at the EU level are of course still interested in EU policies. This means that the firms listed with low lobbying costs in the transparency register are not necessarily very different from the firms not represented. Brands are also the only type of firm with accreditation for the Parliament. Of the retailers, one specialty retailer, H&M, and one mass merchant retailer, Walmart, are directly represented. Most of the large retailers are non-European firms, which suggests that the location of headquarters is of relevance. The only top 20 lead firm from outside the US and Europe, Fast Retailing, is not represented. However, in the brand category, both European and non-European companies are active, implying that geography is not the only relevant category for explaining lacking presence of apparel firms.

Understanding participation of apparel lead firms in EGs as well as at the EU level in general comprises four main elements: Understanding non-representation, understanding the relevance of EU representation for brands, understanding the relatively strong presence of manufacturers, and understanding the role of associations as representative bodies for apparel lead firms. Combining these three main observations with the knowledge accrued from the expert interviews reveals patterns of access. Subsequently reviewing these patterns along the two guiding conceptual subquestions explains how the structure of the apparel sector translates into the identified patterns.

4.2.2 Automotive interest representation

Tables 8 and 9 detail the interest representation of the automotive firms. The extent of representation of the automotive industry differs significantly from that of the apparel industry. In the automotive industry, not only lead firms, but also suppliers are strongly represented at the EU level. Both types of firms are among the top in terms of resources used on interest representation at the EU level. Of the top 20 lead firms, 15 appear in the transparency register. Additionally, Tata subsidiary Jaguar Land Rover and Geely-owned Volvo Cars are represented. This means that all lead firms with production in Europe are represented individually at the EU level. The top 10 lead firms are all represented.

Table 8: Overview of large automotive firms' representation at the EU level

Firm Type	Name	HQ	EU Prod.	EU EEs	FTEs	EP acc.	Annual Lobby Costs (TEUR)	Expert Groups
S	BASF	DE	> 20	19	11.75	10	3,300	High Level Industrial Roundtable "Industry 2030; Commission operational expert group of the European Innovation Partnership on Raw Materials
L	VW	DE	71	40	15.25	5	2,737.5	European ITS Advisory Group
L	Daimler	DE	13	14	7.75	4	2,375	Working Group on Motor Vehicles;
L	BMW	DE	12	9	5.5	4	1,375	Working Group on Motor Vehicles;
S	Bosch	DE	> 20	18	10.5	4	1,125	Working Group On Motor Vehicles;
								Working Group for Non Road Mobile Machinery (Emission from non road mobile machinery engines);
								High-Level Expert Group on Artificial Intelligence
L	Suzuki	JP	1	4	2.5	0	950	None
S	Thyssenkrupp	DE	> 20	5	3.25	1	850	Steel Advisory Group
S	Continental	DE	0 – 10	6	3	1	650	Tachograph Forum;
								Working Group on Motor Vehicles;

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Group of Experts on On-board Weighing Equipment;

Expert Group on laboratory alignment for the measurement of tyre rolling resistance

European eCall Implementation Platform

None

None

Working Group on Motor Vehicles;

Working Group on Motor Vehicles;

Working Group on Motor Vehicles (Volvo)

Working Group on Motor Vehicles;

Digital Transport and Logistics Forum;

Working Group on Motor Vehicles;

Expert Group on alternative transport fuels

European ITS Advisory Group

Expert Group on alternative transport fuels

None

Working Group on Motor Vehicles;

Working Group on Motor Vehicles;

Continued on next page

L	Hyundai+Kia	KR	2	6	2,50	5	650	
L	FCA	NL/UK	23	4	2	2	650	
S	Panasonic ⁵	JP	0 – 10	3	3	3	650	
L	PSA	FR	17	4	2	1	550	
L	Ford	US	14	3	2.25	3	550	
L	Geely+Volvo	CN	6 ¹	1+5	0.25+5	0	5+350	
L	Toyota	JP	6	5	1.25	3	350	
L	Renault	FR	19	4	1.75	3	350	
L	Nissan	JP	4 ²	4	1.75	1	350	
L	GM	US	0	4	1	0	350	
L	Tata (Jaguar Land Rover)	IN	7 ³	3	1.5	3	350	
S	Mahle	DE	> 20	4	1.75	2	250	

S	ZF	DE	> 20	5	2.75	2	150	Working Group on Motor Vehicles
	Friedrichshafen							
S	Denso Corp	JP	10–20	4	1	0	150	None
L	Honda	JP	4 ¹	2	2	2	150	None
L	Mazda	JP	0	3	0.75	2	37.5	None
S	Sumitomo Electric Industries	JP	0	2	1		5	None

¹Only Volvo has plants in Europe, not Geely, ²Nissan has three own plants and shares one with Renault, ³Only Jaguar and Land Rover plants counted, ⁴Honda has 3 automotive and 1 motorcycle plant, ⁵Panasonic Automotive Systems is represented as part of Panasonic Corp.

Source: EU Transparency Register and Register of Commission Expert Groups and Other Similar Entities 2019

End of table

Table 9: Overview of main automotive associations' representation at the EU level

Name	HQ	EU Prod.	EU EEs	FTEs	EP acc.	Annual Lobby Costs (TEUR)	Annual Expert Groups
ACEA	BE		19	10.5	16	2,125	Expert Group on the exchange of information on Best Available Techniques related to industrial emissions; Raw Materials Supply Group; European eCall Implementation Platform; Transatlantic Trade and Investment Partnership Stakeholder Advisory Group; European ITS Advisory Group; Expert Group on liability and new technologies; Digital Transport and Logistics Forum; Noise Expert Group; Working Group on Motor Vehicles; Trade Contact Group; Commission Expert group for policy development and implementation of CO2 from road vehicles; Expert Group on alternative transport fuels;

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CLEPA	BE	12	5.25	3	1.125	Consultation Forum according to Art. 23 of Regulation (EU) No 517/2014 on fluorinated greenhouse gases;
						Group of Experts on On-board Weighing Equipment;
						Working Group on Motorcycles;
						Group of Experts on EU Trade Agreements
						Working Group on Agricultural Tractors;
						European eCall Implementation Platform;
						Expert Group on liability and new technologies;
						Group of Experts on Explosives;
						Group of Experts on Pyrotechnic Articles;
						Commission Expert group for policy development and implementation of CO2 from road vehicles;
						Trade Contact Group;
						Group of Experts on On-board Weighing Equipment;
						Working Group on Motor Vehicles;
						Working Group on Motorcycles;
						Working Group for Non Road Mobile Machinery (Emission from non road mobile machinery engines);
						High level steering group of the European Innovation Partnership on Raw Materials;
						Expert Group on alternative transport fuels

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ETRMA	BE	5	3.25	5	750	High level steering group of the European Innovation Partnership on Raw Materials; Raw Materials Supply Group; Technical expert group for food contact materials; Expert Group on laboratory alignment for the measurement of tyre rolling resistance; Working Group on Agricultural Tractors; Commission operational expert group of the European Innovation Partnership on Raw Materials; Working Group on Motor Vehicles; Noise Expert Group
		31	14	3	2,500	Group of Experts on On-board Weighing Equipment
		5	3.5	2	350	Working Group on Motorcycles
						Commission Expert group for policy development and implementation of CO2 from road vehicles; Working Group on Motor Vehicles; European eCall Implementation Platform
VDA	DE					
JAMA	JP					

Source: EU Transparency Register and Register of Commission Expert Groups and Other Similar Entities 2019

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Although firms from all major automotive headquarter regions are listed in the transparency register, German lead firms stand out in terms of resources spent on EU-level representation. Volkswagen and Daimler have the highest reported lobby costs, both with an annual average of 2,375,000. The three major German lead firms also have the most staff (VW 40, Daimler 14, BMW 9) and FTEs for interest representation (VW 15.25, Daimler 7.75, BMW 5.5). For non-German firms, lobby resources are strikingly similar, with most firms spending between 300,000 and 700,000 on lobbying. The exceptions are Suzuki, listing more resources, and Geely listing less if Volvo Cars is not accounted for. Mazda is the only lead firm without production in Europe represented at the EU level. Although the larger firms tend to spend a great amount of resources on lobbying, the degree of interest representation does not entirely follow the rank of the lead firms. For instance, Suzuki, the 11th largest firm according to revenue, represented by Suzuki Germany, reports the fourth highest lobbying costs. With only Geely represented, Chinese lead firms deviate from the pattern of similar degree of representation across headquarter regions. The data on the representation of the automotive industry at the EU level show that firms from all triad regions play a role at the EU level, but that German lead firms allocate a higher amount of resources to EU-level representation.

Regarding lead firm membership in EGs, geographic differences in access are clearer. Location of headquarters seems to be more relevant for participation in EGs than for interest representation in general. The working group on Motor Vehicles and its subgroups seems to be a central arena for the interaction between the automotive industry and the Commission. All European lead firms except FCA are members of the Working Group On Motor Vehicles (MVWG) and its different subgroups. Ford and Toyota, which both produce in Europe and are members of ACEA, are the only non-European firms with seats in this group (not counting Volvo Cars and Jaguar Land Rover). Most firms with seats in the MVWG are not present in any other EGs. Exceptions are Volkswagen and Renault with their participation in groups on intelligent and digital transport, as well as alternative transport fuels. Besides Renault, Nissan is a member of the latter. Some non-European firms take part in EGs but tend to be in other groups than the European firms. Despite representation at the EU level, Suzuki, GM, Honda, Mazda, Geely and FCA do not have seats in EGs. FCA deviates strongly from the European bias in EG inclusion. At least one firm from each of the triad regions does not participate in EGs. These findings suggest that the degree of production in Europe is a central aspect of lead firm inclusion in EGs, and that the German industry plays a more central role than other European and non-European firms.

The large suppliers spend a large amount of resources on interest representation at the EU level. The BASF spending and Parliament accreditations distinctly exceed the largest lead

firms. However, sales of automotive parts make up only 20 percent of overall BASF revenue. Bosch, which derives almost 50 percent of its revenue from automotive sales, reports similar resources to lead firms, spending more than 1 million on lobbying and employing 18 people for their EU interest representation. Three other companies, Thyssenkrupp, Continental and Panasonic (owner of Panasonic Automotive Systems), spend more than 500,000 on interest representation and each have approximately 3 FTE positions in charge of the work in Brussels. All three also have accreditation for the Parliament. Of these, Continental relies the most on sales of automotive parts.

Panasonic, Sumitomo and Denso are the only non-German suppliers represented. Three of the suppliers not represented at the EU level are headquartered in Europe, Valeo, Aptiv and Adient. However, Aptiv and Adient are both relatively new companies, which took over the US American Delphi in 2009 and the Automotive Experience section of Johnson Controls in 2016 respectively. In contrast, all major German suppliers are listed in the transparency register and distribute significant resources to the representation of their interests. Considering that Panasonic is only generally represented, and Sumitomo Electric Industries lists very limited resources, the Japanese Denso with 14 European production plants is the most significant exception from the German dominance. No US suppliers are represented. Even Magna, a major actor deeply integrated in the European manufacturing through its European headquarter in Austria and more than 100 production plants in several European countries, is absent from the register.

Examining EG membership, the strength of individual German suppliers becomes even more evident. All German suppliers have seats as individual members in EGs. None of the other suppliers are directly represented. In sum, individual suppliers are present in more EGs than lead firms. This suggests that access to EGs is more relevant for suppliers. Bosch, Continental, ZF Friedrichshafen and Mahle are members of the MVWG. The MVWG includes both suppliers and lead firms, adding to the notion that it functions as a stakeholder meeting between the industry, the Commission and other actors. Besides the groups with clear automotive themes, like the tachograph, on-board weighing equipment or tire rolling resistance attended by Continental, German suppliers are included in groups on emissions from non-road mobile machinery and artificial intelligence (Bosch), steel (Thyssenkrupp), workplace safety, the European Innovation Partnership on raw materials, as well as the Industrial Roundtable “Industry 2030” (BASF). The top supplier list is already dominated by German firms, and this domination is enhanced in terms of representation at the EU level and participation in EGs. This overall picture of the domination of German firms in EGs slightly changes when accounting for tire producers. Several major tire companies have seats

in the EG on tire rolling resistance. Furthermore, Goodyear is part of the MVWG. However, tire producers are in a special situation, since they are simultaneously lead firms for tires and suppliers. Therefore, omitting them from the analysis enables a clearer view of differences between lead firms and suppliers.

Associations dispose extensive resources and participate in a broad range of EGs. Despite automotive firms being much more present at the EU level than apparel firms, their direct participation in EGs is limited. As individual members, they are only present in a handful of EGs. This drastically changes when including associations in the analysis. Both as members of sectoral and cross-sectoral associations, the firms access a wide range of EGs. Sector-specific associations represent the particular interests of the industry and therefore provide a more direct channel to EGs. Of all automotive-specific associations, VDA reports the most lobbying resources. However, some or all of the numbers probably refer to the entire VDA organization and not only EU activities. On its website, it reports seven people working in the Department responsible for European affairs. ACEA spends 2.125 million Euros and employs 19 people. More ACEA than VDA officials are accredited for the Parliament. Also CLEPA reports significant resources with spending above 1 million euros. ETRMA and JAMA spending is less significant with costs ranging from 300,000 to 800,000 Euros, 5 officials and slightly more than 3 FTEs. While the European and Japanese parts of the industry are represented through their own associations, the other national associations are absent. In terms of lobbying resources, ACEA and CLEPA have similar strength as the strongest firms. Consequently, firms cannot be considered subordinate to the associations, nor vice versa. Associations and firms are equally central actors, but possibly in different fields. The fact that the individual firms participating in EGs, except for Nissan, are all members of ACEA underscores the notion that associations and firms do not compete politically, but mutually strengthen each other.

Both ACEA and CLEPA are strongly involved in EGs, which indicates a similar political importance of suppliers and lead firms. ACEA participates in 17 different EGs, CLEPA in 12. ETRMA represents the tire manufacturers in 6 groups, VDA is in one group, whereas JAMA is not present in any groups. These four associations are represented in nearly all EGs with individual firm members. The only exceptions are the Artificial Intelligence (Bosch), the Tachograph Forum (Continental) and the Steel Advisory Group (Thyssenkrupp). ACEA, CLEPA and ETRMA are all members of the MVWG. The strong presence of ACEA and CLEPA slightly readjusts the dominance of German firms. For instance, FCA is represented in EGs through ACEA, and all suppliers with production in Europe, including Magna, Adient, Aptiv and Valeo, are members of CLEPA. ACEA is a member of several groups

with names suggesting discussions go beyond automotive-specific technical issues. Topics are raw material supply, CO2 emissions, and trade. CLEPA engages in similar groups, but does not participate in the raw materials supply groups. ETRMA is also a member of several raw materials groups. The participation of automotive associations in a great variety of EGs suggests that the industry is widely accepted as participant in policymaking processes. Moreover, it suggests that automotive firms cooperate closely and formulate common positions.

Adjoining the findings on direct firm presence and association representation, there are three identifiable patterns of automotive activity at the EU level. First, suppliers and lead firms are represented at the EU level to a similar extent and they spend similar resources on it, both individually and through ACEA and CLEPA. The top three suppliers and lead firms are strikingly similar in terms of lobbying resources, access to the Parliament and also participation in EGs. The largest suppliers actually attend more EGs than lead firms do. ACEA is slightly stronger than CLEPA according to these measures.

Secondly, there is clear geographic bias. The German industry is the most central in terms of representation with all large firms represented and a strong association in VDA. This is especially evident amongst suppliers. The Japanese industry is more systematically represented than the US industry. The latter is largely absent both in terms of individual firms and associations. Several Japanese firms have seats in EGs, and JAMA additionally represents the entire industry. The overview further reveals that all automotive firms that are directly or indirectly represented in EGs have production facilities in Europe. The firms headquartered in Europe are represented to a greater degree.

Thirdly, associations take on an important role in representing the industry. Both CLEPA and ACEA are active in numerous EGs, frequently together. However, they are responsible for coordinating actors with similar, or greater, political weight by themselves. Whereas the suppliers and lead firms are split at the European level of representation, whereas they are united in the German association. The findings point out the central aspects of automotive participation at the EU level in general, and in EGs specifically deserving more attention. These are the relation between suppliers and lead firms, the role of production and headquarter locations, as well as the function of associations and their relationship to representation of individual firms.

4.2.3 Exploring apparel and automotive expert groups

Tables 10 and 11 list the EGs relevant for the apparel and automotive sectors. Table 12 provides additional detail on the Working Group on Motor Vehicles. This subsection presents the main insights from the schematic outline of the EGs drawn from the expert group register. This sheds light on the main policy issues relevant for the two sectors, what types of actors represent the sectors in different groups, at what level of policymaking industry actors are included in debates and whether groups are permanent.

Besides DG GROW and DG MOVE, well-known for including societal actors, and especially industry in its EGs (Gornitzka and Sverdrup 2015a; European Parliament 2015), a great variety of DGs include apparel and automotive firms in their EGs. As mentioned in section 3, the tables deliver insights on what levels of policy development the firms are active. The expert group register divides their tasks into sub-categories: Assist the Commission in the preparation of delegated acts; Assist the Commission in the preparation of legislative proposals and policy initiatives; Provides expertise to the Commission when preparing implementing measures; Assist the Commission in relation to the implementation of existing Union legislation, programmes and policies; Coordinate with Member States, exchange of views; and Other. In the tables these are organized in three main categories, signifying at what stage of the policy process an EGs' activity takes place. The three categories are preparation, implementation and cooperation. These categories suggest what role firms play within and through EGs, what part of the policy process they impact. They help highlight to what extent they are included as political peers in initial and open discussions or in their role as stakeholders with practical experience at a later stage.

Table 10: Overview of EU Commission expert groups with apparel members

Lead DG	Expert Group	Type	Preparation	Implementation ¹	Coordination, Other Cooperation ²	Members
GROW	Commission Expert Group on Textile Names and Labelling	I, P	delegated acts, legislative proposals, policy initiatives	✓	Coordinate with MS, exchange of views	EURATEX, EBCA, FESI
EAC	Expert group on Implementation of the White Paper on Sport	I, T	legislative proposals & policy initiatives	✓		FESI
JUST, GROW, CNECT	Expert Group on liability and new technologies	I, T			Other (Applicability and guiding principles)	FESI
TRADE	Group of Experts on EU Trade Agreements	F, T		✓		EURATEX
TAXUD	Trade Contact Group	I, P			Other (Exchange of views)	EURATEX, EBCA, FESI

I=Informal, F=Formal, T=Temporary, P=Permanent

¹ Implementation mostly involves assisting implementation of existing Union policies and programmes, ² Coordination and cooperation mostly involves coordination with member states and exchange of views

Source: Register of Commission Expert Groups and Other Similar Entities 2019

None of the large apparel firms are represented in EGs, and in general the apparel sector does not have many seats in EGs. They are still to some extent part of developing legislation regulating their industries as well as discussions on trade. The two main EGs for apparel firms, the EG on Textile Names and Labelling and the Trade Contact Group are headed by DG GROW and DG TAXUD respectively. The Group of experts on EU trade agreements is led by DG TRADE, thus only Euratex and not the lead firm associations are included in DG TRADE's work through expert groups. In contrast, ACEA is for instance a member. It is interesting that Euratex is a member of the EG on EU trade agreements and associations with large lead firm members are not. Euratex mainly represents EU manufacturers who unlike global lead firms are not necessarily interested in free trade. FESI is additionally linked to the DGs Justice and Consumers (JUST) as well as Education and Culture (EAC) through their groups on sports and the liability of new technologies. Based on the participation in EGs, it is not possible to name specific main policy areas for the apparel industry with certainty. However, trade does seem like a central topic, besides the regulations related to the internal market, handled by DG GROW.

The DG TRADE group is formal and temporary and assists in the implementation of existing legislation. Thus, it has been set up by means of a decision of the entire commission, indicating that it is of general political relevance, and it is active at the downstream end of policymaking. The Trade Contact Group and the Group on Textile Names and Labelling are informal, i.e. set up by a single Commission department, and permanent. As permanent groups, they are a fixed part of the development of policy. The former is active at all levels of policymaking, preparation of delegated acts, legislative proposals and policy initiatives, assisting implementation and coordinating with member states and exchanging views. The latter names exchange of views as its main task, but also mentions discussions on other levels of policymaking as a part of its remit. In the further analysis, it is therefore important to analyze how manufacturers and lead firms act at the EU level in relation to trade policies and what role their differing positions in the GPN play for this activity. Further, it is relevant to understand the work of the EG on Textile Names and Labeling in greater detail and in this way highlight how the technicalities of regulation relate to the political dimension. In addition to the four patterns of apparel representation identified above, the analysis of the EG analysis highlights a further characteristic of apparel political presence, namely that trade is the main area of engagement.

Table 11 lists all the EGs with automotive members, i.e. either individual firms or one of the specific automotive associations listed above. It does not list subgroups, but table 12 contains all MVWG subgroups and their members. The majority of automotive groups

are informal and permanent. They are set up by the departments or officials interested in collaboration with the automotive industry and are a formalized forum for interaction. Automotive representatives are active in a broad range of policy fields, especially related to the internal market, DG GROW, and mobility and transport, DG MOVE. DG GROW heads the most EGs with automotive members. Via its ten groups it is in contact with nearly all large lead firms and suppliers as well as associations. Moreover, it is associated to three groups which it doesn't lead. GROW mainly has contact to automotive actors through the MVWG and its subgroups. The other groups under DG GROW deal with specific types of vehicles, namely motorcycles and tractors, as well as explosives and pyrotechnic articles. Additionally, raw materials fall within its policy area. No individual firms are included in their three different EGs on raw materials, but the lead firms are represented through ACEA, and the tire manufacturers through ETRMA. CLEPA is not a member.

Table 11: Overview of EU Commission expert groups with automotive members

Lead DG (Ass. DG)	Expert Groups	Type	Preparation	Implementation ¹	Coordination, Other Cooperation ²	Members
CLIMA	Commission Expert group for policy development and implementation of CO2 from road vehicles	I, P	delegated acts, legislative proposals & policy initiatives	✓		ACEA, JAMA, CLEPA
GROW	Commission operational expert group of the European Innovation Partnership on Raw Materials	I, P	legislative proposals & policy initiatives, implementing measures	✓		ETRMA
CLIMA	Consultation Forum according to Art. 23 of Regulation (EU) No 517/2014 on fluorinated greenhouse gases	I, P	delegated acts, legislative proposals & policy initiatives, implementing measures			ACEA

Continued on next page

MOVE	Digital Transport and Logistics Forum	F, P		Other (Preparation, implementation, coordination & cooperation)	Renault, ACEA
MOVE	European eCall Implementation Platform	I, T	legislative proposals & policy initiatives, implementing measures	✓	Hyundai, ACEA, JAMA, CLEPA
MOVE	European ITS Advisory Group	F, T	delegated acts, legislative proposals and policy initiatives		Volkswagen, Renault, ACEA
MOVE	Expert Group on alternative transport Fuels	F, T	delegated acts, legislative proposals & policy initiatives	✓	Nissan, Renault, ACEA, CLEPA
ENER	Expert Group on laboratory alignment for the measurement of tyre rolling resistance	I, T		✓	Continental, ERTMA
Continued on next page					

JUST, GROW, CNECT	Expert Group on liability and new technologies	I, T			Other (Applicability and guiding principles)	ACEA, CLEPA
ENV	Expert Group on the exchange of information on Best Available Techniques related to industrial emissions	F, P	Implementing measures	✓		ACEA
TRADE	Group of Experts on EU Trade Agreements	F, T		✓		ACEA
GROW	Group of Experts on Explosives	I, P	delegated acts, legislative proposals & policy initiatives	✓		CLEPA
MOVE	Group of Experts on On-board Weighing Equipment	I, T	implementing measures			Continental, ACEA, CLEPA, VDA
GROW	Group of Experts on Pyrotechnic Articles	I, P	legislative proposals & policy initiatives, implementing measures	✓	✓	CLEPA
						Continued on next page

GROW	High level steering group of the European Innovation Partnership on Raw Materials	I, P	legislative proposals & policy initiatives, implementing measures	✓	✓	ACEA, ETRMA
ENV	Noise Expert Group	I, P	delegated acts, legislative proposals & policy initiatives, implementing measures	✓	✓	ACEA, ETRMA
GROW	Raw Materials Supply Group	I, P	legislative proposals & policy initiatives, implementing measures	✓		ACEA, ETRMA
MOVE	Tachograph Forum	I, P		✓		Continental
SANTE	Technical expert group for food contact materials	I, P	legislative proposals & policy initiatives, implementing measures	✓		ETRMA
TAXUD	Trade Contact Group	I, P			Other (Exchange of views)	ACEA, CLEPA
						Continued on next page

TRADE Transatlantic Trade and Investment Partnership Stakeholder Advisory Group	I, P	(Advice on TTIP)	ACEA
GROW (ENV) Working Group for Non Road Mobile Machinery	I, P	✓	Bosch, CLEPA
GROW Working Group on Agricultural Tractors	I, P		CLEPA, ETRMA
GROW Working Group on Motor Vehicles	I, P		See table below
GROW Working Group on Motorcycles	I, P		ACEA, JAMA, CLEPA

I=Informal, F=Formal, T=Temporary, P=Permanent

¹ Implementation mainly involves assisting implementation of existing Union policies and programmes, ² Coordination and cooperation mostly involves coordination with member states and exchange of views

Source: Register of Commission Expert Groups and Other Similar Entities 2019

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Mobility and Transport (MOVE) is the other DG that heads several EGs with automotive members. Volkswagen, Renault, Hyundai, Nissan and Continental are the individual firms participating in MOVE groups. MOVE relies almost equally on input from individual European firms as from non-European firms. ACEA, JAMA and CLEPA also have seats in DG MOVE EGs. The majority of MOVE EGs with automotive members are directed towards digitalization – Digital Transport and Logistics, eCall Implementation, Intelligent Transport Systems. The EG on Liability and New Technologies lead by JUST, GROW and CNECT also deals with issues of digitalization. Two of the three remaining MOVE groups deal with specific elements of motor vehicles, the tachograph and on-board weighing equipment. In addition, MOVE is responsible for the EG on Alternative Transport Fuels. Here Nissan, Renault, ACEA and CLEPA are members.

Table 12: Working Group on Motor Vehicles and Subgroups

Name	Members
Working Group on Motor Vehicles	VW, Toyota, BMW, PSA, Daimler, Renault, Ford, Jaguar Land Rover (Tata), Volvo Cars (Geely), Bosch, Continental, ZF Friedrichshafen, ACEA, JAMA, CLEPA, ETRMA
Subgroups	
EU-World Harmonized Light-duty Vehicles Testing Procedure	Toyota, VW, BMW, Renault, PSA, Bosch, Continental, ACEA, JAMA, CLEPA
Evaporative Emissions	VW, Daimler, BMW, Fors, Renault, Bosch, JAMA, CLEPA
Heavy Duty CO ₂ editing board Working Group	ZF, Daimler, JAMA, ETRMA, ACEA
Heavy Duty Portable Emissions Measurement Systems Expert Group	Bosch, VW, Daimler, ACEA
Real Driving Emissions - Light Duty Vehicles	VW, Daimler, BMW, Ford, Renault, PSA, Bosch, Continental, ACEA, JAMA, CLEPA

Source: Register of Commission Expert Groups and Other Similar Entities 2019

Besides regulation of specific elements of cars or car production, for example tire rolling resistance, the tachograph or explosives, the EGs with automotive industry participation are mainly active in four policy areas. These are raw materials, digitalization, climate &

emissions, and trade. Three of the six groups related to DG GROW deal with raw materials, and all of them are tasked with preparing legislation as well as implementing measures, which implies that the automotive industry plays an important part in developing EU raw materials policies. In the case of digitalization, the EGs, and thus their automotive members, take up a similar role.

MOVE, DG Climate Action (CLIMA) and DG for Environment (ENV) groups discuss environmental and climate issues. On the one hand, the Group on Alternative Transport Fuels (MOVE), on the other hand groups on CO₂ Emissions from Road Vehicles and Regulation of Fluorinated Greenhouse Gases (CLIMA), which only include association members from the automotive industry, namely ACEA, CLEPA and JAMA. Moreover, ENV heads a group on Techniques Related to Industrial Emissions where ACEA is a member. The issue of climate and environment is not only prominent across EGs, but also within the GROW-headed MVWG, which involves almost all major industry players. The group is, according to its self-description “devoted to discussions between all stakeholders from governments, industry and consumer associations interested in the regulatory activities concerning motor vehicles.” The dominance of the emissions topic among its subgroups shows how the automotive industry is engaging in actively guiding regulation in this area.

The EGs within climate & emissions and trade, two policy fields that have received great public attention in the past years, differ. Whereas raw materials, digitalization and trade are discussed only in groups with a broad range of industry members, in debates of emissions, there are additionally specific automotive discussions. In addition to discussions in broader groups, emissions are the central topic of the automotive group, MVWG. This implies that industry actors influence automotive-specific regulation of emissions. In discussions on the other topics, automotive actors are part of a broader industry discussion. Although the group is presented as a discussion forum, the MVWG names preparation of legislation as its main task. The EGs focusing solely on climate and emissions issues prepare delegated acts and legislative proposals. The trade groups, in contrast, function as entities for coordination and cooperation. Trade Contact Group includes both CLEPA and ACEA, while the latter attends the Group of Experts on EU Trade Agreements and TTIP (on hold) alone.

Nearly all groups with automotive members are involved in the preparation of either delegated acts, legislative proposals and policy initiatives or implementing measures. This echoes previous findings in that industry actors tend to be included in EG discussions in early phases of policy development (Gornitzka and Sverdrup 2015a, p. 160). Only six groups are not involved in any type of preparation.

Different stages of policymaking are addressed by the groups dealing with the four main policy issues. In the groups on trade, which are also relevant for the apparel industry, no preparation of legislation or implementation takes place. The ENV Group on Industrial Emissions only deals with the preparation of implementing measures and not with preparation of legislation or delegated acts, whereas the DG CLIMA groups both prepare delegated, legislative proposals and policy initiatives. The Group on CO₂ Emissions additionally coordinates with member states. The Group on Alternative Transport Fuels is active at all stages of the policy process, preparation, implementation and coordination. The MOVE groups directed towards digitalization are all tasked with assisting preparation of legislative proposals or delegated acts. The Digital Transport and Logistics Forum additionally monitors implementation and coordinates with member states and other stakeholders. The three groups on raw materials prepare legislative proposals and policy initiatives. They additionally prepare and oversee implementation of implementing measures. The High-level steering group of the European Innovation Partnership on Raw Materials and the Raw Materials Supply Group, the two groups in which ACEA participates, additionally coordinate with member states. The MVWG lists the preparation of delegated acts, legislative proposals and policy initiatives as its tasks, and interestingly not exchange of views, despite almost all major industry actors being members.

Regarding types of members, the CLIMA and TRADE groups differ from those of GROW and MOVE in that none of them include individual firms, but only associations. CLEPA is neither represented in the trade groups nor in the raw materials groups. However, in the emissions groups, CLEPA is present. JAMA also partakes in groups that prepare legislation, on the one hand in the MVWG and on the other hand in two groups on emissions and digitalization. Altogether JAMA takes part in fewer groups. This closer look at the associations suggests that ACEA represents the industry in more general strategic issues, whereas CLEPA to a greater degree engages in technical debates, where JAMA is also to some extent included. However, the tire association, ETRMA, which can also count as supplier representation, is part of three raw materials groups. Focusing on policy issues and the stages of policy debated in automotive EGs underlines the relevance of associations as industry representatives. It further highlights the extensive inclusion of the automotive industry, both through individual firms and associations in upstream debates on legislation in a wide range of issues. Looking closer at automotive EGs reveals three additional patterns of automotive access to policymaking. First, the majority of automotive EGs are subordinated to MOVE and GROW, second, automotive representatives engage in a wide range of policy issues through EGs, and third,

5 Logics of Political Participation

The findings presented above lay the basis for the discussion of how inter-firm relations within sectors translate into political participation. The five main patterns observed for the apparel industry are (1) non-representation, (2) relatively strong presence of brands, (3) relatively strong presence of European manufacturers in EGs, (4) associations functioning as firm representatives, (5) trade as the policy issue with most apparel presence. For the automotive industry, I identified six other patterns. (1) strong presence of both suppliers and lead firms, (2) strong presence of firms producing in Europe, (3) coexistence of associations and firms both in terms of general representation and in EGs, (4) most EGs lead by MOVE and GROW, (5) inclusion in a broad range of policy issues, (6) inclusion in the preparation of policy. Based on the expert interviews and insights from the literature on the two sectors, I explore how these observations are linked to sector-specifics.

5.1 Exploring access patterns

5.1.1 Logics of apparel firm representation

In the apparel sector, all large lead firms in Europe are buyers, which leads to the observable pattern of non-representation. This was emphasized by all apparel interviewees. Their major interest at the EU level is flexible trade, so they can easily import the products they sell on the European market. This narrow interest seems to entail that apparel firms do not require large lobbying resources, and they can easily be represented by associations. The Trade Contact EG is important for apparel lead firms. However, this group does not contribute to developing legislation, as emphasized by one sector representative. Rather, it functions as a hierarchical forum in which the Commission informs business representatives of plans within trade policy. Apparel lead firms are ‘receivers’ of trade regulations, monitoring developments and gathering information. In contrast, Euratex, which represents smaller firms manufacturing in Europe, partakes in DG TRADE groups, so it seems that they play a more proactive role in trade policy.

No interviewees explicitly mentioned the trend towards lean retailing in relation to political activity. The associated reorientation of some apparel lead firms towards more regional networks does not seem to impact their rather passive role at the EU level. Also within lean retailing networks, the major part of apparel is produced outside of the EU. If anything,

it might intensify the interest in flexible trade and the smooth functioning of the common market, as it increases the need of high-speed logistics. Interest in flexible trade is not an apparel-specific interest. Many large corporate actors have it on their agenda, and it aligns with the main interests of DG TRADE and the EU in general, free trade and the common market. Therefore, apparel buyer interests are covered by broader cross-sector business coalitions and overall EU priorities, which further decreases the need for direct apparel representation.

To explain non-representation, all apparel interview partners additionally emphasized that there is generally little regulation at the EU level relevant for the apparel industry. Since lead firms do not officially control production, they are not subject to manufacturing regulation. For instance, the efforts that exist in the sector to improve social or environmental standards have not been affected by EU institutions. Less sectoral exposure to EU legislation translates into lower levels of political presence, as already argued by Bernhagen and Mitchell (2009). The lack of regulation in the apparel industry was attributed to the simplicity of the product, as well as the fact that lead firms in Europe do not produce themselves. This means EU regulations only apply to the non-production activities controlled by buyers. Communication on regulation takes place in producer regions. Consequently, pressure is not high enough for firms to be interested in a high degree of representation. For instance, though technical specificities of labeling are important because they determine what type of fibers products can contain, this issue does not attract substantial direct apparel representation. It is generally more attractive for firms to let associations follow developments and then intervene in the few cases affecting them directly. However, this was emphasized by sectoral representatives, and since no firms responded to interview requests, it is difficult to determine whether they hold the same view. Furthermore, the structure of the apparel GVC means lead firms can easily deflect any type of economic pressure resulting from regulation down the chain. This further decreases the importance of actively engaging with EU policy.

As suggested by a sector representative, lead firm presence might change if the EU introduces heightened sustainability standards on apparel materials. Such standards would pressure firms selling on the European market to fundamentally change their products, which would inevitably influence production. The possibility to closely follow such developments and the chance to influence them would increase the interest of lead firms in EU-level representation. At a national level, cooperation between headquarter country institutions and lead firms is frequently already strong. For instance, H&M is an important partner for the Swedish development federation Sioa (see for instance H&M 2014). In future, similar levels of cooperation might be visible at the EU level. Investigating whether historic changes in

the political economic context of the industry, for instance with the selective opening of the industry to regional suppliers in the 1980s, affected EU-level presence of firms could shed light on this issue. However, data on past interest representation might be difficult to find.

The multitude of large firms and the high level of competition between them complicates cooperation and thus overall interest representation, especially at the supplier level. Firms want to expose as little detail about their activities as possible. This has several potential consequences. On the one hand, associations might be considered key, because they function as trusted intermediates who aggregate and thereby anonymize information. On the other hand, some firms might consider direct interactions with EU actors less risky, as it prevents any type of contact with competitors. Overall, it means that participation in associations and visibility at the EU level is less attractive. Leverage of individual firms is limited, and participation in associations risky. Therefore, the industry lacks one clear voice. It is represented by a variety of individual firms, national federations and associations. It is interesting that lead firms, which capture such a large share of value added within the apparel sector allocate so little resources to interest representation at the EU level. This supports the argument by Berkhout et al. (2015) and Greenwood (2002). The overcapacity and competition resulting from the phase-out of the MFA seems to have led to fragmentation inhibiting substantial interest representation. Despite the past decades' trend towards consolidation, a high level of fragmentation is prevalent both amongst lead firms and suppliers. Further, it seems there is no common enemy nor any economic pressure uniting apparel firms in the way described by Greenwood (*ibid.*). Neither regulations nor public campaigns by civil society actors have affected a stronger representation of apparel firms at the EU level.

Although non-representation, or low degrees of representation, is a general trait of the apparel lead firms, there are differences between different types of lead firms. More specifically, brands have greater individual presence at the EU level than both mass merchant and specialty retailers. All interview partners emphasized the importance of image in explaining the presence of apparel lead firms at the EU level, albeit from different perspectives. Industry experts differ slightly from unionists and NGOs in their line of argument. Of course, apparel brands also possess technical knowledge, but this apparel-specific know-how is covered only by one EG. General public relations seem to be more important than repeated engagement with one small group.

Unionists and NGOs emphasize the importance of image and visibility for apparel brands. Ensuring visibility and being recognizable is a central activity for brands, and presence at the EU level can be seen in connection with broader public affairs efforts. Brands can in

this way engage in EU-level image building. From a GVC-perspective, brands are powerful due to their non-production capacities. Engaging in public dialogue or addressing policy makers adds to the distinctiveness of the brand. Following this argument, it seems very logical that the classic example of a “manufacturer without factories” (Gereffi 1999), Nike, lists substantial lobbying expenditure at the EU level. Seeing representation of apparel firms as part of image building and visibility efforts can explain three other patterns of apparel representation. First, associations cannot substitute all apparel presence at the EU level, since visibility of the brand name is only enabled by individual representation. This explains the coexistence of individual firm representation and associations. Second, it explains why participation in EGs is not widespread. Participation in EGs is not a visible activity. It enables access to policymaking, but this does not seem to be a central element of apparel brands’ activity. Third, it explains the absence of powerful TNC producers from the EU. TNC producers, though increasingly important in the GVC, do not have the same brand image as lead firms.

Industry representatives frame the representation of brands somewhat differently. In this line of argumentation, apparel lead firm presence is a result of accountability improvements. Due to the bad reputation regarding labor and social standards, brands were for a long time interested in being invisible at a political level. With brands increasingly engaging in efforts to improve working and environmental conditions, they have become more interested in showing off as ‘best in class’ and engaging with policy makers to find solutions to challenges. In the US, apparel firms have been better organized and more actively engaged in lobbying for a longer time. In this context, Nike has become a trusted knowledge partner, and this ambition has been transferred to the European setting. Again, these types of discussions are not those that take place in EGs, but rather in structured public dialogues and stakeholder meetings. The presence of Nike could suggest that US brands are stronger political players than European firms. However, it is difficult to conclude on geographical patterns of apparel lead firm representation, due to their general lack of presence.

There are two additional important details regarding the representation of apparel brands. First, of the apparel brands, the sports brands Adidas and Nike are close to more EGs than other brands. This indicates that there are not only differences between the three main categories of lead firms, but also within the brand category. Besides the overall brand interests, sportswear firms are interested in influencing policies on physical activity, which will indirectly enhance their position. The specificities of the sportswear industry mean that they are more interested in proactively engaging in processes of policymaking. Second, one union interviewee emphasized that H&M has a much greater focus on strategic image-

building than Inditex. This had been observed in all union interactions with the two firms. Possibly, this explains the difference in representation between H&M and Inditex at the EU level. H&M may simply be acting more like a brand than Inditex, allocating resources to public affairs at the EU level.

None of the large apparel firms are mainly manufacturers. However, manufacturers do still engage with the EU. The first group of manufacturers are mainly European SMEs. They are interested in protecting European production facilities. Following the argumentation of unionists and association representatives, their interests as manufacturers are roughly speaking in opposition to the main interest of lead firms. Whereas lead firms seek flexible trade, manufacturers front trade barriers. In an EU focused on liberalized trade, they are dependent on being proactive. Further, due to their control over production, they are subject to more regulation than buyers. Together, these two factors can explain why their representative body, Euratex, takes part in more EGs than buyers. Due to their small size, European manufacturers depend on collective representation to have a voice at all in Brussels. However, as unionists highlighted, due to the number of firms, finding common positions is difficult. The interviews did not mention differences in the representation between textile and apparel manufacturers.

The second group of manufacturers, major TNC producers, is not represented at the EU level. Moreover, most major apparel exporting countries are not represented in any way. However, they are well organized in their national contexts and connected with lead firms there and not in Europe. The global division of labor defining the apparel industry reflects in the EU representation of the sector. The rise of large suppliers does not translate into greater visibility of them at the EU level. Interestingly, regional apparel suppliers, for instance from the EEC countries were also not mentioned as relevant political actors at the EU level.

Associations are an important part of apparel representation at the EU level. From the analysis above, it becomes clear that associations play different roles for different actors within the apparel sector. Associations and federations and their roles in representing the industry can be distinguished along two main lines. First, they differ in scope. Both general business associations and apparel-specific associations represent the sector at the EU level. The latter provide proximity to EGs. As association members, individual firms may attend EGs either to present a specific topic or to represent the views of all members. There are no heavy-weight apparel-specific associations. For lead firms, the interviewees attributed this to the narrow interests of apparel firms and for manufacturers, unionists emphasized the relatively small size of the European apparel manufacturing industry. Both characteristics

are a result of the massive outsourcing within the sector.

Second, and more importantly, the structure and functions of associations vary for lead firms and suppliers. For lead firms, cooperation is considered necessary, but challenging due to high level of competition and the individual size and strength of each firm. The main attractiveness of associations to lead firms, according to association representatives, is that they lower costs of monitoring and intervening in the fairly narrow range of EU-level apparel interests. Just because an apparel firm has European level interest does not mean that individual representation pays off. The EU-level associations do not reflect the categories of lead firms. Rather, they highlight other categories, like sports or geographical location. A further function of associations is anonymity. Especially when it comes to controversial topics, it is important for firms dependent on a good image to not stick out. With a trend towards more active, visible engagement in CSR measures on social and environmental issues, this is to some extent changing. By now, such a 'cloak of invisibility' might be more attractive for TNC producers.

Lead firm and manufacturer apparel associations lack political clout for different reasons. Lead firm associations have low density. No association can claim to speak for all firms. For instance, the European Branded Clothing Alliance by no means represents all branded clothing firms active in the EU. Apparel unionists consider individual lead firms, and not associations, their counterpart. If several lead firms come together, this is mostly organized by international unions. Illustrative of this, EBCA was completely unknown to unionists. This indicates that activities of individual lead firms may limit association leverage. In supplier countries, lead firms are included in local employers' associations. One unionist pointed out that lead firm behavior mostly differs significantly in the European and non-European contexts.

Both European and non-European manufacturers, or suppliers, are well-organized in their national and regional contexts. Suppliers have similar problems related to competition as lead firms. One unionist argued that the small size of each firm makes cooperation inevitable, but still challenging due to great variety in views. Euratex represents national federations, but the same unionist had observed how Italian SMEs dominate the political agenda. However, positions frequently reflect the lowest common denominator among members. Despite coordination difficulties, Euratex to a greater extent than the small lead firm associations has the function of portraying the unified voice of apparel manufacturers. Euratex is also well-known among unionists. Apparel associations evolve for efficiency reasons. However, they are either small, broad in scope or simply weak due to high levels of competition,

coordination difficulties or the individual strength of members.

5.1.2 Logics of automotive firm representation

Automotive suppliers and lead firms participate to a similar degree at the EU level. However, this does not mean that their role at the EU level is the same. The commercial interrelations between suppliers and lead firms determine their political participation. The suppliers active at the EU level are global mega suppliers. Like the lead firms, they are typically headquartered in the triad nations and are themselves in a sense lead firms of massive networks of lower tier suppliers. This means that they are both in geographic proximity to lead firms and in proximity to policy makers in the triad nations, therefore also the EU. This simplifies cooperation. Global mega suppliers follow lead firms around the globe (most of them have production in Europe) and they follow them into the political sphere. However, suppliers have their own voice and opinion. At the EU level, this is communicated through their individual presence as well as CLEPA. Lead firms and major suppliers know each other well and are aware of their dependence on one another. This is reflected in the close cooperation between CLEPA and ACEA. The two associations communicate frequently and work together on common issues.

Although all global mega suppliers are powerful actors, dependence on lead firms still exists. As one union interviewee argued, the lead firms have the contact to the consumer, and they are therefore the most powerful. At the end of the day, suppliers are dependent on lead firms' success. Several interviewees also emphasized the high level of confidence exerted by lead firms within associations and in interaction with other actors. Additionally, as Gulati and Sytch (2007) showed, suppliers frequently do not utilize the power they have vis a vis lead firms. With these considerations in mind, the higher level of representation of individual lead firms at the EU level, as well as ACEA's widespread membership in EGs, seems logical. Lead firms carry the main responsibility for the success of the entire value chain, also at a political level. However, dependence does vary greatly in different regional contexts, which is reflected in the representation, or non-representation, of individual supplier firms at the EU level. One industry interviewee attributed the differences between lead firms and suppliers to historical ownership relations. In the US context, Delphi, now Aptiv, was spun off from General Motors in 1999. The Japanese Denso was originally a part of Toyota. In Germany, the situation is different. Bosch, Continental and ZF all developed as independent firms. This gives them an extremely strong position within the industry, but also beyond. This can explain their dominance in supplier representation at the EU level. Nonetheless, it remains

difficult to explain why Magna, a major independent supplier with an office in Austria, is only represented through CLEPA.

In addition to dynamics of dependence and interdependence, supplier and lead firm participation at the EU level is determined by their differing interests. All interviewees agreed that suppliers tend to over-emphasize technical feasibility. They are interested in having their technical solutions included in the serial production of vehicles. Since they only sell parts and not the end product, they will front introduction of new standards, even if they entail a significant increase in consumer prices. Lead firms, in contrast, are interested in offering additional products, which accrue extra income, while holding the sales price of the basic, serially produced vehicle down. In this way, they can sell more vehicles, and consumers interested in extra features pay more. This difference substantiates the observation that lead firms are involved in more overall strategic EGs, whereas suppliers are to a greater degree focused on technical fora. These differences in interests further imply that the presence of suppliers and lead firms in one EG does not necessarily mean that the automotive industry has double strength within that group. Although this will often be the case, it is also possible that the two categories of firms can have conflicting positions and therefore challenge rather than strengthen each other.

Having production facilities in Europe is closely related to lead firm representation in EGs, and firms with European headquarters are more apt to be represented. For suppliers, headquarter location seems to be especially relevant, with German suppliers over-represented in EGs. Both suppliers and lead firms headquartered in Germany allocate substantial resources to interest representation in the EU. Other European and non-European triad region firms allocate less resources to EU-level representation. As Chiappini (2012) showed, outsourcing patterns vary between headquarter location. The German industry in contrast to the French and Italian has followed a strategy of partial outsourcing. This means German suppliers have not been affected by outsourcing in the same way as other European firms, which might explain their strong presence in Brussels. Chinese headquarters are related to non-representation as well as non-participation in EGs. The rise of emerging markets and new lead firm actors is only reflected to a very limited extent, through the presence of Tata-owned Jaguar Land Rover and Geely-owned Volvo Cars.

For the interviewees, production in Europe is the main determinant of interest representation at the EU level. Even though firms with little or no production in Europe are listed in the transparency register, they have a less significant position than the other firms. This is illustrated by the fact that eligibility for membership in ACEA and CLEPA depends on

production in Europe. Moreover, all automotive EG members have production in Europe. For instance, it seems Nissan's production facilities in Europe translates into access to an EG, despite only being represented in ACEA through its alliance partner Renault. For the firms, proximity to EU-level decision making promises planning security. The development of new vehicles is a lengthy process over several years. By monitoring policy developments closely and intervening if necessary, OEMs, and to some degree suppliers, minimize risk related to long-term planning. A non-firm member of the MVWG underscored this point. Inclusion in discussions on preparation of legislation and implementing acts is the most efficient way of directing developments, which explains why automotive actors frequently engage in early stages of policymaking.

Knowledge of production means control of exclusive technical expertise. To develop regulations, the EU is interested in accessing production-related technical expertise, which only firms possess. Access to this expertise is especially relevant for MOVE, since they are responsible for much of the technical regulation of the industry. The expertise is either accessed by means of interaction with individual firms with specific know-how within one field, or with associations. One industry interviewee explicitly linked the relevance of EU-level policymaking to its global role. The European automotive industry is the global leader in standardization within the industry. This means that standards implemented in the European context are almost without exception adopted in all other regions. The EU is not the main actor in this process. The United Nations Economic Commission for Europe (UNECE) with its World Forum for Harmonization of Vehicle Regulations (WP.29) is the central body for global standardization in the industry. As the name "Economic Commission for Europe" already suggests, the European industry plays a central role in the UNECE work. On emissions, the EU is the central institution. By bringing in their expertise at the EU level, particularly through EGs, manufacturers and suppliers ensure that norms developed take account of their interests. The global role of developments in the European industry explains the generally high level of presence of automotive firms at the EU level, and especially the prominent role of climate & environment issues in EG discussions. Joining these discussions, firms have the possibility to shape global standards.

Besides technical expertise, production is closely related to employment, which provides the individual firms political leverage. At all levels of government, employment grants political voice to the automotive industry. Arising from the regionalization of the sector, manufacturing sites span the entire EU. One association representative argued that the industry is a true success of European integration. In many regions, it is the main employer. As one lobbying expert pointed out, firms have privileged access to political officials from the re-

gions where they produce, at the regional level, but also at the national and EU levels. From this perspective, the activity of automotive firms at the EU level is a continuation of close relationships at national and regional levels. EU-level presence pays off because institutions are already open to automotive firms' positions. Accordingly, firms with many production sites in Europe are apt to allocate more resources to EU representation and have more say in debates in EGs and other fora than those without production. The comprehensive presence of the automotive industry in Europe also means that there are a large number of firms within the EU considered part of the sector, which, following Berkhout et al. (2015), has a positive impact on interest group density.

Firms headquartered in Europe will tend to have more European production facilities, which in turn has a positive effect on their political position. They are dependent on the smooth functioning of the EU internal market, which can explain the importance of GROW EGs for the industry. Additionally, they are major exporters contributing to the EU's positive trade balance. With the reduction of sales in traditional markets, export to emerging markets becomes increasingly attractive. It therefore makes sense that lead firms, and not suppliers, are represented in trade groups. Although exports are important, the European end market is still the major consumer of cars by EU-based automotive brands. For firms headquartered in Europe, representation at the EU level does not only provide a possibility to secure a friendly environment for production. It also ensures the stability of the European market for their products. This is of course of particular importance to lead firms, which are the closest to consumers. Except in the case of German firms, European headquarter does not translate into more lobby spending at the EU level, nor into individual participation in EGs. However, all European lead firms are represented in ACEA and are therefore strongly represented in EGs. If participation in ACEA is considered a central part of firm participation in EGs, FCA's absence from EGs seems less exceptional. No firms from China directly produce in Europe, nor do they focus sales at the European market. This explains their absence from EU-level interest representation.

Not only today, but also historically speaking, the automotive industry has been of great importance to employment in Europe, and especially in Germany. This has resulted in a long tradition of close cooperation between regulators and the industry. Earlier, protectionist government measures would secure the industry at a national level. It seems that in today's more liberalized environment, this has been translated into close coordination between policy makers and automotive actors in the development of new legislation. This tradition facilitates the 'friendliness' of DGs, which Bernhagen et al. (2015) found to reinforce the effectiveness of information provided to policy makers. From the historical contingencies of the relations

between the automotive industry and institutions follows that lead firms will tend to be privileged over suppliers as cooperation partners in a similar way as they were privileged in previous measures, for instance during the 2008 financial crisis (Rutherford and Holmes 2008). The participation of automotive firms at the EU level is a consequence of its increased regulatory responsibilities and can be seen as a continuation of long-term cooperation at the national level. This connects the broad representation of German firms at the EU level to its uniquely close ties to its national government.

Due to the importance of production for political representation, both European and non-European firms are members of EGs. Both suppliers and lead firms producing in Europe take part individually or as association members. Production might determine access, but automotive firms also have interests as globally sourcing buyers. Though production might be the “access good” (Bouwen 2002), issues relevant for automotive firms cannot be reduced to producer issues. As described above, these broader issues include raw materials, trade and digitalization where they participate alongside other industry representatives. The interviewees highlighted the importance of cooperation with DG MOVE and DG GROW, and for instance not the role of the industry in DG TRADE groups. However, the general increase in outsourcing and FDI in the sector identified in the GVC literature, and the related increasing importance of automotive firms as buyers can be linked to their broad range of political activity. The role of the automotive industry in broader policy debates would be an interesting subject for further research.

Despite the strong individual positions at the EU level of both automotive suppliers and lead firms, the industry provides a quite beneficial environment for organizing within associations. Consolidation is high, but at the same time, the sector is not dominated by one or two firms. Rather, the consolidation means that the sector becomes manageable, both from an individual firm perspective and an association point of view (Greenwood 2002). This facilitates cooperation. As an example, the preexisting cooperation between firms enabled the establishment of and substantial resource allocation to ACEA. From the outset, ACEA’s task was to go beyond a reactive role and develop common strategy (McLaughlin and Maloney 2005). The close cooperation in the sector has resulted in association density, which promotes EG participation (see Gornitzka and Sverdrup 2015a) and one cohesive industry voice, nationally and at the EU level. One main lead firm association and one main supplier association represent the majority of relevant firms from the sector. Each of the associations are capable of communicating a common lead firm or supplier position respectively. Association interviewees argued that individual firm presence in Brussels simplifies communication, since it makes it easy to meet in person.

Automotive associations have several key functions. They are not technical experts. Rather, they are responsible for bundling the expertise of members. CLEPA has somewhat more technical expertise than ACEA, but the associations' main focus is policy and public affairs. On the one hand, they smooth differences between firms by bringing them together. On the other hand, they make any differences that might still exist less visible to external parties. This makes them attractive and necessary for firms.

Associations coordinate meetings between firm representatives to develop industry positions. This is a process of compromise. Association working groups with firm experts mirror important EG topics. The results of internal debates are presented in the EGs, either by association officials or firms representing the industry view. Association membership is thus key to EG access. Interviewees external to the industry argued that such processes frequently resulted in lowest common denominator positions, meaning that the main aim of associations is slowing down processes of change. Industry interviewees did not agree and argued that associations may also develop pro-active positions. Contradicting each other at first glance, at second look, these two lines of argument may simply describe two different foci of association work. Accordingly, the first line of argument implies positions regarding binding regulations on issues like environmental or labor standards, and the second concerns voluntary innovations in technology and changes in production. From an industry point of view, being proactive in terms of voluntary measures prevents binding regulation. However, this protects those firms with the worst practice. The automotive industry has the strongest position vis a vis EU officials when it is represented only by one actor or when ACEA and CLEPA share positions. Accordingly, the industry has the clearest voice in EGs where only associations are represented, as is the case in the DG CLIMA and DG TRADE EGs.

The high level of consolidation benefits the capability of a sector to organize in associations. However, it does not completely resolve the differences between suppliers and lead firms, illustrated by the coexistence of CLEPA and ACEA. Several association representatives therefore ascribed VDA great significance, as it includes both suppliers and lead firms as members. Whereas VDA is capable of finding supplier-lead firm compromises within their own structures and communicate one industry position outward, the existence of two EU-level associations means that suppliers and lead firms in many cases communicate two different positions to policy makers. The VDA has its own EU-level representation. Additionally, it can utilize its contacts with national policy makers to gain influence at the EU level. In this vertical integration, it has an advantage on the EU-level associations. In this way, VDA can possibly surpass EU-level associations. However, it only has access to one EG.

Individual firm membership can challenge association positions in EGs. One sector representative, who had frequently participated in EGs pointed out how individual participation in EGs may be problematic for associations generally striving for ‘technically neutral’ legislation, which does not benefit the solutions of one firm over another. By partaking in EGs, firms can front their own technology as an industry-wide solution and thereby gain competitive advantage over other firms. As sole firm EG members, for instance Volkswagen, Nissan, Bosch or Renault have this possibility. At the same time, individual presence at the EU level can enhance overall industry impact. By distributing tasks and capitalizing on firms’ connections, the coexistence of firms and associations can amplify the visibility, access and impact of the industry. Since interest group density within a policy area is central to the inclusion of societal actors into EGs (Gornitzka and Sverdrup 2015a), this coexistence may benefit the overall access of automotive firms. This line of argument provides speaks to findings that umbrella associations have a positive effect on overall interest group density (Berkhout et al. 2015). Interestingly, the interviews revealed that individual firms are absent from the MVWG, although almost all large firms are registered as members. This illustrates the importance major firms ascribe to association representation. It further implies that the automotive industry agrees on common positions on emissions regulation, which strengthens their negotiating position.

5.1.3 Comparing sectoral logics

Four points summarize the analysis above. First, in both sectors, lack of production in Europe results in the absence of firms, especially from EGs. However, whereas in the automotive sector, more European production generally results in more EU-level presence, the few apparel firms with substantial representation engage more actively not because they control more production than their competitors, but because of their position as brands. Their increased presence therefore does not link to EG participation. Securing brand position might be a further aspect of automotive EU representation, but this was not covered by the empirical research. Interestingly, for both sectors, the location of headquarters seems to play only a secondary role in determining the political position.

Second, in both sectors suppliers are less present than lead firms. However, the diverse relations in the two sectors between lead firms and suppliers result in different patterns of representation. In the automotive industry, geographical proximity and independence of suppliers result in strong political representation of both suppliers and lead firms, especially evident in the case of German suppliers in EGs. The same is not the case in the apparel

industry, even though the rise of major suppliers has increased lead firm dependency.

Third, the participation of automotive actors in EGs seems to be a continuation of close regulatory cooperation at the national and local levels. The same does not hold for the apparel sector where the EU level seems to play a different role than other levels of government. Fourth, the association landscape and membership are structured very differently, densely populated in the automotive industry while an incomplete patchwork of smaller associations in the apparel industry. Further, the associations have different functions. Automotive associations represent a unified voice of the industry, while apparel associations reduce the need for individual representation and mainly gather information. The consequence of these differences is that the automotive sector is much more present in EGs. It functions as a permanent partner, especially for DGs MOVE and GROW, speaks with one voice, discusses regulatory measures at an early stage and engages in broader industry issues.

5.2 Inter-firm governance and political representation

I answer the research question by systematizing the analysis above according to the two main subquestions derived from the conceptual framework. This sheds light on how three main sectoral governance dynamics translate into access to policymaking. In other words, how do supplier and lead firm power, buyer power and producer power, and the degree of supplier independence and cooperation between firms translate into presence at the EU level and participation in EGs?

Q1: Are there differences between lead firms and suppliers and between lead firms in buyer-driven chains and lead firms in producer-driven chains in terms of representation in EGs?

The simple answer to the first question is yes. In both sectors, lead firms are more substantially represented than suppliers, and the degree of lead firm representation varies greatly between the two sectors. The findings show that apparel lead firms deriving their position from their role as buyers have little presence at the EU level and little access to eye-level exchange with policy makers. Although brands engage to a somewhat greater extent than other apparel lead firms, they mainly focus on other areas than EGs. In contrast, automotive lead firms are integrated in policymaking to a much greater extent due to their knowledge of production. They participate in more EGs than apparel firms and are also generally more present at the EU level.

Apparel lead firms' economic power does not result in formalized political access at the EU

level. This means apparel firms' capability to structure the sector manifests beyond this type of political intervention at the EU level. A buyer-driven governance structure results in low levels of EU-level regulation and little interest among lead firms in engaging in policymaking. Buyer interests are broad interests corresponding to the EU's main priorities. Further, they share these interests with a wide range of business representatives and can therefore be represented by broad business associations. This implies that apparel lead firms do not need direct access to policymaking. The buyer-driven structure of the apparel industry both reduces the interests of firms in participation in EU fora and reduces their significance in the eyes of EU policy makers. The result is a low degree of apparel representation, few specific EU-level lead firm associations and therefore limited access to policymaking. Interestingly, even in the area of trade, lead firms do not seem to be particularly proactive. They mainly monitor, while other actors, for instance European apparel manufacturers, engage in discussions on it. In the next years, continuing scrutiny of the sector in terms of environmental and labor responsibilities might lead to an increase in EU-level regulations and thus presence of sector representatives in EGs and other formal fora.

The low degree of apparel lead firm representation at the EU level, and their lack of representation in EGs specifically can be interpreted as a reflection of their position as buyers in GVCs. Buyers coordinate and shape production, but the EGs do not seem to account for the indirect power of lead firms over production. Even Inditex, which has a substantial amount of its suppliers in Europe is only represented through EBCA at the EU level. However, their power might play out in other institutions, for instance at a national level. As argued by Eising (2007a) and Bernhagen and Mitchell (2009) the link between institutional ties at the national and activity at the EU level are not clear, so firms might act proactively nationally, but not in the EU. Further, since the state is relational, firms and other societal actors do not only gain power through active engagement through formal channels like the EGs. Less presence of the apparel sector does not necessarily imply that they have less political power than the automotive sector, rather that it might express itself in less visible ways.

The strong presence of automotive lead firms at the EU level and in EGs links to their technical knowledge and their leverage as major European employers. The inclusion of automotive firms with European production into policymaking has two layers. First, regulation of production directly affects lead firms and large suppliers. They are therefore, on the one hand, highly interested in access to policymaking, especially in its early stages. On the other hand, their knowledge means that EU officials consider them technical experts. The technical focus of many EGs means that possessing this type of expertise is particularly important for accessing them. As argued by Eising (2007a) and Bernhagen and Mitchell (2009), participa-

tion at the EU level depends on the regulatory context of a sector. Regulatory context links to the inter-firm governance of the sector. Second, their significance as European employers enhances their leverage and the openness of institutions. However, it further implies that they are to a certain degree considered accountable as employers. The extensive presence of automotive lead firms at the EU level secures their position in the GVC, since it becomes nearly impossible to bypass them.

The inclusion of producer lead firms into EU policymaking has a clear geographical component. Only the firms with knowledge of *European* production participate in EG discussions, which enhances the political position of firms with large European production networks. The technical expertise held by firms producing outside the EU is not considered. With their power as producers, automotive lead firms become an indispensable part of EU-level policymaking. This means their interests cannot be ignored, which stabilizes their position of power within the GVC. Furthermore, the results underscore the importance of existing ties to the EU context elaborated by Chalmers (2014). This is especially apparent for German firms, which have an extremely prominent position in their headquarter country and a long-standing tradition of cooperation at the EU level.

Q2: Do greater supplier independence, i.e. modular and relational governance structures, and closer ties between lead firms and suppliers, i.e. relational governance, positively affect representation of suppliers in EGs?

The results regarding the second subquestion are somewhat ambiguous. Suppliers in both sectors are major global players with relational ties to lead firms and thus a certain degree of independence. As manufacturers and coordinators of transnational production, they possess producer power. Still, apparel suppliers are completely absent, while automotive suppliers are represented to a similar extent as lead firms, either individually or by CLEPA. Representation of major suppliers seems to be closely related to the geographical proximity within sectors.

Despite similar inter-firm governance structures in the automotive and apparel sector, the TNC apparel producers do not share the political motives of automotive suppliers. This has several reasons. First, they are dependent on exports and are therefore, similar to lead firms, interested in flexible trade. Second, they do not produce in Europe. The major Asian TNC producers acquired their independence from lead firms by enhancing technical and logistical know-how while staying geographically and organizationally distant from lead firms. They have little interest in closing this gap through political presence. Accordingly, lead firms

dominate suppliers in the sphere of EU-level political participation. The selective regional integration of apparel producers in the 1980s (Plank and Staritz 2015) does not seem to have changed this. Such structured regionalization has upheld the power of European lead firms. However, a historic perspective could deliver greater insights on this issue.

The presence of automotive suppliers as a distinct interest group at the political level and their participation in EG consultations confirms their independence from lead firms. In contrast to apparel suppliers, automotive suppliers have supplier-specific interests at the EU level, for instance regarding the incorporation of new technical solutions in automotive standards. Due to their size, they are capable of allocating resources to political representation. Sufficient independence is the condition for the political recognition of their producer power. However, relational automotive suppliers differ in their independence, and this affects how they are represented. For this reason, German suppliers are the most visible at the EU level. Other suppliers do not stand out as individual actors in the same way and depend on associations and lead firms to represent them.

The close cooperation between major automotive suppliers and lead firms means suppliers wish to strengthen the overall voice of the sector, rather than, as apparel suppliers, being invisible. The close ties in sector governance translate into joint political activity and therefore substantial overall presence of the industry at the EU level.

Automotive suppliers' significant presence further exemplifies the importance of European production for EU-level representation of firms in producer-driven sectors. Automotive suppliers' position as major European producers distinguishes them from their equivalents in the apparel sector. Like for lead firms, their control of European production grants access to EGs. When engaging at the European level, especially lead firms, but also suppliers, can rely both on their close ties to national and regional officials and on the significance ascribed to them as public actors in their headquarter context.

Participation in EGs gives both lead firms and suppliers the possibility to structure regulatory developments within their sector, thereby securing their economic power. Their presence at the EU level becomes almost self-evident. Besides influencing legislation, they form the understanding of what is deemed possible, or which state powers are eventually activated. State powers with the potential to drastically threaten the position of the automotive industry, like for instance tough environmental measures or nationalization, thus seem less possible.

Conclusion

The research in this thesis has shed light on the interconnection between the position of large firms in specific sectors and their political representation by examining how sectoral governance dynamics link to participation in European Commission EGs. The overarching theme guiding the thesis was how economic power translates into access to policymaking. I asked: *How are inter-firm governance structures translated into representation of apparel and automotive firms in European Commission expert groups?* The starting point of the research was to link economic and political power on a conceptual level by combining the inter-firm government concept with the strategic-relational approach to the state. The theoretical framework was applied to two differing industrial sectors, the automotive and apparel sector, with the common terminology provided by the GVC approach. The sector mapping created the basis for an analysis of the EU transparency register and the EG register. In this way, I identified whether and how large firms from the two sectors participate at the EU level, both in terms of their general interest representation and their access to EGs. With insights from expert interviews, I explored the logics behind the patterns observed in the data analysis. By rephrasing the findings from the data analysis and expert interviews in the GVC terminology and incorporating the strategic-relational approach to the state, I generalized the results. In this way, the thesis adds to the understanding of large firms as political actors.

The research shows that inter-firm governance structures in specific sectors matter for the political representation of business interests. Governance dynamics translate into varying degrees of access to policymaking at the EU level. The differences between the two sectors also exist for the general EU-level representation of the two sectors, though slightly less pronounced. The producer-driven and more relational structure of the automotive sector explains the widespread participation of large firms from the industry in EGs. Major firms, both lead firms and suppliers produce in Europe, and therefore engage in the technical policy debates in the EGs. This ensures planning security and low costs in the long term. Their position as producers further means they are important employers in the region, increasing their potential leverage. Particularly striking is the extent of access to discussions on the preparation of policy on a wide range of issues. Due to their long-term engagement with EU-level policymaking, automotive firms have become trusted knowledge partners. Although large firms in producer-driven sectors also possess massive buyer power, their position as producers explains their participation in EGs. The lack of standardization in the sector makes close cooperation necessary for production. This results in relational governance structures, which spill over to the political sphere, and firms and associations work together to formulate

unified political positions. In some cases, automotive suppliers have different positions on technical developments than lead firms, and they therefore seek separate representation from lead firms. However, only the suppliers with substantial organizational independence and the necessary resources engage individually. Other suppliers are represented by associations.

The buyer-driven governance of the apparel sector renders EGs a less relevant channel of representation. Even though trade policy is very important for global apparel buyers, they do not engage in EGs on this topic because they see little need for intervention in the current developments in this field. Further, EGs do not provide brand visibility, which is an important aspect of apparel lobbying efforts. Suppliers in the sector do not produce in Europe, and therefore do not engage in EU policy making. This further entails that the EU does not formulate the technical regulations relevant for globalized apparel firms. Absence from the EU level is a characteristic of apparel firms with global scope. In contrast, smaller European manufactures engage in several EGs.

Importantly, inter-firm governance structures do not only affect direct firm activity at the EU level, but additionally influence whether and how firms organize in associations. This in turn impacts industry representation and access to consultation bodies. The consolidated automotive industry with close lead firm-supplier ties has strong associations, both at the national and EU levels, contributing to their overall EG access. The highly competitive and fragmented apparel sector has no clear EU-level association landscape. Consequently, the automotive sector becomes more politically visible than the apparel sector.

What do these findings contribute to the overall understanding of the link between economic power and political power in the form of access to policymaking? My main conclusion is that there is no such thing as a generic 'large firm' functioning as a political actor. Not only major societal fractions, like workers or consumer groups differ in their access to political platforms. There are also big variations between corporate actors regarding how their economic power expresses itself in political activity, in this case in Commission EGs. This goes beyond firm size and scope. Although all large transnational firms within GVCs are in the position to potentially participate in EGs, they do not necessarily do so. Firm size and economic weight do not translate in a linear way into lobbying resources and political participation.

Governance dynamics and firms' position and strategies in specific sectors impact the political action firms take, and their political activity must be considered a continuation of their governance of the chain, which is part of structuring and reproducing sectoral hierarchies. Firms actively engage in the construction and reproduction of the regulations and policies

structuring their sector, not only economically, but also politically, among others through EGs. However, the engagement differs according to governance structures. Governance dynamics evolve from a broader sectoral and societal context and shape not only economic activity, but also major firms' political interests and role. I do not contradict the findings by Bernhagen and Mitchell (2009) on the role of firm size. Of course, as powerful firms within their sectors, large firms will be more likely to gain access. However, the findings in this thesis explain differences among large firms related to sectoral governance structures. The governance dynamics – lead firm position, production knowledge, supplier independence, brand image – determine these patterns. This power interrelates with regional, national and local contexts. As in the case of German automotive firms in EGs, a certain correlation with headquarter location might exist, but concentrating solely on geographic dimensions obscures the view of underlying power structures. Inter-firm governance extends to the political sphere, and firms strategically engage in debates relevant to developments in their sector. Therefore, it becomes more difficult for EU-level policy measures to fundamentally challenge power relations within GVCs.

The central contribution of the thesis is a new perspective on factors determining firms' participation in the political field. On a conceptual level, the research expands the GVC concepts to include a critical account of the state and applies it to a novel research subject, namely EU interest group representation. This broadens the scope of inter-firm governance to also include political representation. Empirically, it contributes to the literature on societal determinants of interest group access to policymaking by providing a comparative analysis of sector governance. Future research can for instance utilize the conceptual framework to investigate access to other EU institutions or ties at the national level. By incorporating governance dynamics more systematically, future research can move beyond firm size and other directly observable attributes. My research further invites scrutiny of the role of firms from different sectors within a variety of policy fields. Investigating their impact on raw materials supply policy could for example be interesting. The role of buyers also deserves more attention. Although the thesis recognizes that buyer interests are represented by broader associations and a general EU bias towards liberal trade benefits them, this was not investigated systematically. If business friendly positions are deeply inscribed in EU institutions, apparel firms can simply benefit from the status quo and are therefore less visible. Such analysis requires an investigation of how the EU has benefited or challenged liberal trade regimes over time.

The methodological and conceptual limitations mark the boundaries of the explanatory power of the thesis. First, EGs are one specific formal channel of representation, relatively

technical, formal and permanent. The access to other formal and informal platforms of communication, like meetings with MEPs or stakeholder meetings might be determined by other factors. The patterns of representation at a national level might also differ. Understanding informal channels requires case study analysis and good contacts to access the necessary information. Second, the data analysis only looks at a snapshot of the transparency register and the expert group register, and the insights from the expert interviews were not comprehensive in respect to historical developments. Panel data would allow a better understanding of fluctuation in group membership and expert group creation across policy issues. However, such data is only available for the transparency register (lobbyfacts.eu) and not for the EG register. Third, the research looks at access and not influence or policy outcomes. Although it is methodologically challenging, the question of the actual influence of firm members in expert groups deserves increased attention. Such research can shed further light on firms' diverse functions as political actors. Understanding the particularities of corporate political activity is precondition for challenging it.

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Appendix

Table 13: List of interviewees

Name	Expert type	Organization
Au1	Union representative automotive	IndustriAll Europe Automotive
Au2	Industry representative automotive	ACEA
Au3	Industry representative automotive	Former VDA and German lead firms
Au4	Industry representative automotive	ACEA
Au5	Industry representative automotive	VDA EU
L1	Lobbyism expert automotive	LobbyControl
L2	Lobbyism expert automotive	Corporate Europe Observatory
L3	Consumer representative	ANEC
Ap1	Industry representative apparel	EBCA
Ap2	Industry representative apparel	FESI
Ap3	Union representative apparel	Former IndustriAll textile and apparel unionist
Ap4	Textile and Garment Industry	Clean Clothes Campaign Austria
Ap5	Union representative apparel	IndustriAll global textile and garments
Ap6	Union representative apparel	Austrian textile union

Table 14: Content analysis categories

General	Apparel	Automotive
Geography	Global division of labor	Manufacturer-supplier relation
Associations/Federations	Manufacturers	Outsourcing
Legislation type	Buyers	Inter-firm dependency
Competition	Retailers-brands	National regulation
Function - Firms/EGs	Lean retailing	Supranational regulation
	Fragmentation	Concentration/consolidation
	Regulatory tradition	Standardization
		HQ location
		Producer location