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THE EUROPEAN CAR LOBBY

A CRITICAL ANALYSIS
OF THE IMPACT OF
THE AUTOMOTIVE INDUSTRY

EN

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INTRODUCTION

The story of the European Union (EU) is often told as a tale of peace and economic prosperity. However, it can also be framed in terms of rapid growth in the transport sector, which is firmly in the grip of 'fossil capitalism'. The invention at the heart of this mobility model, which is causing widespread environmental destruction, is the internal combustion engine (Candeias et al. 2011; Balsmeyer/Knierim 2018; Haas 2018).

A glance at greenhouse gas balances makes this clear, as the transport sector was responsible for roughly 25% of EU-wide emissions in 2015. Although carmakers pledged to reduce their greenhouse gas emissions back in 1998, their voluntary commitment has had no effect on emissions. Consequently, the EU decided to impose a binding fleet target of 95 grams of CO₂ per kilometre by 2021. In late 2018, the EU agreed that emissions from new cars must fall by an average of 37.5% by 2030. This was a notable success for environmentalists. However, the decisions taken are still way behind the 2015 Paris climate agreement to restrict global warming to 1.5° Celsius.

Not only is growing traffic heating up the Earth's atmosphere, but the fine particulate matter and nitrogen oxide emitted by internal combustion engines is severely damaging human health. The diesel scandal showed that car companies manipulated the software in diesel vehicles to ensure that in laboratory tests their particulate and nitrogen emissions were a fraction of the levels found in actual road traffic. Whereas courts in the United States have made Volkswagen in particular pay out billions of dollars in compensation, so far politicians in the EU have handled the automotive industry with kid gloves.

Cars are continuing to emit huge quantities of toxic pollutants, and policymakers are taking no effective steps to stop them, largely because of carmakers' economic clout and powerful political lobbying. Volkswagen and other automotive manufacturers are among the most powerful businesses in the European Union. For decades now, they have maintained very close links with the EU institutions, exerting substantial influence on their policy. So far, carmakers have successfully blocked effective climate-related and environmental protective measures in the European transport sector.

However, they risk missing a major turning point. For years now, the importance of alternative forms of propulsion, like the batteries used by electric vehicles, new mobility services such as car sharing and the interconnection of various modes of transport has been growing. Today, even autonomous cars are being tested (PwC 2017-2018; Daum 2018). Companies like Tesla, Apple, Google and China's BYD are pioneers in taking these developments forward. And the long-established car companies are now also pumping billions of euros into new technologies. At the same time, they are trying to defend their traditional business model, based on the internal combustion engine, for as long as possible – so far relatively successfully.

Regardless of whether the big carmakers succeed in leveraging their lobbying power to perpetuate the status quo in their industry or whether we end up seeing large numbers of driverless electric cars on our roads in the not-too-distant future, neither scenario will meet the need for a socio-environmental transport revolution. This would require the replacement of the car by public transport, traffic avoidance measures and, last but not least, the transformation of residential areas and time regimes (Balsmeyer/Knierim 2018; MISEREOR/Brot für die Welt/Powershift 2018; Haas 2018). How can leftist political actors help to enforce ambitious limit values and hasten the demise of the internal combustion engine? Also, how can they prevent the transport revolution from being limited to smart and electric cars? The first prerequisite for achieving these goals is to analyse the huge lobbying power of automotive capital in the EU and devise strategies for breaking it apart.

A blurred night photograph of city lights, likely from a car or a moving camera. The lights are out of focus, creating a bokeh effect. There are several bright yellow and white lights, possibly streetlights or building lights, and some red lights, possibly traffic lights or car taillights. The background is a dark blue night sky.

**LOBBYING IN THE EU:
AN EXPRESSION
OF SOCIAL FORCES**

ALTER-EU, an alliance of organisations from civil society, uses the term “*corporate capture*” to describe the phenomenon whereby industry can strongly influence EU legislation for its own benefit (ALTER-EU 2018). We are not just talking here about occasional interventions, but rather about long-term, stable relations that have grown up between the EU institutions and capital’s representatives, the latter getting in on every phase of the political decision-making process: from setting the agenda to specific legislation and policy implementation. They are helped by the fact that EU legislation is often complex and the political processes involved are virtually impossible for the public to understand.

The figures corroborate this impression, for there are between 15,000 and 30,000 lobbyists operating in Brussels, which is equivalent to between 20 and 40 per member of the European Parliament (MEP). Only 12.5% of all these lobbyists represent the interests of dependent employees, human rights or the environment. The rest represent capital interests. Some 500 multinationals and around 1,500 business associations have offices in Brussels. Then there are also vast numbers of law and consulting firms, PR agencies and think tanks, most of them working for companies. This includes ‘*front groups*’, which claim to be neutral or even serve civil society, but are actually serving their clients’ lobbying interests (Eberhardt 2012). So has the whole EU been *hijacked* by business, as ALTER-EU suggests?

An understanding of the nature of the European Union is key to explaining automotive industry lobbying. The EU is a peculiar type of capitalist state. The influence of big business described above does not mean that companies are infiltrating and corrupting an intrinsically neutral, democratic EU that is devoted to serving the common good. Conversely, the notion that companies are pulling the strings of EU officials or that EU institutions and corporations have fused into some kind of single bloc is equally wide of the mark.

No, a more accurate understanding of the EU can be found in state theorist Nicos Poulantzas’s representation of the Union as a “condensate of class forces” (Poulantzas 2002). The interests of and clashes between social actors are crystallised in the EU institutions, making the Union a *coagulated form of social conflicts*. At the same time, in capitalism state institutions always have *relative autonomy* vis-à-vis individual interest groups.

They deal with social clashes in a specific way that systematically favours the interests of the dominant capital groups. The various forms that lobbying takes are a concrete expression of how social interests are taken on board in the EU's machinery.

The peculiarity of these institutions vis-à-vis the Member States is that they are less autonomous and even more *strategically selective* (Jessop 2010) in their dealings with dominant corporations. While capital groups have mainly established a foothold in the technocratic and democratically virtually uncontrollable executive bodies of the European Commission, other social interests tend to be represented in the relatively weak European Parliament (Eberhardt 2012).

Another characteristic of EU governance is that powerful actors readily switch between the local, regional, national and supranational levels when attempting to assert their interests. These EU traits are also reflected in transport policy.

INSTITUTIONS AND STAKEHOLDERS IN EUROPEAN TRANSPORT POLICY

Several commissioners and directorates-general (DGs) are responsible for transport policy in the European Commission. The main DGs in charge of this domain are:

- > DG Mobility and Transport (MOVE);
- > DG Internal Market, Industry, Entrepreneurship and SMEs (GROW);
- > DG Climate Action (CLIMA); and
- > DG Environment (ENV).

In the European Parliament, the Committee on Transport and Tourism (TRAN Committee) handles most transport policy issues. However, in many instances either the Committee on Environment, Public Health and Food Safety (ENVI Committee) or the Committee on Economic and Monetary Affairs (ECON Committee) takes the lead. In transport policy, the governments of EU Member States are usually represented by the Transport, Telecommunications and Energy (TTE) Council. However, it is not unusual for the Economic and Financial Affairs (Ecofin) Council or the Environment (ENVI) Council to deal with transport policy measures as well. Important decisions are usually made in a 'trilogue procedure', which entails a joint decision being reached by the Commission, Parliament and Council or the respective parts of these institutions responsible for the matter under consideration.

Transport policy clashes usually reflect the traditional fault line between industry lobbyists on one side and environmental and consumer protection organisations on the other. While the latter call for strict emission limit values and directives backed up by sanctions, the automotive industry favours predominantly voluntary commitments or maximally vague and unambitious limit values.

In terms of the sheer scale of their lobbying apparatus, capital's representatives have a clear advantage over environmental actors. Furthermore, a comparison of the automotive lobbies of major car-manufacturing countries reveals the clear dominance of German capital. The 10 biggest carmakers and automotive associations in Brussels employ around 70 lobbyists and spend €20 million a year. Half of this total, €10 million, stems from the German automotive industry alone, which employs around 50 of the 70 lobbyists (Katzemich 2018).

Moreover, the differences between European carmakers' long-term strategies are key to understanding how they behave in political conflicts: BMW, Daimler and Volkswagen are strongest in the premium car segment. They build particularly expensive, fast, heavy and therefore polluting cars. For this reason they want to slow down the transition to electric cars and maintain the market for their dirty, polluting diesel vehicles for as long as possible. By contrast, other countries are taking bolder steps towards post-fossil-fuel cars. Countries like Denmark, Belgium and the Netherlands have set national targets designed to outlaw sales of new cars with internal combustion engines within the next 10 to 20 years. The French government plans to end sales of new petrol and diesel cars by 2040, albeit in consultation with its carmakers (T&E 2018b).

- > The German Association of the Automotive Industry (VDA)¹ represents the interests of German carmakers (BMW, Daimler, VW and Opel) and suppliers (Bosch, Continental, ZF, etc.). In 2017, this association had a budget of €2.5 million just for its activities in Brussels. Given the German carmakers' area of specialisation as outlined above, the VDA adopts particularly reactionary positions.
- > The European Automobile Manufacturers Association (ACEA)², the umbrella organisation defending the interests of all carmakers in Europe, has an annual budget of over €2 million.

The environmental organisations facing this industry lobby have far fewer resources at their disposal. The main player operating in the transport sector is the umbrella NGO Transport & Environment (T&E)³, which has 53 member organisations and employs some 30 workers from right across the transport spectrum.

1 Verband der Automobilindustrie: www.vda.de/en

2 European Automobile Manufacturers' Association: www.acea.be

3 Transport & Environment: www.transportenvironment.org



**THE
POLITICAL-AUTOMOTIVE
INDUSTRY COMPLEX**

Over the decades, the automotive lobby has established close ties with the EU institutions (Bandelow / Kundolf / Lindloff 2014). The political clout of VW, Renault and others stems mainly from their economic importance. The automotive industry employs around 800,000 workers in Germany alone. And in many EU Member States, the automotive industry and its suppliers constitute a key domain of the economy. This economic clout explains why carmakers' lobbying is so successful (Katzemich 2018). There are various ways in which they exert influence and forge connections:

- > The most obvious lobbying tool involves, first and foremost, arranging *meetings* between representatives of the automotive industry and EU officials. The EU Transparency Register shows how many lobbyists from this sector have presented their demands to political decision-makers in the EU. Since the end of 2014, ACEA has had 91 meetings with European commissioners and directors-general. VW has held 60 such meetings. If we look at the 15 most politically active players in the automotive sector, the German car companies and the VDA had as many meetings as the other 10 players put together (Katzemich 2018). And that is just the tip of the lobbying iceberg, as this EU register only records meetings with top EU officials, not the many informal discussions with countless EU bureaucrats.
- > A peculiarity of the EU is that it closely involves economic actors in all its political processes. This is not only due to its fundamentally neoliberal orientation, but also because its relatively small number of European civil servants (around 32,000 in total) means it has to rely on external experts. To this end, it creates various *forums for long-term exchanges between specialists*. The most important of these are the Commission's 1,000 or so *expert groups*. At the start of a legislative process, their members thrash out a rough policy that is usually adopted by the Commission. These expert groups, in which social actors are also allowed to participate, are often dominated by capital's representatives (Eberhardt 2012).

ACEA is represented in 18 expert groups. In 2005, the Commissioner for Industry at the time, Günter Verheugen of the Social Democratic Party of Germany (SPD), and the then Chairman of the Board of Management of Volkswagen and President of ACEA, Bernd Pischetsrieder, set up a group called *CARS 21* (Competitive Automotive Regulatory System for the 21st Century). A look at its membership underscores the automo-

tive industry's dominance, with leading carmakers and their associations alone contributing seven members. On the EU side, they were joined by three commissioners and two industry-friendly MEPs and by individual ministers from countries with a strong automotive industry. Only two civil society organisations were represented. The stated aim of CARS 21 was to gear EU policies towards boosting the competitiveness of the European automotive industry (CEO/FoE Europe n. d.; Katzemich 2018).

Although the group's work officially ended in 2012, no sooner was it finished than successors appeared (first CARS 2020 and then GEAR 2030)⁴ that were almost indistinguishable from their predecessor. For instance, corporate interests account for 90% of GEAR 2030's 61 members (CEO 2017).

- > Just as the Commission has expert groups, the European Parliament has so-called *intergroups*, some of which are actually registered with this institution, while others are informal. What they all share is that they bring together lobbyists and MEPs from all the relevant parliamentary groups to ensure the closest possible contact between economic players and policymakers (Eberhardt 2012). The *Forum for Mobility and Society* (FMS) is considered a stronghold of the car lobby, but because it is one of the informal groups, not much is known about it. ACEA co-founded it, and BMW is one of its members. Five of the 10 MEPs in this forum also sit on the European Parliament's Committee on Transport and Tourism. They have repeatedly lobbied for EU policies to be amended to make them more manufacturer-friendly (CEO 2015).
- > *Personal ties* are another way of establishing long-term links between economic and state actors, being one of many mechanisms that maintain the informal and predominantly white-male ruling-class networks (Eberhardt 2012, 116). The *revolving-door phenomenon* describes how long-standing corporate functionaries often take on key public-sector roles in the state apparatus. Even more frequently, politicians switch to positions in industry after ending their term in office. This way, companies and associations buy valuable insider knowledge and direct access to the political system.

4 The abbreviation in GEAR 2030 stands for the 'High Level Group on the Competitiveness and Sustainable Growth of the Automotive Industry in the European Union'.

Before taking up their current roles, most of the German carmakers' leading lobbyists held positions of influence in either Germany or the EU. One of the best-known '*side switchers*' is Matthias Wissmann. In the 1990s, as Germany's transport minister under Chancellor Helmut Kohl, he was a cabinet colleague of Angela Merkel, who was then environment minister. Subsequently from 2007 to 2018, he served as President of the VDA. In that post, he repeatedly used his close relations with Chancellor Merkel to reduce the regulatory burden on German carmakers at both national and European levels (Greenpeace 2016, 7; Katzemich 2018).

- > A second form of personal ties entails politicians having *sideline jobs or dual roles*. Many eurocrats are consultants to or otherwise appear on the payroll of lobbying companies and leading corporate groups. Sigmar Gabriel (SPD) is a typical example of a *politician 'wearing two hats'*. When he was the Minister President of Lower Saxony (1999–2003), he was also a member of Volkswagen's Supervisory Board. And subsequently, when he was leader of the opposition in Lower Saxony's parliament, he set up a consulting firm called *Communication, Network, Service* (CoNeS). In that capacity VW paid him €130,000 for his consultancy services, and the then ACEA President Bernd Pischetsrieder tasked him with actively opposing the planned EU-wide exhaust gas limit values. In 2005, as the designated federal minister for the environment, he ensured that the new government adopted ACEA's position on regulating emissions (Greenpeace 2016, 30).

Environmental and consumer protection organisations are far less able to influence EU transport policy. Not only do they wield less political clout, but they also have far fewer resources available for lobbying. The NGO T&E was at least temporarily represented in the influential expert group CARS 21. There was nothing self-evident about this: often only corporate functionaries belong to these groups. NGOs then have to fight for a place at the lower table of lobbyists and bureaucrats by publicly scandalising their exclusion. To some extent they can leverage their public recognition to make up for their relatively weak lobbying power. If they can successfully plaster the machinations of the automotive industry across the media and publicise their own counter-expertise, they can exert pressure on the EU institutions.

Car lobbyists and environmentalists have different connections to the EU institutions, which practise *strategic selectivity* to benefit their preferred social actors. Every industry commissioner along with their directorate-general (GROW) has consistently backed the interests of automotive capital, whose extensive lobbying capability also gives it the flexibility to work on the other commissioners as well. By contrast, DG Environment (ENV) and DG Climate Action (CLIMA) tend to back the NGOs' position. Where motor vehicle regulation is concerned, the environment and industry commissioners are frequently at loggerheads.

A similar situation applies in the European Parliament, where the ECON Committee defends the car industry, while most members of the ENVI Committee take up the demands of environmental actors. For organisations like T&E, environmental policymakers are the most approachable interlocutors – even across parliamentary groups. The entities expressly responsible for transport policy (DG MOVE, the TRAN Committee and the TTE Council) do not play a major role in many of the clashes surrounding the automotive industry. As a rule, they play a less prominent role than their environmental and economic counterparts, but tend to take sides with the industry.



**LOBBYING IN ACTION:
THE CO₂ FLEET TARGETS**

The car lobby has many allies in the EU institutions and all kinds of ways of asserting their interests. This is clear from many clashes about the political regulation of the automotive industry. One of the most significant examples of such a conflict concerns CO₂ fleet targets, which set an upper limit on the average emissions of new vehicles sold by a car manufacturer. On the one hand, these targets are designed to make sure that internal combustion engines are more efficient, but they also impact how energetically electric vehicles and other alternative forms of propulsion should be marketed. The political wrangling about this shows how the automotive industry – and German manufacturers in particular – has repeatedly tried to weaken the targets and postpone their application, while environmental organisations and their interlocutors in the EU institutions have argued in favour of ambitious targets. A study by Felix Nowack and Benjamin Sternkopf (2015) sheds light on the lobbying clashes surrounding fleet targets up to 2014.

STRUGGLE FOR THE FIRST BINDING LIMIT VALUES (2007–2009)

Having declared the carmakers' voluntary commitment a failure in early 2007, the European Commission announced its new strategy of introducing a binding Regulation. The fact that in its statement the Commission explicitly referred to a 2006 report by CARS 21 (see above) already indicated the thrust of its future draft Regulation. The car lobby had the advantage of very early, direct access to the commissioners, who duly fell back on the automotive industry's *expertise* when assessing the Regulation's impact. By contrast, the environmental lobby was given no opportunity to help set the agenda. Finally, in December 2007, the Commission presented its proposal for a Regulation, which while making minor concessions to environmentalists, largely took the line adopted by the capital side.

However, after this the previously closely allied European car industry broke ranks and ACEA lost its unifying force, as this Regulation would have hit the German manufacturers focussing on the premium car segment much harder than their French and Italian competitors. Along with the VDA, they resorted to in-house lobbying of the German federal government, drawing on their close ties with Chancellor Angela Merkel, Environment Minister Sigmar Gabriel and Transport Minister Wolfgang Tiefensee, who publicly stepped into the breach to defend the carmakers. Gabriel accused the Commission of waging a war of competition between German carmakers and their French and Italian counterparts (Tagesschau.de 2007).

A bilateral summit in June 2008 saw a showdown between the main protagonists, Germany and France. The German side managed to secure major concessions for its car industry. Through the European Parliament's ENVI Committee, environmental NGOs tried to prevent any further dilution of the Regulation. However, the committee failed to achieve its objective in the subsequent trilogue procedure, and Regulation 443/2009 of 23 April 2009 bore an unmistakably German hallmark. Under this Regulation, new cars would only be allowed to emit an average of 130 grams of CO₂ per kilometre by 2015, dropping to 95 grams by 2020 (the so-called '2020 target'). In addition, each company was assigned its own fleet target, which depended on the average weight of their new vehicles. Manufacturers of heavier cars were rewarded by being allowed to emit more greenhouse gases. While the environmental organisations agreed with the targets, their battle against a series of loopholes and for stricter implementation turned out to have been in vain. Neither target proved very challenging for most carmakers. The measure did not provide any incentives beyond pursuing technological development in the business-as-usual scenario.

LOBBYING BATTLE OVER THE SETTING OF SPECIFIC TARGETS (2012–2014)

In Regulation 443/2009, the Commission undertook to present a proposal by the end of 2012 specifying how the 2020 target should be implemented in practice. In the dispute over this, the structurally conditioned *imbalance in competitive relations* between the automotive and environmental lobbies persisted (Nowack / Sternkopf 2015, 52). Not only was the Commission's proposal preceded by another CARS 21 strategy paper pointing to the way forward; the top German lobbyists invoked their allies in the German and European state apparatus to undermine the impact of the Regulation.

After confidential lobbying discussions, officials from the German Federal Ministry for Economic Affairs turned to their boss, Philipp Rösler of the Free Democratic Party (FDP), who in turn got in touch with his compatriot, European Commissioner for Energy Günther Oettinger of the Christian Democratic Union of Germany (CDU). At the same time, on 5 July 2012 Volkswagen CEO Martin Winterkorn wrote to Oettinger, who forced European Commissioner for Climate Action Connie Hedegaard to make concessions to the automotive industry (Greenpeace, 2016, 24). Likewise, Fiat CEO Sergio Marchionne successfully made Antonio Tajani, the Italian who was EU Commissioner for Industry at the time, aware of the car industry's concerns. As a consequence, on 11 July the Commission adopted a

watered-down draft amended Regulation. A day later, Oettinger wrote back to Winterkorn reporting 'mission accomplished' (Gammelin / Cáceres / Bigalke 2015). Subsequent public criticism prompted VDA President Matthias Wissmann to leap to Oettinger's defence. No wonder, since both form part of Germany's so-called *Andean Pact*, an 'old boys' network' within the CDU (Greenpeace 2016, 24).

When EU representatives announced agreement in the trilogue procedure on 24 June, this again triggered frenetic activity among the German conglomerates, who successfully activated an important ally in Bavarian Minister President Horst Seehofer, who immediately rang Chancellor Merkel. VDA President Matthias Wissmann also wrote her a letter asking for help. This had the desired effect, with the German Chancellery calling the other governments over the following days. The compromise adopted by the European Council of Ministers on 27 June was expected to be a formality. But Merkel persuaded Irish Taoiseach Enda Kenny, as the head of government of the country holding the rotating presidency of the European Council, to take the issue off the agenda (Brühl 2013; Lamparter / Pinzler / Tatje 2013; Greenpeace 2016, 19). Since the financial crisis, the Republic of Ireland has depended on German loan guarantees. A few months later, BMW acknowledged its gratitude by making a generous donation to the CDU. Not until 29 November was a new compromise reached, which was officially adopted in February 2014. Among other things, the 2020 target was postponed until 2021 (T&E 2018a).

THE THIRD ACT: THE COMMISSION'S DRAFT FOR THE 2030 TARGETS

In 2017, the European Commission presented a new proposal on how to organise the fleet targets for 2025 and 2030. According to T&E, in 2030 new vehicles would have to emit at least 60% less CO₂ than in 2021 to meet the commitments made in the Paris climate agreement. Jos Delbeke, the Director-General of the European Union's DG CLIMA, promised T&E that the Commission would include a fixed quota of *zero-emission cars* in the Regulation (T&E 2017). Apart from that, the draft Regulation again had the VDA's influence written all over it, especially the setting of a target percentage, as opposed to an absolute figure, for 2030. The VDA deemed 20% the maximum feasible. But the threat of an electric car quota was a major headache for these powerful lobbyists.

Since Chancellor Merkel was busy with negotiations to form a coalition government, on 26 October 2017 VDA President Matthias Wissmann rang Martin Selmayr, the chief of staff of European Commission President Jean-Claude Juncker. His

aim? To prevent the EU from penalising those carmakers that did not meet the quota for electric vehicles. At the same time, the relevant German ministries contacted Günther Oettinger, now the budget commissioner, who once again tried to influence the action taken by his fellow commissioners' departments. Foreign Minister Sigmar Gabriel, too, made sure he put pressure on Juncker. In the end, the Commission dropped the fixed quota for battery-powered cars. However, the Germans failed to get rid of the interim target for 2025 (Becker / Schult / Traufetter 2017; Götze 2017; Hucko 2017).

On 8 November 2017, the commissioners presented their proposal, whereby new cars manufactured by each company were to emit an average of 15% less CO₂ by 2025 and 30% less by 2030. Moreover, by 2025, 15% of their car sales were to be low-emission vehicles (electric or alternative-drive cars), with this figure rising to 30% by 2030. Instead of banking on penalties, the Commission now opted for policy incentives (Spiegel Online 2017). While environmental organisations like T&E were disappointed with the draft Regulation, carmakers were thrilled with their early Christmas present.

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF MINISTERS' RESPONSE TO THE 2030 TARGETS

New hope arose in the European Parliament, where ENVI Committee Rapporteur Miriam Dalli (Malta) took up the environmental organisations' demands. Despite intensive lobbying by the industry, on 10 September she managed to secure majority support for a series of ambitious goals at a meeting of the ENVI Committee (Morgan 2018). On 3 October, the European Parliament largely took up the proposals made by its environment committee, deciding that European carmakers should cut their new cars' CO₂ emissions by 20% by 2025, and by 40% by 2030. Low- and zero-emission vehicles should account for 20% of new vehicles by 2025 and 35% by 2030. Last but not least, unlike the Commission, Parliament decided to impose painful penalties on those manufacturers that failed to meet the quotas (Spiegel Online 2018b). When the VDA and ACEA said this could spell the end of the European automotive industry, the Commission duly leapt to their defence, warning of the consequences of the ENVI Committee's proposal. In contrast, consumer protection and environmental organisations like T&E welcomed Parliament's decision, albeit however stressing that even the measures it contained would not suffice to meet the targets set by the Paris climate agreement (T&E 2018e).

The ball was now in the European Council's court. Differences between the long-term strategies adopted by the Member States' governments meant some diplomatic horse-trading behind the scenes in the weeks leading up to the Council meeting. Some wanted to cling on to the internal combustion engine for as long as possible, but others were taking resolute steps to embrace electric cars. Very soon, clear battle lines emerged. On one side, car-manufacturing countries like France, Italy and Spain led a group of 19 Member States in advocating a reasonably ambitious 2030 target of at least 40%, bolstering Parliament's position. On the opposing side, Germany headed up a group of countries including Romania, Bulgaria, Hungary, Slovakia and the Czech Republic, who rejected this objective, zeroing in on the Commission's 30% target instead. Again the German Chancellery called various countries in a bid to prise them away from the opposing group (T&E 2018d, Zeit Online 2018a). T&E's Julia Poliscanova aptly warned: "We shouldn't allow Germany to hold an entire continent to ransom over its failed diesel strategy." (T&E 2018e)

In the meantime, Environment Minister Svenja Schulze (SPD) had broken ranks with Germany's dogged stance, even calling for a 50% reduction by 2030. However, automotive industry representatives stepped in and Merkel called Schulze back into line. On 25 September, at an annual gathering of German industry (*Tag der Deutschen Industrie*) organised by the *Federation of German Industries* (BDI), she came out very clearly in favour of the Commission's car-friendly position. After facing criticism from within her own ranks, the dismayed Schulze was forced to make a Uturn (Spiegel Online 2018a; Traufetter 2018).

Before the decisive Council meeting on 9 October, she publicly stated that she was defending Germany's position out of a sense of cabinet collective responsibility. Her influence on the 14hour marathon meeting that ensued was only minimal anyway. As the meeting proceeded, the Chancellery phoned the other governments, ultimately just managing to force through its car-friendly stance. In the end, it was Austrian Environment Minister Elisabeth Köstinger who tipped the scales in Germany's favour. Austria held the rotating presidency of the European Council at that time. Köstinger wrested a compromise of 35% in 2030 – including a series of exceptions that further dilute the target (Pieper 2018). This compromise set a target of 15% to be reached by 2025 and stipulated that low- and zero-emission vehicles should account for 30% of car sales by 2030, albeit with no penalties imposed on companies that missed this target (Kafsack 2018).

Ultimately, on 17 December, after 27-hour marathon negotiations in the trilogue procedure, the Commission, Parliament and Council of Ministers settled on a compromise: CO₂ emissions were to be cut by 15% by 2025, rising to 37.5% by 2030. The proportion of low- and zero-emission vehicles was to reach 15% by 2025 and 35% by 2030. However, the EU not only desisted from setting a system of penalties for this electric car quota, it also left a number of loopholes open (T&E 2018f; Zeit Online 2018b). Last but not least, in recent years carmakers have been shown to have manipulated test results, with actual emission levels being 42% higher than those reported. Although the Commission introduced the more stringent *World Light Duty Test Procedure* (WLTP) in September 2017, just a year later it emerged that manufacturers can cheat here too, which could substantially weaken the practical effect of the new limit values (T&E 2018c).

All in all, though, the adopted arrangement can be deemed a success for the environmentalists, at least for now, even though it must not be forgotten that it still falls well short of the Paris climate goals. Whereas car manufacturers need to produce significantly more electric cars, doing so will not stop global climate change in its tracks.

LOBBYING POWER IS PREVENTING A TRANSPORT REVOLUTION

Automotive capital's economic clout and political lobbying constitutes a major obstacle to a socio-environmental transport revolution in Europe. To an even greater extent than at Member State level, the car lobby has a direct line to the EU's corridors of power, as demonstrated by the years of wrangling over CO₂ fleet targets. By regularly oiling the wheels of power in the EU institutions, dominating expert groups like CARS 21 and drawing on close personal ties between lobbyists and eurocrats, time and time again the carmakers and automotive associations have managed to force through low CO₂ limit values and weaken legislation or put paid to overly ambitious draft Regulations.

So far this has enabled vehicle manufacturers to make sure that any new stipulations are so toothless that they are spared any serious efforts beyond pursuing the technological innovations they were already working on. In contrast to that, environmental and consumer protection organisations are having a hard time. Nevertheless, they can still notch up occasional successes by using public criticism and lobbying to help ensure that CO₂ targets are gradually tightened up.

The recent agreement on targets for 2025 and 2030 can certainly be viewed as a partial victory for the environmental lobby, proving that carmakers' clout is not unlimited.

A second focus of conflict in the negotiations on CO₂ limit values arises from the willingness of various EU Member States to impose stricter requirements, among other reasons because their car manufacturers have a competitive edge with respect to low-emission vehicles, but also because they are geared towards a faster switch to electric cars. After all, the climate crisis is more and more widely regarded as a problem that needs to be tackled.

Meanwhile, Germany's car companies and federal government, being intent on continuing to churn out their polluting – but profitable – gas guzzlers for as long as possible, are working all out to prevent any ambitious targets from being set. Unfortunately, these German manufacturers dominate the European car lobby, just as the German government dominates the EU.

Although (unusually) they did not succeed in imposing their will across the board where the latest limit values are concerned, their ability to slow down progress still carries sufficient clout to block an ambitious climate policy. For this reason, not only is EU transport policy continuing to fall a long way short of the Paris climate goals, a comprehensive transport revolution is being reduced to only a distant prospect.

A blurred night cityscape with a prominent blue rectangular light source in the upper center. The background is filled with out-of-focus lights in various colors, including yellow, orange, and red, suggesting a busy urban environment at night. The overall effect is a sense of motion and modernity.

**STRATEGIES
FOR A SOCIO-
ENVIRONMENTAL
TRANSPORT
REVOLUTION**

So what strategy could break automotive capital's stranglehold at EU level and help bring about such a comprehensive transport revolution? Which actors would implement this strategy? Leftist parties and movements should take on a dual role and therefore deploy a two-pronged strategy. Firstly, they must help to undo fossil capitalism's dominance of the transport sector, and secondly they must strive beyond green capitalism⁵ in the form of promoting electric cars.

The most pressing challenge is to lower vehicles' emissions of greenhouse gases and pollutants as soon as possible. This makes phasing out the internal combustion engine the top priority. To achieve this, pragmatic support must be offered to those social actors committed to ambitious fleet targets and a quick switchover to electric vehicles. In a nutshell, this means the main task is to undermine the position of German automotive capital and its political facilitators so that they are no longer in a position to block political progress at EU level. There are several arguments in favour of this strategy. If the resistance of the most backward-looking corporations can be broken, this would have the broadest material impact and the greatest symbolic significance. Furthermore, it is the most effective way of scandalising the business model and lobbying practices of Volkswagen, Daimler and BMW.

At the same time, leftist actors, such as grassroots environmental movements, should call the new green capitalist vision into question and point out its blind spots. Above all, this means fighting the dominance of the car itself, including electric, autonomous and networked vehicles. That would also be the best way of protecting moderate transport policy organisations, for the history of social movements shows that it often takes radical opposition by one group to enable others to successfully implement pragmatic reforms (Müller 2006). A third alternative is to advocate a major transport revolution, based on a large-scale expansion of universally affordable public transport, provided by various, intelligently interconnected traffic operators. Moreover, the infrastructure for pedestrians and cyclists needs to be significantly developed, in order to reduce private car use, because in this model it would play only a marginal role. Such a development would also invariably necessitate changes to rural and urban residential structures and ways in which people organise their working time

5 Green capitalism would re-energise the crisis-hit capitalist society with its general focus on environmental modernisation in all areas of society. This may open up new areas for investment and tackle capitalism's hegemony crisis. However, it would not eliminate the root causes of the socio-environmental crisis.

and private lives. Conversion and Just Transition approaches would have to be devised for the many employees still directly or indirectly dependent on cars today (Candeias et al. 2011).

The two-pronged strategy mentioned above needs to embrace a multi-level approach. The critical work of NGOs such as T&E, Corporate Europe Observatory and their ilk is essential to counterbalance automotive capital and induce a better attitude from the industry towards EU Regulations. Scandalising its lobbying practices is a useful way of bringing this about, not with a view to restoring the EU's supposed neutrality and focus on serving the common good, but to push back hard against the car lobby in the hotly contested domain of EU legislative business. To this end, the key footholds of environmental actors in the EU apparatus (see above) will ultimately have to be consolidated, because the EU as a whole needs to be made more democratic, by increasing the role played by the European Parliament. After all, democratic structures offer actors from broad civil society the best way of expressing their views, while automotive capital continues to benefit from the EU's opaque executive body (Candeias / Demirović 2017).

However, this will require extensive pressure from below. Precisely because of the EU's large-scale *strategic selectivity*, the battle can hardly be won there alone. The efforts made in Brussels will remain a fruitless task unless they are underpinned by a broad-based movement advocating a transport revolution at various levels. Throughout Europe, there are already many indications of the beginnings of such a movement: these range from initiatives like *Volksentscheid Fahrrad*, pushing for a referendum on bicycle use in Berlin, to the campaign against the privatisation of Germany's state-owned railway operator (*Deutsche Bahn*), and confrontational movements opposing major infrastructure projects, such as the planned major airport at *Notre-Dame-des-Landes* in France and additional runways for airports in Vienna, London and Frankfurt. There are also some encouraging municipal transport projects, like the infrastructure for bicycle users built in Copenhagen and Amsterdam, the plans to introduce free public transport in Luxembourg and the campaign to make central Madrid a car-free zone. Indeed, there are heaps of initiatives promoting an urban transport revolution, many of them prompted by grassroots activists.

That said, so far these initiatives have been more of a piecemeal patchwork than a coherent mosaic. So what is needed is a more confrontational, action-oriented movement that creates a focal point, a game changer. This movement would have to act from a relative outsider position, which is precisely what would

enable it to move the goalposts. It would set out to seriously delegitimise the corporations and their product, the car, and then go on to attack their material power base. Only when cars have become as much of a social anathema as cigarettes can carmakers' lobbying power be diminished (Aljets / Müller 2018).

The climate justice movement can serve as a role model in this regard, because in recent years in many parts of Europe it has successfully established action groups that will last and are internationally networked. Their civil disobedience actions target specific regional production sites associated with climate change, such as coal-fired power plants, open-cast mines and gas pipelines. Such tactics have enabled these action groups to strongly politicise energy policy and make a Europe-wide impact from the grassroots level (Sander 2016).

This is why civil disobedience actions are also needed regarding transport policy. If a transport-revolution movement succeeded in bundling its forces at lower levels, bringing conflicts to a head and creating broad visibility, it could have a similar impact at EU level. Along with Brussels NGOs, this basis and social backing could succeed in effectively weakening the car industry's lobbying power and paving the way for a socio-environmental transport revolution.

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