Unity and conflict: Explaining financial industry lobbying success in European Union public consultations — Source link

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Published on: 01 Jul 2020 - Regulation & Governance (John Wiley & Sons, Ltd)

Topics: European union, Financial regulation, Position (finance) and Financial services

DOI:
10.1111/rego.12231

Document Version
Peer reviewed version

Citation for published version (APA):
Chalmers, A. (2020). Unity and conflict: Explaining financial industry lobbying success in European Union public consultations. *Regulation & Governance*, *14*(3), 391-408. https://doi.org/10.1111/rego.12231

Unity and Conflict:

Explaining Financial Industry Lobbying Success in European Union Public Consultations

Abstract

This article examines the contingent nature of financial industry lobbying power in the context of the policy formation stage of six European Commission regulatory proposals. I argue that lobbying success is a function of how well finance is able to speak with a unified voice. Building on existing studies, I examine industry unity as explicit preference alignment between actors but also in terms of actors abstaining from stating preferences. Staying silent on an issue sends signals to policymakers about issue saliency and industry support. Using a novel dataset derived from document coding and interviews, I examine the impact of industry unity on lobbying success in shaping six financial regulatory proposals in the context of the European Union. My findings show that lobbying success is partially contingent on the extent to which finance is united behind a common position. Critically, however, lobbying success is also related to the nature of that position, whether supporting the proposal or whether in favor of strengthening or weakening regulatory stringency.

Key words

Financial regulation; financial industry lobbying; European Union; lobbying success

How powerful is the financial services industry? To what extent does financial industry lobbying shape financial regulation? Despite increased scholarly attention following the global financial crisis, existing research has made only limited headway into answering these questions. Part of the problem is that scholars find themselves faced with a key puzzle, at once attributing overwhelming lobbying power to financial firms (Baker 2010; Igan, Mishra, and Tressel 2009; Johnson and Kwak 2010) but also finding that lobbying efforts are very frequently ineffective (Goldbach 2015; Kastner 2015; Pagliari and Young 2014; Young 2012). In many cases even the wealthiest firms with the greatest lobbying firepower lose lobbying battles and operate under regulatory rules that do not necessarily reflect their ideal preferences. Indeed, one of the central insights of post-crisis research is that financial industry lobbying success is highly circumscribed, limited, and contingent (Helleiner and Pagliari 2011, 170; McKeen-Edwards and Porter 2013, 8f; Young 2012, 663).

The aim of this analysis is to shed light on this puzzle by generating a comprehensive empirical account of how financial industry lobbying influences financial regulation. My argument is that financial industry lobbying success is a function of industry unity. In short, the chances of lobbying success increase when finance is able to speak with a single voice. Industry unity sends signals to decision-makers about where the bulk of support lies for a given policy option, reduces policy uncertainties, and adds legitimacy to policy decisions. While the 'strength in unity hypothesis' is common in existing research on the political role and power of business (Dahl 1958; Holyoke 2011; Smith 2000; Useem 1984), it is largely ignored in studies of financial lobbying. Instead, most scholars tend to treat finance as a single homogenous group with preferences that are already aligned (Helleiner and Pagliari 2011, 179; for example see Drezner 2007; Frangakis 2009; Singer 2004). The scant research that does look into unity in financial lobbying, notably Young and Pagliari (2017), remains largely descriptive and does not attempt to link these factors to lobbying success.

This article tests the 'strength in unity hypothesis' in terms of the ability of financial firms to work together within the context of their lobbying associations (i.e., UK Finance or the International Swaps and Derivatives Association). Critically, these associations are tasked with moderating conflict among their members, facilitating consensus policy positions, aligning members' preferences, and representing the industry during lobbying battles. I argue that associations therefore act as a *focal point of lobbying unity and conflict*, and success in lobbying is related to how effective associations are in fulfilling this central task.

A further advance made in this analysis is to how industry unity is conceptualized and measured. Existing studies use a blunt measure of unity based on aligned and opposing preferences: unity obtains when two or more actors share the same regulatory preferences (Bunea 2015; Selling 2016; Young and Pagliari 2017).[1] This approach only captures part of the story. I argue that there are different degrees of unity and conflict. Associations and their members can explicitly express preferences that align or oppose. However, members and associations also have the ability to strategically abstain from stating preferences on an issue. Doing so, I argue, sends different signals about industry unity and conflict. One of the aims of this analysis to examine how these different patterns of unity and conflict relate to lobbying success and, in particular, how they help explain the highly contingent nature of financial industry lobbying power.

The empirical focus of this analysis is financial industry lobbying success in the context of the European Union (EU), and in particular the policy formation stage of six critical pieces of EU financial regulation that have come to form the backbone of the EU's post-crisis financial regulatory architecture. The EU serves as an ideal case for this analysis in that these regulatory reforms occurred across different dimensions of financial industry lobbying (banking, insurance, and securities) and over a relatively short time period (2008 to 2011). The basis of this analysis is approximately 900 comment letters sent to the European Commission by financial industry actors (as well as a broad range of interest groups from other sectors) in the context of large scale stakeholder consultations. These letters serve as the starting point for measuring industry unity and conflict, and, when examined alongside finalized legislation, give us a measure of lobbying success. Data is supplemented by additional coding on interest groups and their characteristics as well as interviews from 48 financial industry organizations.

Statistical analyses present several key findings. First, I find that lobbying success is rare. While there is evidence of intense financial industry lobbying across all six regulatory proposals, the vast majority of lobbying efforts end in failure. Second, I find some evidence that unity is linked to success. Specifically, explicit industry conflict significantly diminishes the chances of success. Third, and most importantly, I find that the impact of unity on success is contingent on an organization's specific lobbying position. Industry unity is most powerful when lobbying demands favor a more stringent regulatory approach relative to what is being proposed by decisionmakers. When firms stay silent on an issue and let their associations lobby on their behalf, success is most likely when lobbying demands support the regulatory proposal. Finally, lobbying demands for less stringency rarely lead to lobbying success. The one exception, however, is when firms lobby alone on an issue and their associations remain silent. My findings shed light on the contingent nature of financial industry lobbying power and paint a more nuanced picture of when finance wins and loses its lobbying battles.

Explaining Financial Industry Lobbying Power

There is a rich and growing literature on how the financial industry achieves success through its lobbying efforts. Much of this has developed within the context of so-called regulatory capture – when industry actors write industry regulation (see Carpenter and Moss 2014). Scholars tend to highlight three main determinants of success.[2] First, the organizational characteristics of an interest group or firm reflect its lobbying firepower. This involves non-permanent characteristics, like financial resources, staff, or expertise, as well as permanent characteristics, like the type of interests or causes represented by the group (business interests, consumer interests, labor interests, citizen interests) (see Klüver 2013, 13f) . Resources not only translate into forceful lobbying strategies, but give lobbyists an 'informational edge' in the sense of marshalling highly sought after expert and technical information that policymakers need in order to reduce uncertainties about policy outcomes (Griffith-Jones and Persaud, 2008, Helleiner and Porter, 2009, Lall, 2011, Young, 2012). While empirical analyses show mixed results, the general rule of thumb is that more resources equate to more power

(Baker 2010; Johnson and Kwak 2010; Porter 2009; Underhill, Blom, and Mügge 2010).[3] Second, the institutional characteristics of the venue being lobbied moderate the raw lobbying firepower expressed through resources. Central to this argument is the pluralist assumption that, when given equal opportunities, a broad range of interests will seek to weigh in on regulatory outcomes (Mügge, 2011, Mattli and Woods, 2009). Lobbying processes that are institutionally 'open' to a diverse range of interests tend to be less susceptible to undue lobbying influence than those that are accessible only by a small number of private-sector actors (on this same point, see Chalmers 2015; Mattli and Woods 2009; Pagliari and Young 2014). Opening the door to a greater range of interests also translates into more competition among interest groups. Increased competition, whether across different types of groups or between groups within a specific industry, also has the related effect of diminishing the lobbying power of any one group (Mügge 2006; Salisbury 1992; Schattschnedier 1975). Third, the nature of the issue being lobbied is also an important determinant of lobbying success. Some issues are highly salient among the public and are less prone to undue influence, whereas other issues fly under the public's radar. Highly salient issues can limit lobbying success and mitigate the conditions for regulatory capture insofar as salience brings lobbying into the light of day (holding decision-makers to account for policy choices) and also mobilizes a broader range of interests (Chalmers 2015; Culpepper 2011; Woll 2013).

Accounting for organizational, institutional, and issue characteristics paints a compelling picture of financial industry lobbying success. Nevertheless, an important determinant of success is still missing, namely how finance can work together by coordinating lobbying efforts. While there is a broad consensus in the larger interest group literature that interest groups' ability to work together is the key to lobbying success (Beyers and Braun 2014; Heclo 1978; Heinz et al. 1993; Hojnacki 1997; Hula 1999; Klüver 2013; Mahoney and Baumgartner 2015; Sabatier 1988), this point is still largely overlooked by those focusing on financial industry lobbying (Helleiner and Pagliari 2011, 179). Part of the problem is the widespread treatment of the financial services industry as a single homogenous group whose preferences are assumed to already be aligned (e.g., Drezner 2007; Frangakis 2009, 102;

Singer 2007). Alternatively, scholars assume that financial industry lobbying is a 'lone-wolf' affair where the primary actors are large, wealthy, and internationally-active individual firms (Johnson and Kwak 2010; McKeen-Edwards and Porter 2013, 6).

Only recently have scholars of financial industry lobbying started to realize that these assumptions are largely untenable (Helleiner and Pagliari 2011, 170). Specifically, scholars have, for instance, mapped out patterns of coalition building among financial interest groups (Christopoulos and Quaglia 2009) and have tested assumptions about the ability of finance to generate a unified lobbying position (Young and Pagliari 2017). Scholars challenging the idea of finance as a homogenous group have also expanded their focus to a broader range of lobbying actors, like NGOs and consumer protection groups (Kastner 2015), a variety of private sector actors (Pagliari and Young 2014), as well as a variety of different types of financial industry actors (Chalmers 2015). Critically, scholars not only find that lobbying on financial regulation is a very diverse lobbying space, but also that there are 'sharp divisions […] among different part of the private finance sector' (Helleiner and Pagliari 2011, 179), splitting finance across its constituent parts -- banks, securities, and insurance -- but also across the regulation of specific financial instruments and in terms of both prudential and statutory regulation.

Associational Lobbying and Financial Industry Lobbying

My aim in this analysis is to build on these recent insights by testing the 'strength in unity hypothesis' in the case of financial industry lobbying. My starting point is how financial firms work together within the context of their lobbying associations.[4] Associations play a critical role in coordinating firms' lobbying activities, bringing together industry actors, and pooling financial and informational resources (Heclo 1978; Heinz et al. 2009; Hojnacki 1997; Klüver 2013; Mahoney 2008). Nowhere is this perhaps more important than in finance. Indeed, finance boasts a broad array of associations, ranging from national associations (representing the interests of firms to national governments, like the Association of German Banks or the French Federation of Insurance), to European associations (those mandated to represent firms' interests are the level of the EU, like the European Banking Federation) and international associations (those with an international remit like the Institute of International Finance). As McKeen-Edwards and Porter (2013, 3) point out, international finance is incredibly complex and '[f]or financial power to be consistently and extensively produced and deployed globally, coordination is needed, and for this [associations] are crucial'. It is therefore not surprising that associations are key actors in financial industry lobbying. For example, Chalmers (2017, 116), examining bank mobilization patterns in the Basel Committee on Banking Supervising, found that more than 50% of those lobbying where transnational or national financial associations.

Associations play a major role in industry unity. Among their central tasks is moderating conflict among members, aligning members' preferences, and speaking on behalf of the industry with a unified, single voice (Hollman 2017; Hula 1999, 26). Industry unity and conflict matter mainly because of the signals they send to policymakers. Interest group scholars have long recognized that policymakers look for signs and heuristics about the degree of support a particular policy issue might enjoy (Esterling 2005; Kingdon 1995; Mayhew 1974). Indeed, industry actors that are able to work together not only signal broad support for a policy or a specific policy issue (Berry 1989; Hojnacki 1997, 62; Mahoney 2008, 168f), but also signal that interests have 'worked out differences among themselves before approaching government officials' (Mahoney 2008, 169). Importantly, knowing that a policy enjoys widespread industry support also makes it easier for policymakers to justify policy choices either to constituents or other policymakers. Having industry support also gives greater 'legitimacy' to decision-making processes (Greenwood 2011; Wonka et al. 2010). Sending signals of industry support for a policy position is particularly useful in the context of European Union decision making. The European Commission (EC) has a long-standing preference for engaging with 'representative' groups and coalitions that speak with a unified voice (European Commission 2001, 2002). In fact, the Commission even provides funding and other support to create representative coalitions and networks, as was the case with anti-Tobacco groups (Boessen and Maarse 2009) and groups that lobby on EU social policy (Treib and Falkner 2009).

When association- and member-preferences are *aligned*, we should expect increased chances of regulations reflecting these preferences. By contrast, when associations and members have *opposing* preferences, the likelihood of lobbying success is diminished. These expectations are consistent with the 'strength in unity hypothesis' noted above. In an important sense, preference alignment and opposition can be conceived as existing on opposite ends of a single spectrum. While this is a powerful and parsimonious argument, and also consistent with recent work by Young and Pagliari (2017), Bunea (2015) and Selling (2017), it only gives a partial picture of industry unity and conflict. Crucially, within the context of associational lobbying, associations and members can also choose to remain silent on an issue, leaving either the association or the member to lobby alone. This decision to abstain is meaningful especially in terms of the signals it sends (either intentionally or unintentionally) to decision-makers. This is something not accounted for in other studies. A chief aim of this paper is to present a more nuanced way to conceptualize unity and conflict that occurs through associational lobbying and that accounts for the possibility of remaining silent on a specific issue. To this end, I propose an approach that includes *aligned* and *opposed* preferences, but also two additional categories capturing, (1) when *members* abstain from making their preferences known (what I call 'delegation'), and (4) when *associations* abstain from making their preferences known (what I call 'control').[5] Understanding how these four different categories translate into different signals of industry unity and conflict will give us a more compelling and comprehensive picture of how industry unity impacts lobbying success. In what follows I detail all four categories, drawing on insights from the existing literature as well as interviews conducted with association and firm representatives in the financial sector.[6]

Alignment is observed when both an association and a member lobby on the same issue at the same time and state the same policy preference. Importantly, alignment sees members deciding to engage in costly lobbying activities despite the fact that their association is already representing their interests and preferences. As such, alignment is a very explicit form of industry unity. By echoing the association's message, the member is amplifying the policy demand. Members may do so in order to ensure that the position is properly supported but also, and perhaps more importantly, to send a clear signal to decision-makers about the salience of the issue and the industry's unified position on the issue. Data gathered in interviews confirms these insights. Associations are 'incredibly important' for increasing lobbying firepower, not least because they help the industry 'speak with one voice'.[7] 'It's the best case scenario, getting our message in at the same time as the association […] it just really reinforces our position'.[8] Associations work hard to 'wrestle members who might have a problem with a policy [position]',[9] but the effort is worth is because 'it really communicates a strong position to [EU decision-makers] when we lobby together'[10]. Existing research also illustrates that members see 'association management' as a major lobbying responsibility. Firms routinely 'use associations as venues in which to create, shape, implement and – not least – to block political strategies' (Hart 2004, 50). To speak with a representative from CitiGroup, 'each year we set a goal of having our people on [association] boards' providing material incentives for the bank's inhouse lobbyists to do so. 'That way they can steer the ship […] then the association's preference are our preferences and we know that what they say will be the same as what we say.'

Opposition occurs when associations and members lobby on the same issue but explicitly state diverging preferences. Like alignment, opposition sees members taking up costly lobbying activities but stating preferences that differ from association preferences. As such, opposition reflects an explicit form of industry conflict and the failure of the association to moderate conflict among its membership. 'When it happens, we've failed', according to one association representative.[11] 'It does happen. It's rare. It's the nuclear option […] when our members fundamentally disagree on what they want' but are still inclined to engage in counter-active lobbying against the association.[12] For members, opposition is seen as slightly more routine: 'we have to protect our interests, and sometimes need to go against what our association says' on an issue.[13] 'If we have a clear point of view and it doesn't clearly line up with [our association] of course we will show up to represent our position'.[14] Existing research tends to support members' positions on opposition: it is not business conflict that is rare, but rather business unity. Using an example from Hart (2004: 49), '[a]lthough 'business' may want lower taxes, when real choices about who will pay how much get made, the united front tends to crumble'. Either way, opposition is detrimental to lobbying success not only because it diminishes the industry's ability to speak with a common voice, but because it clearly communicates a position of industry conflict to policymakers.

Delegation occurs when an association takes a position on an issue while the member stays silent. In not taking a position, the member has delegated the responsibility for representing their interests to the association. Members may stay silent for different reasons and hence can send different (and often mixed) signals about industry unity. First, delegation can be used when firms wish to avoid the public spotlight. As Hart (2004: 53) explains, private firms 'are more likely to face public skepticism about their legitimacy [compared to associations] and will tend therefore to use strategies and tactics that reduce their visibility'. Delegation can reflect free-riding of weaker members or those less capable of using associations as venues to create, shape, implement, and block political strategies. 'Of course, the big guys tend to get what they want', according to an association, 'when Deutsche or RBS are on the board [of an association] you can be sure that they are steering the ship'.[15] Equally, it can reflect a degree of conflict among members, with the preferences of powerful members being prioritized by the association over those of weaker members. Finally, members may also stay silent and let their associations lobby because the issue is of low importance to them. 'We'll let them run with it [when] the issue is not of critical importance to us'.[16] 'Our members often take a backseat on issues that are less important or where the outcome is secure'.[17] While alignment and opposition send clear signals about unity and conflict, delegation can send mixed signals to decision-makers, likely weakening any positive impact of perceived unity.

Control occurs when a member lobbies on an issue, but the association abstains. In this case, the member takes control of the lobbying process without the association, often because the association is unable to adequately moderate conflict and form a unified position on an issue. In this case, the association 'step[s] back from the issue when we cannot achieve a consensus, and let our members have their own voice'.[18] 'Most associations work by consensus, so there is a huge effort to try and bring everyone on board', but when that is not feasible and 'someone is really stamping their feet, they'll just let it go'.[19] Hence, the strategic decision of firms to engage in control is partly motivated by the fact that 'lobbying through an association almost by definition entails some form of interest accommodation among association members' (Gray, Lowery, and Wolak 2004, 19). Control not only returns a firm's lobbying autonomy, but allows it to state more extreme, less moderate, and more narrow lobbying preferences (Aizenberg and Hanegraaf 2017, 2). At the same time, however, control may result because the issue is simply not salient to all members. In this case, the absence of a consensus position is the result of low salience of the issue to all members rather than explicit conflict among members. 'We mainly focus our energy on issues that impact all our members' and 'take our foot off the gas for [issues] that are too specific to one or two members.'[20] As such, Control can signal conflict as well as some degree of unity – or at least the *absence* of explicit and observable conflict. Hence, like delegation, control also sends mixed signals to decision-makers, albeit with a slightly greater tendency toward conflict. Control therefore likely weakens any positive impact of perceived unity.

Table 1 summaries the four categories of conflict and unity, their specific signals to decision-makers, and their expected impact on lobbying success. The categories can be loosely ordered ranging from conflict and low odds of success, to unity and high odds of success. While we can make clear distinctions between Opposition and Alignment, it is more difficult to say something definitive for Control and Delegation with regard to success. Both send different types of mixed-signals of unity and conflict to decision makers, however, with important differences. Delegation sends mixed signals that can be interpreted as conflict or unity; Control sends signals of conflict as well as potentially the absence of conflict. Nevertheless, both Delegation and Control should increase the likelihood of lobbying success relative to Opposition.

[Table 1]

Data and Methodology

Examining industry unity requires studying how an association and their individual members lobby on the same specific issue. My unit of analysis is therefore the *association-member dyad* observed at the level of discrete policy issues. Data collection proceeded in several steps. First, I selected six European Commission legislative proposals aimed at regulating finance in the post-crisis period. The selection was based on including critical post-crisis legislation across various subsectors of finance (banking, insurance, and securities), and including proposals for which the Commission held a consultation. This approach allows us to establish a population of interest groups that lobbied on proposed EU legislation. Hence, we know the name and type of group that lobbied on each proposal as well as their precise lobbying demand for each issue of each proposal. It also allows us to match each issue in each EC proposal to its end result in finalized EU legislation. Table 2 presents an overview of proposals, number of issues per proposal, and matching final legislation used in this analysis.

[Table 2]

Mapping issues largely follows the EC's tendency to formulate consultation documents in terms of policy questions. This approach is consistent with other work examining stakeholder consultations in the EU (see Bunea and Ibenskas 2015, 433). In total, 78 discrete policy issues are examined, a complete list of which is presented in the appendix.[21] An important caveat to make here is that lobbying via consultations does not reflect the full range of lobbying activities in which financial industry groups are engaged. Indeed, interest groups very likely sought access to decision-makers in the EC through different, less visible means. Unfortunately, assessing lobbying that takes place behind closed doors is very difficult.[22] Nevertheless, assessing lobbying via consultations is now a well-established method used by a growing number of scholars (Broscheid and Coen 2007; Furlong 1997; Klüver 2013; McKay and Yackee 2007; Nixon, Howard, and DeWitt 2002; Pagliari and Young 2014; Rasmussen and Carroll 2014; Selling 2016; Spendzharova et al. 2016; Yackee and Yackee 2006).

Furthermore, the effects of the financial crisis have brought financial industry lobbying into the light of day. As Young (2013) compellingly demonstrates, in the post-crisis period financial lobbyists are more likely to target their lobbying efforts through formal, open channels, like public consultations. In other words, public consultations have become an important, viable, and necessary avenue for lobbying in the post-crisis period.

Next, I generated a list of association-member dyads for each policy issue for each consultation. Creating dyads entails several steps. First, I start with the full list of actors that lobbied on each of the six proposals. Second, I identified all associations in that list (N = 120). Third, I collected year-specific (2008-2011) membership lists for all of these associations. Some of these lists were found online but, in most cases, the individual association was contacted directly in order to obtain these lists. A total of 289 lists were obtained consisting of more than 33,000 individual members. Third, I compared these membership lists with all of the actors that lobbied on the same EC proposal. From this I created a list of association-member dyads for each proposal and on each issue: all instances where an association and member lobbied on the same specific issue. In total, 160 individual members are included in the data. Interestingly, of all the actors that lobbied on each issue on each proposal, only 2% did not form the basis of a dyad.[23] This gives purchase to the centrality and importance of associational lobbying at least at the level of the EU.

In what follows, I will provide details about how I operationalized (1) lobbying success, (2) alignment, opposition, delegation, and control, as well as (3) a number of control variables. Data for this analysis was derived from consultation documents, EU legislative documents, web-coding of the interest groups, data obtained from the EU's Transparency Register,[24] the *Orbis* database from Bureau van Dijk,[25] as well as 47 interviews with financial industry interest groups taking place in Brussels and London from May to July 2017.[26]

Measuring Lobbying Success

I define lobbying success in terms of 'preference attainment', or the extent to which an interest group's policy demands are reflected in policy outcomes.[27] This approach has been used with great success in a number of important recent publications and has become 'best practice' for measuring interest group success and influence (Klüver 2013; McKay and Yackee 2007; Yackee and Yackee 2006). Coding lobbying success proceeds in several steps. First, using a detailed codebook, lobbying demands where hand-coded for each issue as expressed in each interest groups' consultation letter. This is done by comparing lobbying demands to the EC's proposal for each issue in each consultation proposal. Each issue in each letter was coded according to four categories: 1 = the demand supports the EC proposal; 2 = the demand is for a less stringent approach compared to the proposal; 3 = the demand is for a more stringent approach compared to the proposal; and 4 = unable to code (the interest group weighs in on an issue, but the demand is ambiguous). As such, lobbying demands are assumed to exist within a unidimensional space defined by interest group preferences related to regulatory stringency. This approach facilitates measuring the success of these demands in shaping legislative outcomes (Dür, Bernhagen, and Marshall 2015). Importantly, most letters do not make demands on each issue (i.e., lobbyists can remain silent on an issue). These instances were coded as 'blank'.

In a second step, I linked each proposal issue to its appearance in the final legislative outcome, thereby comparing how the proposed issue was resolved in the final legislation. This was hand-coded in much the same way as lobbying demands using a modified codebook: 1 = the final legislative outcome reflects the EC's original proposal; 2 = the final legislative outcome is less stringent than the proposal; 3 = the final legislative outcome is more stringent than the proposal; and 4 = unable to code (the final proposal addresses the issue but is ambiguous).[28] *Lobbying Success* is therefore measured as the degree to which the legislative outcome for each issue 'matches' lobbying demands for the same issue. The final indicator for *Lobbying Success* is binary: 1 = a perfect match between lobbying demand and final outcome; 0 = no match between demand and final outcome. Importantly, since I am working from association-member dyads, my data includes separate measures of success for both members and associations. When member and associations preferences are aligned these values are identical. However, when there is conflict between members and associations or when either the member or association stays silent on the issue, this value will be different. As such, I focus on success of members (mostly financial industry firms), except in circumstances when firms strategically abstain from lobbying (Delegation), in which case I will use the measure of success for associations.

Measuring Industry Unity and Conflict

I conceive of unity and conflict in terms of four categories: *Alignment, Opposition, Delegation, and Control*. To code these four categories I used the list of association-member dyads detailed above and directly compared the policy demands of associations and their members on each discrete policy issue. As discussed above, lobbying demands can support the EC proposal, demand less stringent regulation, support more stringent regulation, or be ambiguous. As such, there are different association-member combinations that comprise the four categories of unity and conflict. These combinations are detailed in Table 3. I have excluded all demands that were coded as 'ambiguous'.

[Table 3]

Using these data, I then created four separate dummy variables for *Alignment* (combining codes 1-3), *Opposition* (codes 4-9), *Delegation* (codes 10-12)[29], and *Control* (codes 13-15). It is important to note that *Delegation* does not include the many instances where associations' members fail to lobby *at all* on a regulatory proposal. Rather, Delegation only occurs when a member lobbies on a proposal but not on an issue in that proposal. Hence, members delegate to their associations per issue.

Control Variables

I include several control variables drawn from the broader literature explaining lobbying success. First, I include a measure of the resources that an interest group can marshal for a lobbying battle. Generally, greater lobbying resources translate into better policy monitoring, research, and campaign preparation, as well as more intensive campaigns. Resources are measured in two ways. First, for associations, resources are measured in terms of *Association staff*, or the total number of staff the association has engaged in lobbying activities. Staff numbers were gathered through web-coding, interviews, and from the European Union's Transparency Register. For firms, resources are measured in terms of *Total Firm Assets* expressed in USD/millions for the year of each proposal. Data were gathered from *Orbis*.

Second, I include an indicator for *Issue salience*, or the amount of news media and public attention given to specific legislative proposals. Proposals that receive a great deal of news media and public attention tend draw a broader range of actors to policymaking processes, curb undue lobbying pressures on decision-makers and hence diminish the odds of lobbying success (Baker 2010; Culpepper 2011; Woll 2013). *Issues salience* is measured as the amount of news media coverage given to each EC proposal for six months prior to the end date of the consultation to the end of the consultation period. A Boolean search logic was used in Factiva that combined the complete title of the proposed legislation as well as relevant key words derived from the proposal.[30]

Third, *Polarization* captures the extent to which lobbying demands on a specific issue are highly concentrated (i.e., most demands are for less stringency) or highly divided (demands are equally made for less and more stringency, as well as for supporting the EC proposal). Higher levels of polarization are generally thought to decrease the chances of lobbying success. Calculating *Polarization* takes the percentage of demands for more stringency, less stringency, and support for the EC proposal and transforms these into a single measure of how divided or concentrated demands are. To this end I generated a Herfindahl-Hirschman index, a common way to measuring concentration and dispersion, that ranges from values between 0 (where demands are extremely divided and hence polarization is high) to 1 (where demands are extremely concentrated and hence where polarization is low).

Fourth, I include a control variable for associations' *Representative mandate*. Existing studies show important differences among national associations and European associations both in terms of membership and typical lobbying targets (Bouwen 2004; Greenwood 2011). National associations, like the Association of British Insurers, primarily represent the interests of members from a single country but can lobby at the domestic, European, and international levels. For Bouwen (2002; 2004), national associations, by virtue of their wealth of information about the so-called 'national encompassing interest', tend to lobby the Council of Ministers and are therefore less likely to lobbying the EC during the policy proposal stage. European associations, like the European Banking Federation, typically represent members from more than one European country and lobby the EU institutions. These associations have a better sense of the so-called European encompassing interests and would be more likely to lobby the EC at the proposal stage of legislation (Bouwen 2004). To control for these differences, I include the variable *Representative mandate* that codes associations as 1 = national, and 2 = European. I also add a third category 3 = international association.

Fifth, I also consider whether or not associations and firms have their own lobbying offices in Brussels. Having an office makes lobbying in the EU easier and often correlates with better ties with EU policymakers. Web-coding was used to generate a binary variable for *Brussels office*.

Finally, I included a series of dummy variables for the three main sectors of financial service provision (*Banks*, *Insurance*, and *Securities*) as well as a catch-all category for actors not involved in financial service provision (*Non-finance*). Doing so required coding each association and firm in terms of their specific sector of economic activity. To this end, I use the well-established method of coding according to the International Standard Industrial Classification Scheme (ISIC rev.4), a United Nations system for classifying diverse economic-sector activities (Beyers et al. 2014; Chalmers 2015, 2017; Pagliari and Young 2014; Young and Pagliari 2017).

Descriptive statistics for all of the indicators discussed above can be found in the online appendix. Tests for multi-collinearity showed no issues with any of our variables.

Analysis

This analysis examines the impact of industry unity on lobbying success in the context of EC public consultations. My dependent variable, *Lobbying Success,* takes two categories and hence a standard logistic regression analysis is used. Since my the data has a multilevel structure with explanatory variables at the consultation level, I cluster the standard errors by consultation (Jayatillake, Sooriyarachchi, and Senarathna 2011). Before presenting regression results, it is helpful to examine some descriptive statistics. Figure 1 illustrates the frequency of lobbying success organized by consultation and the type of financial activities in which different interests are primarily involved (banking, insurance, securities, or non-financial industry actors). Within the context of banking regulations (consultations 1 and 2), the data suggest a great deal of bank lobbying, but only about 5-10% of demands are successful. Indeed, banks lose about 80 to 90% of the time. The relative proportion of winning to losing is somewhat more balanced in the context of insurance regulation and securities regulation. However, losing stills dominates. Only in the case of MiFID II do we see banks' lobbying demands ending in success significantly more often than failure. Additionally, we can see that some types of interests are more successful than others. Specifically, the actors most directly targeted by proposed regulation rarely are most successful in shaping that same regulation. For example, when it comes to securities markets regulation like MiFID II, securities actors are far less successful than banks. For Solvency II, we see intense and relatively successful lobbying by insurance companies but also by banks and securities markets actors. This finding supports Helleiner and Pagliari's (2011, 179) observation that firms operating in a particular sector are also involved in lobbying on regulation in another sector. In an important sense, these findings give support to one of the central premises of this analysis, namely that treating finance as a homogenous group will only give us a distorted picture of the lobbying power of the financial industry. What is more, non-financial industry actors seem to have little to no lobbying success regardless of the nature of the proposal financial regulation. In short, the data suggest that lobbying success is, on balance, a rare event. Losing lobbying battles is far more routine than winning.

[Figure 1]

Returning to the regression analysis, Figure 2 plots coefficients and confidence intervals for four regression models corresponding to *Alignment, Opposition, Control,* and *Delegation*. Full regression tables are available in the appendix.

[Figure 2]

Results in Figure 2 provide considerable support for the 'strength in unity hypothesis', especially as it relates to *Opposition*. Specifically, there is a strong, negative correlation between *Opposition* and success. As expected, firms that lobby in direct conflict with their associations will be hard pressed to have their preferences reflected in policy outcomes. At the same time, however, *Alignment* does not appear to be a strong predictor of success. While alignment is a costly lobbying strategy, seeing firms echoing their associations' preferences in an effort to enhance them, it does not seem to lead to better odds of success. This finding challenges the lobbying truism that 'more is better' (Eising 2007; Potters and van Winden 1992), and the idea that an *en masse* repetition or echoing of preferences bolsters a specific lobbying position (Furlong 1997; Golden 1998; Nixon, Howard, and DeWitt 2002).

The results for both *Delegation* and *Control* reflect the fact that both categories should, at best, send mixed signals of unity to decision-makers, and at worst, signal some degree of industry conflict. However, it appears that signals of unity, or for Control the absence of explicit conflict, are more clearly communicated in these strategies. First, the results for *Delegation*, when members let their associations lobby on their behalf, do seem to be good predictors of lobbying success. One explanation might be that associations lobbying in the absence of their members are more likely interpreted as the association speaking *for* members and less a reflection of conflict among members. Additionally, EC decision-makers are already notoriously understaffed and pressed for time. Associations speaking for their members would, in a pragmatic sense, reduce the number of voices in a given lobbying battle. It is also worthwhile to note that *Delegation* is considered by many associations to be their raison d'être. To speak with an association representative interviewed for this project, *Delegation* is an opportunity for associations to demonstrate their value-added. It's 'our default position […] What our members expect us to do for them'.[31] 'Most of what we do is [*Delegation*]' and it 'shows our members that we bring something to the table'.[32]

Second, the results for *Control* suggest that financial firms lobbying solo is a strong predictor of success. While Control does not send strong signals of unity to decision makers, it can reflect the absence of conflict among industry actors. This finding give some support to the general strength in unity hypothesis, although from a slightly different angle: in this instance, success is more likely in the absence of explicit conflict. Importantly, these findings also give some purchase to a growing literature on the primacy of firm lobbying (Aizenberg and Hanegraaf 2017; Berkhout et al. 2017). Control sees associations stepping back from an issue, either due to an inability to form a consensus position on an issue or an unwillingness (perhaps due to low salience on the issue) to do so. Either way, firms are not disadvantaged when this happens. Instead, firms do not need to give up their specific policy preferences in order to achieve success.

Taken together, the results paint a clear picture that conflict diminishes the chances of lobbying success. Less clear, however, is the impact of unity on success. Linkages between unity and conflict and lobbying success can be further illuminated when we consider the nature of the lobbying demand being made. Figure 3 plots marginal effects of *Alignment*, *Delegation*, and *Control* differentiating between demands for less stringent regulation, more stringent regulation, and support for the proposed level of stringency. Corresponding regression models can be found in the appendix. *Opposition* cannot be included here since it inherently implies conflicting lobbying demands.

[Figure 3]

There are stark and interesting differences across the three categories. While our main regression results showed that *Alignment* is not a strong predictor of success, we can see in Figure 3 that there are important differences depending on the nature of the lobbying demand. Specifically, success is far more likely when members and associations lobby for more stringent regulation and, to a lesser extent, in support of the EC proposal. By contrast, they have very low odds of success when they demand less stringent regulation. For *Delegation*, success is most likely when the demand supports the EC proposal, while other types of lobbying demands have lower chances of resulting in lobbying success. Finally, for *Control*, success is most likely when the demand is for less stringent regulation. In fact, the odds increase by about 45% when we compare lobbying in support of the EC and demanding less stringent regulation. Findings for *Delegation* and *Control* lend support to existing studies that find the associational lobbying often results in lobbying preferences that are more moderate than lobbying solo. For *Delegation*, the moderate preference could very well be to support the EC, and the result is an increased chance of success. For *Control*, however, firms take the more extreme position of lobbying for less stringency.

In addition to shedding light on the strength in unity hypothesis, my results regarding several control variables also speak to broader debates about financial industry lobbying success. First, results for *Polarization* and *Issue salience* support findings in existing studies. Consistent across all regression models, I find that interests that stand relatively unopposed on an issue and lobby on issues that fly under the radar of the news media and the general public have significantly better chances of seeing their preferences reflected in policy outcomes (for a competing view see Keller 2018). By contrast, my results for *Resources* challenge the assumption that more resources should lead to more success. In fact, in all of my regression models, I find that resources are negatively correlated with lobbying success. It is important to note, however, that both my proxies for resources (firm's total assets and associations staff) do not directly measure the actual mobilization of resources for specific lobbying campaigns. Indeed, as Hart (2004: 53) shows, firms' '[g]overnment affairs functions receive only a tiny fraction of corporate revenues, but in a crisis, the hierarchy can divert funds to match virtually any challenge" (53). In short, a definitive picture for the impact of resources on lobbying success requires more precise data.

Taken together, my findings challenge research suggesting that post-crisis regulatory reforms are 'just business as usual', with financial industry actors exercising undue influence over financial regulation in the EU and elsewhere (Chalmers 2017; Engelen and Froud 2011; Johnson and Kwak 2010; Lall 2011; Lutton 2011; Mügge 2011). This is not to say that financial industry lobbying was toothless. Instead, my analysis presents strong evidence that lobbying success was rare in the post-crisis period and, perhaps more importantly, contingent on industry unity and the nature of the lobbying demand. Indeed, when lobbying is successful, the demand is very rarely for less stringent regulation. This findings support Woll's (2013, 556) important observation that 'less regulation is not the only economic interest financial firms can defend' as well as recent insights into the complex nature of regulatory capture (Carpenter and Moss 2014). Lobbying demands that support EC proposals or those supporting even greater regulatory stringency are more likely to shape legislative outcomes. Additionally, increased public salience and a more crowded and diverse lobbying space seems to have circumscribed lobbying success, factors also identified in contributions from Kastner (2015), Buckley and Howarth (2011), and Chalmers (2015).

Conclusions

Building on the 'strength in unity' hypothesis, this study has advanced a conceptualization of industry unity that captures actors strategically abstaining from making their policy preferences known. Drawing on a unique dataset of lobbying activity on six EU financial regulations as well as interviews, I find some support for my main argument that industry unity increases the odds of lobbying success. Critically, I find considerable evidence the industry conflict substantially reduces the odds of finance winning their lobbying battles.

This analysis has also contributed to recent debates about the contingent nature of financial industry lobbying success. In fact, the results presented above show that financial industry actors, regardless of their substantial financial resources, find themselves rather hard pressed to see their ideal preferences reflected in policy outcomes. In fact, lobbying success is rare. This is something that is relatively consistent for different types of lobbyists as well as with respect to banking, insurance, and securities regulation. On balance, when lobbyists are successful, it is more likely to be when they lobby to support the proposed regulation or when they lobby for more stringent regulation. By contrast, lobbying for less stringent regulation dramatically reduces the odds of success. Only when members lobby solo (Control) do we see success for demands for less stringent regulation. In general, while unity and conflict impact the odds of success, this impact is contingent on the nature of the lobbying demand. These findings challenge the idea that financial lobbying power is not diminished in the post-crisis and instead supports recent research illustrating the more circumscribed nature of financial industry lobbying.

Importantly, my results are specific to financial industry lobbying success in the context of post-crisis regulatory reforms in the EU and via EU public consultations. First, financial industry lobbying differs from lobbying in other sectors. This is especially the case due to the uniquely technical nature of financial regulation and the typically low salience it is accorded by the general public. Second, while decision makers receive signals about unity and conflict through the behavior of industry actors, how they respond to these signals is likely also informed by other factors, like issue salience. In light of these differences, future research could work toward further establishing the external validity of my findings. This can also be done with the context of financial industry lobbying itself. For instance, do we see the same effects for industry unity in different lobbying contexts (like the Basel Committee on Banking Supervision, the International Organization of Securities Commissions, or the International Association of Insurance Supervisors), in different time periods, on a wider array of financial regulatory issues (especially including real-estate), and via different lobbying avenues (e.g., direct forms of lobbying). Within the context of the EU, future research could examine how interest groups influence the agenda-setting stage for new regulatory proposals. Equally, it could also examine the extent to which influence is exercised through the European Parliament and the

Council. A case study approach focusing specifically on each individual regulation would be one way to approach these questions.

There are several additional ways forward for future research. First, future research could provide a more comprehensive assessment of the influence of non-financial industry actors over financial regulation. This analysis suggests that success might be very uncommon for these actors, but not entirely absent. Further, this analysis does not distinguish between private-sector and NGO actors in this category. How do large multinational firms compare to smaller firms or NGOs? Indeed, we know, following Keller (2018, 304), that business interests were instrumental in shaping a provision for SME lending in the new CRDIV. Finally, this analysis centered on the insight that lobbying success is largely a function of working together. However, I have exclusively focused on associational lobbying. This occludes how firms exercise influence through their network ties. Future research could explore these options and in particular how network structures that link financial industry actors together impact their lobbying success.

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Endnotes

[1] Bunea's (2015) study explores when and why associations and members express *identical* policy preferences over environmental policy outcomes at the level of the European Union. Bunea's objective, however, is to explain how position alignments over regulatory outcomes is related to explicit coordination between associations and their members.

[2] These explanations are specific to an instrumental view of power, which focuses on directly observable relationships of power between actors. Structural power and discursive power are not considered in this analysis (for an overview, see Hacker and Pierson 2002).

[3] For contrasting views about the impact of resources on lobbying success in the case of finance, see Igan et al. (2009) and Lall (2012). See also Baumgartner et al. (2009, 194), who find 'no smoking gun' linking resources to lobbying power.

[4] Note that some associations have members that are themselves associations, as in the case of federations. However, for the purposes of this study I only consider members that are individual firms.

[5] These categories where partially derived from Coen, Grant, and Wilson (2010) and Klüver (2013, 28f) who discuss, albeit in a slightly different context, strategies of 'delegation, insurance, and sophistication'.

[6] I would like to thank the reviewers for their advice in fully developing these categories.

[7] CitiGroup (Interview 27.7.2017)

[8] Santander (Interview 15.7.2017)

[9] Association of Mutual Insurers and Insurance Cooperatives in Europe (AMICE) (Interview 23.6.2017)

[10] Invest Europe (Interview 10.7.2017)

[11] European Savings and Retail Banking Group (ESRB) (Interview 22.6.2017)

[12] European Association for Investors in Non-Listed Real Estate Vehicles (INREV) (Interview 23.6.2017)

[13] Santander (Interview 15.7.7)

[14] HSBC (Interview 30.6.2017)

[15] Association of Financial Markets in Europe (AFME) (Interview 10.7.2017).

[16] CitiGroup (Interview 27.7.2017)

[17] European Financial Services Roundtable (Interview 22.6.2017)

[18] Association of British Insurers (ABI) (Interview 19.7.2017)

[19] CitiGroup (Interview 27.7.2017)

[20] European Savings and Retail Banking Group (Interview 22.6.2017)

[21] For practical reasons, this mainly includes issues that could be coded in terms of more or less stringency. Open questions, for instances, were excluded. A full list of issues is presented in the appendix.

[22] One option would be to try to elite this type of data through surveys. This was the approach of Marshall and Bernhagen (2017).

[23] This primarily includes national banks, national regulatory authorities, EU regulatory authorities, as well as non-finance related actors like news media and consultancy firms.

[24] http://ec.europa.eu/transparencyregister/public/consultation/search.do?locale=en&reset=

[25] https://www.bvdinfo.com/en-gb/our-products/data/international/orbis

[26] A full list of firms and associations and firms that were interviewed for this project can be found in the appendix.

[27] For an overview of alternative ways to measure lobbying success and influence see Dür (2008).

[28] Inter-coder reliability tests (which saw three coders implementing the same coding procedures on a sample of the dataset) resulted in a Krippendorf's alpha coefficient of 0.88, well within an acceptable range for reliability.

[29] Delegation *does not* include the many instances where associations' members fail to lobby at all on a regulatory proposal. Rather, Delegation only occurs when a member lobbies on a proposal but not on an issue in that proposal. Hence, members delegate to their associations per issue. I would like to thank the reviewers for pointing out this important distinction.

[30] Search Term By Consultation: **Consultation 1**: capital requirements directive AND (through-the cycle OR residential mortgages OR discretion national option OR bank branch accounts directive); **Consultation 2**:"capital requirements directive" AND ("liquidity standards" OR "definition of capital" OR "leverage ratio" or "counterparty credit risk" OR "countercyclical measures" OR "systemically important financial institutions" OR "single rule book"); **Consultation 3**: solvency rules AND ("IORP directive" OR "risk-based supervision" OR "Solvency II"); **Consultation 4**: "level 2" and "Solvency Ⅱ"; **Consultation 5**: hedge fund AND ("systemic risks" OR "market efficiency" OR "transparency"); **Consultation 6**: revision of MiFID AND ("transparency" OR "improvements").

[31] European Banking Federation (Interview 19.6.2017)

[32] International Swaps and Derivatives Association (ISDA) (Interview 10.7.2017)

Table 1. Four Categories of Conflict and Unity

	Category	Description	Signal	Expected Impact on Lobbying Success
Conflict	Opposition	Association and member disagree, both lobby	Strong signals of industry conflict	Very low
	Control	Member lobbies alone, association abstains	Mixed signals of industry conflict and the absence of conflict.	Low
Unity	Delegation	Association lobbies alone, member abstains	Mixed signals of industry unity and conflict	Low
	Alignment	Association and member agree, both lobby	Strong signals of industry unity	High

Table 2: Legislative Proposals and Final Legislation

	Sector	Proposal	Number of Issues	Final Legislation
1	Banking	Public Consultation regarding further possible changes to the Capital Requirements Directive ('CRD'). (2009)	14	Capital Requirements Regulation No. 575/2013 (**CRR**) and Capital Requirements Directive (**CRDIV**) 2013/36/EU
2	Banking	Public consultation regarding further possible changes to the Capital Requirement Directive ('CRD') (2010)	5	Capital Requirements Regulation No. 575/2013 (**CRR**) and Capital Requirements Directive (**CRDIV**) 2013/36/EU
3	Insurance	Harmonisation of solvency rules applicable to Institutions for Occupational Retirement Provision (IORPs). (2008)	8	Institutions for Occupational Retirement Provision (**IORP II**) Directive 2016/2341
4	Insurance	Consultation on the Level 2 implementing measures for Directive 2009/138/EC on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II) (2011)	22	Commission Delegated Regulation 2015/35 on the taking-up and pursuit of the business of Insurance and Reinsurance (**Solvency II**) / Solvency II Implementing Measures
5	Securities	Public consultation on Hedge Funds (2009)	7	Directive 2011/61/EU on Alternative Investment Fund Managers (**AIFMD**)
6	Securities	Consultation on the review of the Markets in Financial Instruments Directive (MiFID) (2011)	22	Markets in Financial Instruments Directive 2014/65/EU (**MiFID II**), Markets in Financial Instruments Regulation (EU) No 600/2014 (MiFIR)

Table 3: Coding of Alignment, Delegation, Control, and Opposition

Unity / Conflict	**Code**	**Association demand / Member demand ***	**Description**
Alignment	1	1 / 1	Association and Member agree with EC proposal
	2	2 / 2	Association and Member demand less stringency
	3	3 / 3	Association and Member demand more stringency
Opposition	4	1 / 2	Association agrees with EC / Member demands less stringency
	5	1 / 3	Association agrees with EC / Member demands more stringency
	6	2 / 1	Association demands less stringency / Member agrees with EU
	7	3 / 1	Association demands more stringency / Member agrees with EC
	8	2 / 3	Association demand less stringency / Member demand more stringency
	9	3 / 2	Association demands more stringency / Member demands less stringency
Delegation	10	1 / Abstain	Association support EC proposal / Member abstains
	11	2 / Abstain	Association demands less stringency / Member abstains
	12	3 / Abstain	Association demands more stringency / Member abstains
Control	13	Abstain / 1	Association abstains / Member agrees with EC proposal
	14	Abstain / 2	Association abstains / Member demands less stringency
	15	Abstain / 3	Association abstains / Member demands more stringency

* Notes on ‘demand’ coding: 1 = Support EC proposal; 2 = Demand more stringency; 3 = Demand less stringency

Appendix for

"Unity and Conflict:
Explaining Financial Industry Lobbying Success in European Union Public Consultations"

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Table A1: List of Interviewees

1. Accountancy Europe
2. Actuarial Association of Europe (AAE)
3. Association of British Insurers
4. Association of Credit Card Issuers in Europe
5. Association of Financial Markets in Europe (AFME)
6. Association of German Banks
7. Association of Mutual insurers and Insurance cooperatives in Europe (AMICE)
8. Belgian Asset Managers Association (BEAMA)
9. Bundesverband Investment und Asset Management
10. Commercial Real Estate Finance Council Europe (CREFC)
11. Ecommerce Europe
12. ELTI: Club of Long Term Investors
13. European Association of Guarantee Institutions
14. European Association for Investors in Non-Listed Real Estate Vehicles (INREV)
15. European Association of CCP Clearing Houses
16. European Association of Cooperative Banks
17. European Banking Federation
18. European Federation of Building Societies
19. European Federation of Ethical and Alternative Banks
20. European Financial Services Roundtable
21. European Fund and Asset Management Association (EFAMA)
22. European Group of International Accounting Networks and Assoc. (EGIAN)
23. European Issuers
24. European Mortgage Federation - European Covered Bond Council
25. European Property Federation
26. European Public Real Estate Association (EPRA)
27. European Savings and Retail Banking Group
28. European Social Insurance Platform
29. Federation of European Security Exchanges (FESE)
30. Federation of Financial Advisers and Financial Intermediaries
31. Federation of the Dutch Pension Funds
32. Finance Denmark (formerly Danish Bankers Association)
33. French Federation of Insurance (FFA)
34. Futures and Options Associations (FIA)
35. Insurance Europe
36. International Swaps and Derivatives Association

37. Invest Europe
38. LeaseEurope
39. Polish Bankers Association
40. Social Economy Europe
41. HSBC Bank
42. Santander
43. Barclays Bank Plc
44. CitiGroup
45. Old Mu
46. Lloyd’s Bank Group
47. Aviva Plc
48. Alliance Trust

Table A2. Coding Lobbying Success

Success / Failure	Code	Demand	Outcome	Description
Success	1	1	1	Demand less stringency; outcome is less stringency
Success	1	2	2	Demand supports proposal; outcome is proposal
Success	1	3	3	Demand more stringency; outcome is more stringency
Failure	0	1	2	Demand EC proposal; outcome is less stringency
Failure	0	2	1	Demand less stringency; outcome is EC proposal
Failure	0	1	3	Demand EC proposal; outcome is more stringency
Failure	0	3	1	Demand more stringency; outcome is EC proposal
Failure	0	2	3	Demand less stringency; outcome is more stringency
Failure	0	3	2	Demand more stringency; outcome is less stringency

Table A3. Logistic Regression of Unity and Conflict on Lobbying Success

	(1) Baseline	(2) Opposition	(3) Control	(4) Delegation	(5) Alignment
Opposition		0.829**			
		(0.0495)			
Control			1.230***		
			(0.0630)		
Delegation				1.125*	
				(0.0564)	
Alignment					0.922
					(0.0516)
Control Variables					
Resources	0.957***	0.956***	0.956***	0.991***	0.957***
	(0.0124)	(0.0124)	(0.0124)	(0.00167)	(0.0124)
Issue salience	0.855***	0.858***	0.861***	0.907***	0.856***
	(0.0187)	(0.0188)	(0.0189)	(0.0188)	(0.0188)
Polarization	2.394***	2.186**	2.480***	6.034***	2.526***
	(0.620)	(0.570)	(0.643)	(1.563)	(0.660)
Representative mandate	0.945	0.943*	0.934*	0.950	0.942*
	(0.0275)	(0.0275)	(0.0274)	(0.0329)	(0.0275)
Brussels office	1.111	1.113	1.104	1.200***	1.107
	(0.0715)	(0.0716)	(0.0711)	(0.0657)	(0.0713)
Banking	2.164***	2.167***	2.153***	0.464***	2.158***
	(0.198)	(0.199)	(0.198)	(0.0267)	(0.198)
Insurance	0.439***	0.439***	0.435***	1.085	0.437***
	(0.0326)	(0.0327)	(0.0324)	(0.0802)	(0.0325)
Securities	2.082***	2.092***	2.069***	1.384***	2.072***
	(0.164)	(0.165)	(0.163)	(0.0902)	(0.164)
Non-finance	1.330	1.335*	1.318	0.591***	1.323
	(0.195)	(0.196)	(0.194)	(0.0814)	(0.195)
N	6588	6588	6588	7339	6588

Odds ratio; Clustered standard errors in parentheses
* p < 0.05, ** p < 0.01, *** p < 0.001

Table A4. Logistic Regression using ordinal unity and conflict indicators explaining lobbying success

	(2) Control	(3) Delegation	(4) Alignment
Control			
Less stringency	Reference		
Support EC proposal	0.118***		
	(0.0111)		
More stringency	0.527***		
	(0.0976)		
Delegation			
Less stringency		Reference	
Support EC proposal		7.680***	
		(0.689)	
More stringency		1.280	
		(0.297)	
Alignment			
Less stringency			Reference
Support EC proposal			5.841***
			(0.665)
More stringency			14.88***
			(4.938)
Control Variables			
Resources	0.966	0.995	1.086**
	(0.0227)	(0.00285)	(0.0288)
Issue salience	0.895*	0.927	0.726***
	(0.0421)	(0.0518)	(0.0407)
Polarization	38.51***	7.014***	3.342*
	(17.25)	(3.208)	(1.679)
Representative mandate	0.944	0.942	1.055
	(0.0439)	(0.0560)	(0.0662)
Brussels office	1.041	1.273*	0.934
	(0.114)	(0.123)	(0.122)
Banking	1.746***	0.541***	1.161
	(0.278)	(0.0557)	(0.220)
Insurance	0.459***	0.975	0.496***
	(0.0589)	(0.132)	(0.0765)
Securities	1.734***	1.237	2.239***
	(0.229)	(0.145)	(0.370)
Non-finance	2.340***	0.353***	1.132
	(0.564)	(0.0773)	(0.356)
N	3000	3113	1987

Odds ratio; Clustered standard errors in parentheses;
$* p < 0.05$, $** p < 0.01$, $*** p < 0.001$

Table A5: Descriptive Statistics

Variable	**Mean**	**Std. Dev.**	**Min**	**Max**
Lobbying Success	.48	.49	0	1
Opposition	.12	.32	0	1
Control	.23	.42	0	1
Delegation	.21	.41	0	1
Alignment	.14	.35	0	1
Polarization	0.5	0.1	0.32	0.89
Issue salience	3.2	1.1	2.77	7.96
Staff (assoc.)	12.7	15.2	1	72
Firm total assets (ln)	18.4	3.5	3.40	21.66
Representative mandate	1.82	.89	1	3
Brussels office	.54	.49	0	1
Banking	.52	.49	0	1
Insurance	.17	.38	0	1
Securities	.52	.49	0	1
Non-finance	.08	.28	0	1

Table A6. List of Issues per Consultation Proposal

Consultation 1: POSSIBLE FURTHER CHANGES TO THE CAPITAL REQUIREMENTS DIRECTIVE		
Issue #	Question / Issue topic	Coding Rules
1	The Commission services suggest that the through-the-cycle value adjustment should not count as regulatory capital (see ANNEX 1, suggested amendment to Article 57). Do you agree?	1 = supports proposal that through-the-cycle adjustment <u>should not</u> count as 'regulatory capital' 2 = supports less stringent approach; through-the-cycle adjustment <u>should</u> count as regulatory capital; concerns with only covering 'unexpected losses' (not expected losses) 3 = supports more stringent approach; e.g., in addition to through-the-cycle adjustment, doing more to cover '<u>expected</u>' losses 4 = cannot be determined
2	Should off-balance sheet items be captured under the formula for through-the-cycle expected loss provisioning, given that 'provisions' for off-balance sheet items are not recognised in all relevant accounting standards? Should only assets subject to an impairment test be subject to through-the-cycle expected loss provisioning? (See ANNEX 1, suggested Article 74a (2).)	1 = supports proposal; capture on-balance sheet items (e.g., loans) and off-balance sheet items 1 = supports proposal; capture on-balance sheet items (e.g., loans) and off-balance sheet items which are subject to provision according to the relevant accounting standards (e.g., guarantees) 2 = supports less stringent approach; only capture on-balance sheet items 3 = supports more stringent approach; proposal of more stringent option(s) 4 = cannot be determined
3	At this point, the suggestion is not to include the option for competent authorities to allow internal methods to determine expected losses across an economic cycle. As an alternative to the regulatory approach to calculate	1 = supports proposal; firms should not be allowed use <u>internal methods</u>

	counter-cyclical factors, would it be desirable to allow firms' internal methodologies (to be validated by supervisors)?	2 = supports less stringent approach; firms should be allowed to use <u>internal methods</u> (i.e., bottom up approach); yes, it would be desirable to allow firms to use internal methods 3 = supports more stringent approach; 4 = cannot be determined
4	Should the exposure class of Article 86 (i.e. for credit institutions subject to the IRB approach) be used irrespective of the fact that the credit institution may be under the Standardised approach?	1 = supports proposal; use exposure class of Art. 86 irrespective that credit institution is under Standardized approach 2 = N/A 3 = N/A 4 = cannot be determined
5	Please give your views on the following approaches: 1) the Spanish model of through-the-cycle expected loss provisioning; 2) a 'simplified' Spanish model.	1 = Supports proposal; supports the simplified Spanish model 2 = N/A 3 = N/A 4 = Cannot be determined
6	Should new risk categories (as suggested above) be introduced along the lines of the Spanish system or, alternatively, should the current risk categories of the CRD (e.g. credit quality steps in Annex VI) be used?	1 = supports proposal; use 'Spanish model' risk categories 2 = supports less stringent approach; use current risk categories of CRD 3 = N/A 4 = cannot be determined
7	Is the 'location of the borrower' (as opposed to the booking of the exposure) the right approach, with a view to avoiding regulatory arbitrage? (See ANNEX 1, suggested Annex IXb 2.)	1 = supports proposal; location of borrower is right approach 2 = N/A 3 = N/A 4 = cannot be determined
8	Please give your views on the scope of disclosure requirements for through-the-cycle expected loss provisioning. (See ANNEX 1, suggested amendment to Annex XII (17).)	1 = Supports scope of disclosure proposed by the Commission 2 = Supports less stringent approach; ie. The exposures and risk categories should not be disclosed, only the overall level of provisions, the disclosures shouldn't have to be in a common format, shouldn't have to be published

		3 = Supports more stringent approach; ie. The calculations used should be disclosed, the disclosures should be made available on the institution’s website, the disclosures should be externally audited 4 = Cannot be determined
9	Do you consider that the risk weights suggested will be effective in discouraging unsafe practices and irresponsible lending in foreign currency denominated housing loans?	1 = supports proposal; yes, they will be effective 2 = supports less stringent approach; no, the will not be effective; they are too high; unsafe practices and irresponsible lending exaggerated. 3 = supports more stringent approach; no, the will not be effective; they are too low 4 = cannot be determined
10	Do you consider a loan to value ratio of 50% or less is sufficient objective evidence that the borrower has sufficient private wealth to withstand currency movements and potentially correlated movements in property prices?	1 = Supports the proposal; agrees that the LTV ratio is sufficient 2 = Supports less stringent regulation; the LTV ratio/threshold should be higher 3 = Supports more stringent regulation; the LTV ratio should be lower 4 = Cannot be determined
11	Is this suggested scope of maximum harmonisation in 2006/48/EC and 2006/49/EC appropriate?	1 = supports proposal; eliminate third part of 2006/48/EC and 2006/49/EC (Additions in areas which are fully harmonized); engage in maximum harmonization in Pillar 1 and Pillar 3 2 = supports less stringent approach; the Commission should remove all discretionary treatment of Member states as this increases the stringency of regulation above that specified in the CRD 3 = supports more stringent approach; the

		Commission should retain the provision in 2006/48/EC and 2006/49/EC that allow Member states to make regulatory additions at the national level 4 = cannot be determined
12	Is the suggested prudential treatment for both residential and commercial real estate is sufficiently sound?	1 = Support the proposal 2 = Support less stringent approach; the LTV ratio is too low, the inclusion of hard tests is too strict 3 = Support more stringent approach; the LTV ratio should be lower, more requirements should be fulfilled before a preferential risk-weighting is awarded 4 = cannot be determined
13	Is the suggested timeline (2012) for a single definition of default (i.e. 90 days) is appropriate. Section 4 (Simplification of the Bank Branch Accounts Directive)	1 = supports the proposal 2 = supports a less stringent approach; a longer deadline for the implementation of the single definition 3 = supports more stringent approach; a shorter deadline for the implementation of the single definition 4 = Cannot be determined
14	Do you agree that the Bank Branch accounts Directive 89/117/EEC should be amended so that Member States can no longer require the publication of additional information by branches of credit institutions established in other Member States.	1 = Supports proposal; yes, it should be amended as proposed 2 = Supports less stringent approach 3 = Supports more stringent approach; Member states should still be able to require branches to publish additional information 4 = Cannot be determined

Consultation 2: POSSIBLE FURTHER CHANGES TO THE CAPITAL REQUIREMENTS DIRECTIVE

Issue #	Question	Coding Rules
15	Section I: Liquidity standards; The first objective is to promote the short-term	1 = position that supports this requirement

	resilience of the liquidity risk profile of institutions by ensuring that they have sufficient high quality liquid assets to survive an acute stress scenario lasting for one month. This objective would be pursued by a Liquidity Coverage Requirement. The second objective is to promote resilience over the longer term by imposing a Net Stable Funding Requirement and requiring institutions to fund their activities with more stable sources of funding on an ongoing structural basis. Both standards would be worded as requirements that credit institutions have to fulfill at all times. It is however clear that under stress, for instance because of a sudden loss of deposits, credit institutions could fail to meet the requirements. In such circumstances, credit institutions would be required to restore compliance over a short timeframe and competent authorities would be require to define a restoration plan and to follow its implementation up.	2 = position that supports less stringency than this requirement 3 = position that supports more stringency than this requirement 4 = Cannot be determined / unclear / ambiguous
16	Section II: Definition of capital; The EC proposal comprises: − strengthen, harmonise and simplify the definition of capital; − specify explicit minimum capital limits; − enhance disclosure requirements in respect of capital.	1 = position that supports this requirement 2 = position that supports less stringency than this requirement 3 = position that supports more stringency than this requirement 4 = Cannot be determined / unclear / ambiguous
17	Section III: Leverage ratio leverage ratio is (commonly) a debt-to-equity ratio. It is expressed as: *Total debt / Total Equity* A high debt/equity ratio generally indicates that a company has been aggressive in financing its growth with debt. This can result in volatile earnings as a result of the additional interest expense, and if it is very high, it may increase the chances of a default or bankruptcy.	1 = n/a 2 = position that supports less stringency than this requirement 3 = position that supports more stringency than this requirement 4 = Cannot be determined / unclear / ambiguous
18	Section IV: Counterparty credit risk: The Commission services are considering a legislative proposal amending the treatment of counterparty credit risk (CCR)21 in the Capital Requirements Directive. The purpose of such proposal would be to strengthen the capital requirements for counterparty credit exposures arising from institutions' derivatives, repo and securities financing activities. The objective of these amendments (…) would be to raise the capital buffers backing these exposures, reduce procyclicality and provide additional incentives to move OTC derivative contracts to central counterparties, thus helping reduce systemic risk across the financial system. They would also provide incentives to strengthen the risk management of counterparty credit exposures.	1 = position that supports this requirement 2 = position that supports less stringency than this requirement 3 = position that supports more stringency than this requirement 4 = Cannot be determined / unclear / ambiguous

19	Section VI: Systemically important financial institutions EC proposal to mitigate systemic risk involves - more monitoring of financial institutions - limiting the scope of "permissible activities" in which financial institutions can engage - limiting the size of financial institutions	1 = position that supports this requirement 2 = position that supports less stringency than this requirement 3 = position that supports more stringency than this requirement 4 = Cannot be determined / unclear / ambiguous 4 = Cannot be determined / unclear / ambiguous
20	Section VII: Single rule book in banking European banking legislation is currently based on a Directive which leaves room for significant divergences in national rules. This has created a regulatory patchwork, leading to legal uncertainty, enabling institutions to exploit regulatory loopholes, distorting competition, and making it burdensome for firms to operate across the Single Market. The Single Rulebook aims to provide a single set of harmonised prudential rules which institutions throughout the EU must respect.	1 = n/a 2 = position that supports less stringency than this requirement 3 = position that supports more stringency than this requirement 4 = Cannot be determined / unclear / ambiguous

Consultation 3: Consultation on the Harmonization of Solvency Rules Applicable to Institutions for Occupational Retirement Provision (IORPs) covered by Article 17 of the IORP Directive and IORPs Operation on a Cross Border Basis

Issue #	Question	Coding Rules
21	**Regulatory Own Funds**: To what extent should the Solvency I regime be replaced by solvency rules similar or equivalent to the Solvency II rules?	1= n/a 2 = Solvency I regime should not be replaced by solvency rules similar or equivalent to the Solvency II rules (or anything more stringent than Solvency I) 3= Solvency I regime should be replaced by solvency rules similar or equivalent to the Solvency II rules.
22	**Cross-Border Operations**: To what extent are differences in the solvency regimes for IORPs that operate on a cross border basis creating internal market problems?	1 = n/a 2 = they are not creating more internal market problems; they are creating problems, but the solution is NOT at the EU level / the solution is NOT harmonization 3 = they are creating more internal market problems *and* the solution is

		harmonization (more EU-level rules)
23	Do you agree, or do you consider that the overall objective of solvency rules for these IORPs should be different?	1 = agree; solvency rules should aim at guaranteeing a high degree of security for future pensioners 2 = disagree; 3 = agree that solvency rules should aim at guaranteeing a high degree of security for future pensioners but proposal is not sufficient to do this
24	Do you believe that prevailing solvency rules for IORPs subject to Article 17 provide adequate protection relative to the objective of safeguarding pension beneficiaries' claims at reasonable cost for the sponsoring undertakings?	1 = n/a 2= yes, prevailing solvency rules are adequate 3 = no, prevailing rules are not adequate
25	Do you anticipate competitive distortions emanating from the application of different solvency regimes between insurance companies and IORPs subject to Article 17? Please specify.	1 = n/a 2 = no, we do not anticipate distortions 3 = yes, we do anticipate distortions
26	To what extent do you consider greater harmonisation within the EU in this field or in individual elements of the valuation of technical provisions possible or necessary for IORPs operating on a cross-border basis?	1 = n/a 2 = greater harmonization within the EU is not possible / not necessary 3 = greater harmonization within the EU is possible / is necessary
27	To what extent are the differences in solvency rules for IORPs operating on a cross-border basis acting as an obstacle towards cross border activity of occupational pensions?	1 = n/a 2 = differences in solvency rules for IORPs operating on a cross-border basis do not act as an obstacle 3 = differences in solvency rules for IORPs operating on a cross-border basis do act as an obstacle
28	Is there any evidence of i) regulatory arbitrage by IORPs operating on a cross-border basis, and/or ii) supervisory competition between Member States? If so, please give examples.	1 = n/a 2 = no, there is no evidence of arbitrage 3 = yes, there is evidence of arbitrage
Consultation 4. CONSULTATION DOCUMENT ON THE LEVEL 2 IMPLEMENTING MEASURES FOR DIRECTIVE 2009/138/EC ON THE TAKING-UP AND PURSUIT OF THE BUSINESS OF INSURANCE AND REINSURANCE (SOLVENCY II)		
Issue #	Questions	Coding Rules
29	1. Technical provisions – best estimate – risk free interest rate curve	1=Support proposal 2=Support less stringent approach

		3=Support more stringent approach 4=cannot be determined
30	2A. Technical provisions – risk margin – Cost of Capital rate	1=Support proposal 2=Support less stringent approach 3=Support more stringent approach 4=cannot be determined
31	2B. Technical provisions – risk margin – diversification	1=Support proposal 2=Support less stringent approach 3=Support more stringent approach 4=cannot be determined
32	3. Own funds – quantitative limits for SCR and MCR	1=Support proposal 2=Support less stringent approach 3=Support more stringent approach 4=cannot be determined
33	4. Procyclicality – Pillar II dampener	1=Support proposal 2=Support less stringent approach 3=Support more stringent approach 4=cannot be determined
34	5. Supervisory reporting – content, form, and modalities	1=Support proposal 2=Support less stringent approach 3=Support more stringent approach 4=cannot be determined
35	6. Public disclosure – content, form, and modalities	1=Support proposal 2=Support less stringent approach 3=Support more stringent approach 4=cannot be determined
36	7. Treatment of holdings in participations and subsidiaries	1=Support proposal 2=Support less stringent approach 3=Support more stringent approach 4=cannot be determined
37	8. SCR standard formula – equity risk – Pillar 2 dampener	1=Support proposal 2=Support less stringent approach 3=Support more stringent approach 4=cannot be determined
38	9. SCR standard formula – loss-absorbing capacity of	1=Support proposal

	technical provisions	2=Support less stringent approach 3=Support more stringent approach 4=cannot be determined
39	10A. SCR standard formula – diversification effects – correlation parameters	1=Support proposal 2=Support less stringent approach 3=Support more stringent approach 4=cannot be determined
40	10B. SCR standard formula – diversification effects – geographical diversification	1=Support proposal 2=Support less stringent approach 3=Support more stringent approach 4=cannot be determined
41	11. SCR internal models – integration of partial internal models	1=Support proposal 2=Support less stringent approach 3=Support more stringent approach 4=cannot be determined
42	12A. SCR standard formula – underwriting risk (other than catastrophe risk) arising from non-life insurance obligations	1=Support proposal 2=Support less stringent approach 3=Support more stringent approach 4=cannot be determined
43	12B. SCR standard formula – underwriting risk (other than catastrophe risk) arising from life insurance obligations	1=Support proposal 2=Support less stringent approach 3=Support more stringent approach 4=cannot be determined
44	12C. SCR standard formula – underwriting catastrophe risk arising from obligations	1=Support proposal 2=Support less stringent approach 3=Support more stringent approach 4=cannot be determined
45	13. SCR internal models – use test	1=Support proposal 2=Support less stringent approach 3=Support more stringent approach 4=cannot be determined
46	14. SCR internal models – statistical quality standards	1=Support proposal 2=Support less stringent approach 3=Support more stringent approach

		4=cannot be determined
47	15. Capital Add-ons	1=Support proposal 2=Support less stringent approach 3=Support more stringent approach 4=cannot be determined
48	16. Actuarial function	1=Support proposal 2=Support less stringent approach 3=Support more stringent approach 4=cannot be determined
49	17. Supervisory co-operation and co-ordination	1=Support proposal 2=Support less stringent approach 3=Support more stringent approach 4=cannot be determined
50	Section 3: Impact on Insurance Markets and Products	This set of questions is about the impact of the proposed economic risk-based approach to market products and product innovation. For questions 37-45 code for any instances where the organization is making a demand/request or giving advice for: 1=following the proposed approach 2= less stringent regulation 3 = more stringent regulation 4 = cannot be determined
51	Section 4: Social and Economic Impacts	This set of questions is about the social impact of the proposed regulation (effects on consumers, households, stakeholders). For questions 46-57 code for any instances where the organization is making a demand/request or giving advice for: 1=following the proposed approach 2= less stringent regulation

		3 = more stringent regulation 4 = cannot be determined
Consultation 5. Hedge Funds		
Issue #	Question	Coding rules
52	Does recent experience require a reassessment of the systemic relevance of hedge funds?	1 = n/a 2 = no, recent experience does not require reassessment 3 = yes, recent experience does require reassessment
53	Is the 'indirect regulation' of hedge fund leverage through prudential requirements on prime brokers still sufficient to insulate the banking system from the risks of hedge fund failure? (Do we need alternative approaches?)	1 = n/a 2 = yes, it is still sufficient 3 = no, it is not sufficient (and we need more stringent regulations)
54	Do prudential authorities have the tools to monitor effectively exposures of the core financial system to hedge funds, or the contribution of hedge funds to asset price movements? (If not, what types of information about hedge funds do prudential authorities need and how can it be provided?)	1 = n/a 2 = yes, they have the tools 3 = no, they do not have the tools
55	Are there situations where short-selling can lead to distorted price signals and where restrictions on short-selling might be warranted?	1 = n/a 2 = no (new) restrictions are warranted 3 = yes, (new) restrictions are warranted
56	Are there circumstances in which short-selling can threaten the integrity or stability of financial markets? In combating these practices, does it make sense to tighten controls on hedge funds, in particular, as opposed to general tightening of market abuse disciplines?	1 = n/a 2 = no, it does not make sense to tighten controls 3 = yes, it does make sense to tighten controls
57	Do investors receive sufficient information from hedge funds on a pre-contractual and ongoing basis to make sound investment decisions? If not, where do the deficiencies lie? What regulatory response if any is needed to complement industry codes to make a significant contribution to the transparency of hedge fund activities to their investors?	1 = n/a 2 = yes, investors receive sufficient information; industry codes (self-regulatory codes and standards) are sufficient 3 = no, investors do not receive sufficient information; industry codes (self-regulatory standards) are not sufficient; call for new regulations on issues of transparency
58	In light of recent developments, do you consider it a positive development to facilitate the access of retail investors, subject to appropriate controls, to hedge fund exposures?	1 = n/a 2 = no, it is not a positive development; retail investors should not have /

		do not need access to hedge fund exposures 3 = yes, it is a positive development; retail investors should / must have access to hedge fund exposures
Consultation 6. Review on the Markets in Financial Instruments Directive (MiFID)		
Issue #	Question	Coding Rules
59	2.1 Defining admission to trading	1 = Support EC approach (Agree that new definition is needed) = 1 2 = Support less stringent approach (Keep definition vague / flexible) 3 = Support more stringent approach (Proposed approach not stringent enough / even more instruments should fall under a new definition) 4=cannot be determined
60	2.2 Organised trading facilities	1 = Agree that new definition is needed 2 = Keep definition vague / flexible 3 = Proposed approach not stringent enough / even more venues should fall under a new definition 4=cannot be determined
61	2.3 Automated trading and related issues	1= Agree with EC proposal 2= Do not include automatic trading as trading 3= Suggestions that proposal is not stringent enough / even more inventive ways of trading need to be included / EC proposal will not help stabilize markets 4=cannot be determined
62	2.4 Systemic Internalizers	1= Support EC approach 2= Support less stringent approach (no new system; any system that would not have more firms registering as “systemic internalizers”

		3=Support more stringent approach 4=cannot be determined
63	2.5 Further alignment and reinforcement of organisational and market surveillance requirements	1= Support EC approach 2= Support less stringent approach (no alignment) 3= Support more stringent approach 4=cannot be determined
64	3.1 Equity Markets	1=Support EC approach 2=Support less stringent approach 3=Support more stringent approach 4=cannot be determined
65	3.2 Equity-Like Instruments	1=Support EC approach 2=Support less stringent approach (do not include these instruments) 3=Support more stringent approach (include more instruments; including proposed instruments will not improve transparency) 4=cannot be determined
66	3.3. Trade Transparency regime for shares traded only on MTFs or organized trading facilities	1= Support EC approach 2=Support less stringent approach (do not include these instruments only trade on MTFs) 3= Support more stringent approach (proposed instruments will not improve transparency) 4=cannot be determined
67	3.4 Non equity markets	1=Support EC approach 2=Support less stringent approach 3=Support more stringent approach (proposal will not improve transparency) 4=cannot be determined
68	4.1 Improving the quality of raw data and ensuring it is provided in a consistent format	1= Support EC approach 2=Support less stringent approach 3= Support more stringent approach (proposal will not improve transparency) 4=cannot be determined
69	4.2 Reducing the cost of post-trade data for investors	1= Support EC approach 2=Support less stringent approach

		3= Support more stringent approach 4=cannot be determined
70	5.1 Specific requirements for commodity derivative exchanges	1=Support EC approach (any of the three options) 2=Support less stringent approach (none of the three options but nothing more stringent) 3=Support more stringent approach 4=cannot be determined
71	5.2 MiFID exemptions for commodity firms	1= Support EC approach 2= Support less stringent approach (do not extend) 3=Support more stringent approach 4=cannot be determined
72	6.1 Scope	1= Support EC approach 2=Support less stringent approach 3= Support more stringent approach 4=cannot be determined
73	6.2 Content of Reporting	1= Support EC approach 2=Support less stringent approach 3= Support more stringent approach 4=cannot be determined
74	6.3 Reporting Channels	1= Support EC approach 2=Support less stringent approach 3= Support more stringent approach 4=cannot be determined
75	7.1 Scope of the Directive	1= Support EC approach 2=Support less stringent approach (keep old system/further deregulate) 3= Support more stringent approach (e.g., eliminate exemptions; include even more services and actors) 4=cannot be determined
76	7.2 Conduct of Business Obligations	1= Support EC approach 2=Support less stringent approach 3= Support more stringent approach 4=don’t know
77	7.3 Authorization and Organizational Requirements	1= Support EC approach

		2=Support less stringent approach 3= Support more stringent approach 4=don't know
78	8.2 Supervisory powers and sanctions	1= Support EC approach 2=Support less stringent approach 3= Support more stringent approach 4=don't know
79	8.3 Access of third country firms to EU markets	1= Support EC approach 2=Support less stringent approach 3= Support more stringent approach 4=don't know
80	9.1 Ban on specific activities, products or practices	1= Support EC approach 2=Support less stringent approach 3= Support more stringent approach 4=don't know
81	9.2 Stronger Oversight of positions in derivatives, including commodity derivatives	1= Support EC approach 2=Support less stringent approach 3= Support more stringent approach 4=don't know