

# Business's Discursive Power Use in the Struggle for the Pace of Climate Action

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## Abstract

Business and industry have a major effect on the success of climate change mitigation. In Finland, many big corporations from different industry sectors see climate change as an essential factor influencing their business strategies due to, among other things, the strict climate regulation in the EU. This paper investigates Finnish business actors in climate governance and looks at the different political dynamics at work between private and public actors. The paper investigates how and why large corporations and different industry sectors in Finland use discursive power in order to gain access to climate policy-making at the national and the EU level. Altogether, 18 interviews were conducted with representatives from eight large Finnish corporations, five Finnish industry federations, and five different ministries in Finland. Together with public documents, these were used for the analysis of business's discursive power use. The paper argues that business actors use discursive power on decision-makers through positive messages and by framing themselves as producers of solutions for the climate change problem instead of contributors to the problems. In their aim to influence the pace and direction of the EU's climate action, business actors are engaged in the "threat and opportunity" discourse that emphasizes the possibilities for business opportunities in ambitious climate action if the political will for global climate action is also found.

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## Introduction

Since the Kyoto Protocol was signed in 1997, many large corporations have started to integrate climate change mitigation and adaptation into their business strategies. A part of global big business has visibly framed itself as the “solutions provider” for environmental problems, including climate change (e.g., World Business Council for Sustainable Development 2004, 4). The role of business actors in global governance structures is rarely questioned today, and plenty of studies exist on different political strategies that business uses in order to exercise power and influence in policy-making (e.g., Kolk & Pinkse 2007; Fuchs 2007; Falkner 2009; Levy & Newell 2005; Levy & Egan 1998, among others). Business actors in Europe have not been questioning the need to mitigate climate change during the last decade, and their opposition was never as loud as it has been in the U.S. (see, e.g., Falkner 2009). Whereas in the U.S. the struggle over climate change has mainly remained on the level of taking or not taking action, the debate has in Europe, for over a decade already, focused on the pace and direction of the action. The EU has binding domestic targets until 2020, and is starting the planning further targets for 2030 (European Commission 2012; EurActiv 2012). The business actors have been keen to participate in this planning process and have used various political strategies to influence in the EU decision-making. The paper aims to find out what those political strategies are that business actors use in order to gain that influence.

Specifically, this paper will examine how large corporations and different industry sectors<sup>1</sup> in Finland<sup>2</sup> use discursive power in order to gain access to climate policy-making at the national and EU levels. In recent years, many large Finnish corporations have labeled themselves as “climate friendly” or “solutions providers” for climate or environmental issues. Are these corporations actually the *frontrunners* they claim themselves to be – and what would it mean, by their definition, to be a frontrunner business in the climate change issue? How do these actors use this framing as a means to have an influence on the kind of climate policy pursued in Finland, in the EU, and

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<sup>1</sup> The paper uses “business actors” to mean both corporate and industry actors, while in the analysis section “business actors” refers mostly to the representatives included in the study.

<sup>2</sup> Finland is a member of the EU with 5 million people, long distances, and an energy-intensive and export-led industry structure. At the same time, it is technologically advanced nation and has some of the most energy efficient factories anywhere, especially in metal and forest industry sectors. These are vital aspects affecting the national energy and climate policy.

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internationally? To answer to these questions, I have concentrated specifically on the discursive power these business actors are exercising. However, examining the exercise of discursive power does not mean only analyzing the discourses the business actors use to frame and describe the world and events from their point of view, but also how and why they use those discourses in their advocacy and in their relations with policy-makers.

Several studies in the field of International Relations (IR) and International Political Economy (IPE) consider discursive power as one dimension of power that business exercises in global governance. For example, Fuchs defines discursive power as “the capacity to influence policies and political process as such through shaping of norms and ideas.” Discourse is seen as a location for political contests where policy problems and solutions are framed in one way and not the other (2007, 139; 60). Business actors need to have legitimacy as political actors in order to exercise discursive power in political processes. This legitimacy can stem from different sources. Usually, (material) resources and economic expertise are seen as valuable and necessary for business actors to be able to solve societal problems. By exercising the discursive power, the actor can also strengthen instrumental power and structural power (*ibid.*, 144; 147). Although extensive research has been carried out on business power, most analyses of discursive power have only focused on discourses directed at the general public with little focus on messages directed to policy-makers. This paper will specifically focus on discursive power that business actors exercise in their relations with policy-makers on different levels. These are, of course, closely linked to the messages directed at the general public as well, but do serve another kind of purpose. Different sources of business’s power as well as different political strategies that business uses in order to have an access to policy-making are described more closely in the next chapter, where I will illustrate more about the theoretical background of this paper.

The material for the research was mainly collected by interviewing people from large corporations and their national industry federations as well as from relevant ministries in Finland. Altogether, 18 interviews were conducted in spring 2012 with the representatives of eight Finnish multinational corporations, five national industry federations, and officials from five different ministries involved in climate change policy-making in Finland. The interviews are used together with public documents, the organizations’ Internet pages, and reports and relevant studies found on the issue.

The paper argues that business has taken a more cooperative approach toward public and private actors in climate governance at the national and the EU level. While it has had to adapt its market

strategies accordingly, it has not settled for only *adapting* to the existing and rising norms in the society but has, at the same time, used discursive power through various political strategies in order to influence those norms and their development. While the need for global climate change mitigation is widely accepted, business actors are not satisfied with the EU still aiming to unilaterally tighten its domestic climate effort when binding global agreement and common rules are not in sight.

The first section of this paper lays out the political dynamics that influence the current international climate change agenda as well as theories used in the research process. Chapter two introduces the research process and material, which is then analyzed in the third chapter. The last chapter draws conclusions from the analysis and discusses the implications of the findings.

## **1. Political dynamics of global climate change agenda and business actors' political strategies of influence**

### **1.1. Political dynamics of the global climate change agenda, the EU, and the business actors**

Over past couple of decades, political dynamics of the global climate change agenda have changed rapidly. At the beginning of the 2000s the importance of climate change grew on the global agenda and it gained a place among “high politics.” At the same time, strong political and public support for effective climate policy increased in the EU. This, together with the U.S. withdrawal from the Kyoto Protocol, led to the situation in which the EU gained a leadership position on climate change. By the time of the Copenhagen Climate Conference in 2009, however, changes in the international context had created a situation in which the EU seemed to have sidetracked itself from the international negotiations. (Oberthür 2011, 675-6; Paterson 2009, 141) The changing share of the greenhouse gas (GHG) emissions between different actors was one of the most important factors influencing the EU's position in the negotiations. Whereas from 1990s onwards, industrialized countries were responsible of around 60% of emissions, by 2005 this share had declined to about 50% and the EU's share was under 15% and declining (Oberthür 2011, 677). Although, the EU has been committed and active in its domestic climate policy, it has not been able push others into

action with its aim to “lead by example.” Various explanations exist for why the EU’s example and negotiation strategies on the international level have not led to better results (Oberthür 2011, Paterson 2009). Since public acceptance for strict climate policy in Europe exists, business actors have had to adapt their market strategies accordingly (Falkner 2009, 125). Today, resisting climate action in the EU is not an option for a successful business actor, but the struggle for the pace and direction of the action still continues. While the need for global climate change mitigation is widely accepted, business actors remain dissatisfied with the EU still aiming to unilaterally tighten its domestic climate effort without binding global agreement and common rules in sight. The carbon leakage and the lack of investment in many traditional industry sectors are common worries for both governmental and business actors. These worries are not only due to the climate policy of the EU but they are interrelated with the economic problems the EU area is currently facing.

## 1.2. Discursive power and political strategies of business actors

Studies of the IR and the IPE have identified discursive power as one dimension of power that business exercises in global governance. Discursive power is about the power of ideas and their reflection in cultural norms and institutions as well as in communicative practices. Discourse is seen as a location for political contests where policy problems and solutions are framed in one way and not another. Discursive power can also shape perceptions and identities of actors. Both agency and structure have an important role in the context of discursive power. The discourse in the social setting of actors both enables and constrains the actors; they are able to shape that discourse, but their actions are also constrained by the norms and values that the system supports. (Fuchs 2007, 60-1) In order to be able to have discursive power, business actors need two things: First, they need to understand the underlying norms and values of the society and political system they want to influence; i.e., their claims and ideas must be *fitting* or *appropriate* in that social context. Second, they must have legitimacy; i.e., they must be authoritative actors in that social structure so that their views will have leverage. (Bernstein 2001, 178) The fitness of new ideas with the existing social structure means that business can use only the kinds of discursive claims that fit with the current social context. For example, in the present-day economic situation of Europe, competitiveness has gained a popular place among business actors’ arguments in lobbying for their interests. Business actors also need to suit their arguments to different levels: national-level arguments might differ from the ones used on an international level. Bernstein reminds us that not only do actors and ideas

themselves matter, but also the success or failure of those ideas depends on the wider social context, which they try to amend (2001, 179).

More commonly analyzed dimensions of business's political power are instrumental and structural power (e.g. Levy & Egan 1998; Lukes 1974; Fuchs 2007). Instrumental power means the direct influence of one actor on another through, for example, lobbying or financial incentives. Instrumental power refers to the influence that is directed toward the output of decision-making. Structural power, for its part, is about influencing the input side of the decision-making when the actor is participating in rule-setting or agenda-making through his/her (material) resources. (Fuchs 2007, 56-58) Detecting the use of structural power is often not as easy as observing the exercise of instrumental power, since it has to do with issues not said and activities not done more than with something that has been said and done. For example, a large industry sector might have structural power in a country through its economic leverage and significance for the state's economy: since it is a big tax-payer and employer, it is difficult for the policy-makers to make decisions that would drive it away from the country. In the research analysis of the Finnish business actors, the linkage between their exercise of discursive power and other dimensions of power is also observed.

In addition to the IR's and the IPE's studies on the business power, studies of business's political strategies also exist among business management literature. For example, Kolk and Pinkse have investigated MNCs' political activities on climate change and classified corporations' political strategies according to their advocacy approach, their participation level, and the type of the strategy they use (2007, 206-7). Some of the business actors' political strategies listed in Kolk and Pinkse's study can also be linked to their exercise of discursive power. The constituency building strategy is a good example of this since it refers directly to the use of persuasion as a political strategy and persuasion is also one of the discursive power mechanisms. Other strategies listed by Kolk and Pinkse include information strategy, financial strategy, influence on expert and reporter opinion strategy, and the strategy of self-regulation (2007, 206-7). Of these, the information and self-regulation strategies are the most used among Finnish business actors. Kolk and Pinkse argue that information strategy plays an important part among corporations' actions "to steer policy makers in the direction of their most-favored policy types" as they "choose to provide policy-makers with specific information about their view on public policy" (2007, 215; 206). Although formally information strategy could be classified as being part of instrumental power since it is in the heart of traditional lobbying – i.e., bringing the ideas of business to the knowledge of policy-makers – I claim in the analysis part of this paper that information strategy can be seen as an



element in business actors' exercise of discursive power as well. Corporations participate in advocacy practices either individually or collectively; in this choice the political system of the corporation's home country matters. In corporatist political systems, business actors tend to act collectively more than individually and they tend to direct their advocacy toward governments instead of other actors. (Kolk & Pinkse 2007, 208) Like most of the European countries, Finland has a corporatist political system, as seen also in the analysis, in which many corporate representatives emphasize their interest to appear as a part of a united industry front even when they are not in total agreement with others. According to Ruostetsaari's analysis (2010) of the energy policy-making in Finland, corporations and industry federations can be seen largely as integrated partners for politicians and officials in the national energy policy decision-making processes instead of outside lobbyists for the process (p. 246). This is shown also in the analysis of the Finnish climate policy, where most corporate representatives find the industry federations to be their main channel for influence on different levels.

## **2. Selection of the study subjects and the theme interview method**

This study is based on interview material, which was collected from 18 interviews conducted with representatives of eight large Finnish corporations from different industry sectors, representatives of five national industry federations representing the industry sectors of the corporations, and officials of five ministries involved in climate change policy-making in the Finnish government. Interviews were conducted according to the theme interview method described in Hirsjärvi and Hurme (2011). The theme interview was chosen because it is the most appropriate way to gather information about the interviewees' understanding of the study subject. The theme interview method allows interviewees to talk freely about the themes that interviewer presents to them. Themes in this study varied according to the group that the interviewee represented. The theme questions were sent to the interviewees in advance so that they would be able to prepare for the interview. Themes in the interviews of the corporate representatives included (a) the climate policy action of the corporation; (b) the values and rationales that were behind the climate activity of the organization; (c) the relationship that the organization had with other private and public actors and the means they used in order to have influence on public policy-making; and (d) the organizations' views on business's role and responsibilities in international/global climate change politics. The themes of the interviews of the representatives of the industry federations were similar to the ones of the corporate representatives, but were from the point of view of a federation and of the industry sector it

represented. In the interviews conducted with ministry officials, the themes included (a) the role and interests of the particular ministry in Finnish climate change policy making; (b) the relations with other public and private actors involved with the issue; (c) the regulation interests in the sector of the ministry; (d) the connections with the business actors; and (e) the ministry representatives' views on what the role of business actors should be in international climate change governance. The duration of the interviews varied between 50 to 90 minutes. The interviews were recorded and later transcribed; the written versions were used for the analysis. The interview outcomes varied depending on the interviewee, since the theme interview method is based on the idea that interviewees are allowed to speak freely about the topics related to the themes that they found most important for their organization. This means that not all themes get as much attention in each interview.

In addition to the interview material, public documents from these organizations and other studies and reports were used to verify and complement the results attained from the interviews. The corporations in the study were selected by first identifying all Finnish corporations from the Carbon Disclosure Project's Nordic listing. Of those 27 listed Finnish corporations that had disclosed their greenhouse gas (GHG) emissions, 10 were chosen after an examination of their CSR reports and Internet pages to see whether they explicitly mention climate change as part of their corporate strategy or if they seemed to have activities related to the issue. This was done with the presumption that these corporations would be more active in influencing other actors in climate change issues than would those who did not identify it as part of their strategy or did not explicitly mention climate change as an important factor for their business. Also, attention was paid to the representation of different industry sectors in the study.

Interviews were originally sought from representatives of Finnair, Fortum, Neste Oil, Nokia, Outokumpu, Rautaruukki, Stora Enso, Tieto, UPM-Kymmene, and Wärtsilä, from which all except Outokumpu and Tieto agreed to the interview. This did not affect the representation of industry sectors since Outokumpu is in the metals industry, as is Rautaruukki and Tieto represents the ICT sector, as does Nokia. Of the other corporations, Finnair represents the airline industry; Fortum and Neste Oil the energy sector (Fortum for electricity production and Neste Oil for fuels); Stora Enso and UPM-Kymmene are forest companies; and Wärtsilä produces, for example, power plants and marine solutions. The industry federations were chosen according to the sectors of the corporations involved. These are the Finnish Energy Industries, the Finnish Forest Industries Federation, the Federation of Finnish Technology Industries, the Finnish Petroleum Federation, and the

Confederation of Finnish Industries, of which all aforementioned federations are members, with the exception of the Finnish Petroleum Federation, which is independent. All these industry federations also have experts working with climate change issues. The ministries chosen for the interview were the Ministry of Environment and the Ministry of Employment and Economy, which are the two main actors in Finnish climate change policy making. Additionally, representatives of the Ministry of Agriculture and Forestry, the Ministry of Transportation, and the Ministry of Foreign Affairs were interviewed. An interview with a representative of the Prime Minister's Office was requested but was not attained due to changes in personnel at the time of the interviews. The interviews were conducted from the end of March to the beginning of June in 2012. All but one were conducted in Finnish; the other was conducted in English.

### **3. The role of discursive power in gaining access to policy-making**

In this chapter, the interview material<sup>3</sup> is analyzed through the theories introduced in the earlier section. While Fuchs, in her study, concentrates on the kind of discursive power of businesses that is exercised through their influence on the general public instead of on policy-makers (Fuchs 2007, 148-9), I will look at the discursive power use of the Finnish business actors toward policy-makers. The aim is to investigate how the Finnish business actors use discursive power in order to have an influence on the struggle of the pace of climate action at the EU level. I am concentrating on looking at how business's discursive power use serves as an access point to policy-making. Instead of solely analyzing the discourses business actors use, I am interested in *how and why those discourses are used* as part of the business advocacy of climate change policy. It is not possible, through the research material, to analyze the extent of the actual influence a business is having on policy-making and, thus, it is not the aim of this analysis. The analysis starts by identifying the "hows" and "whys" of the use of discursive power and then moves to describing the current discourse that the business actors in Finland use in order to influence the pace of climate action in the EU.

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<sup>3</sup> People interviewed and organizations they represent have been listed at the end of this paper but not identified in the text or in the quotations due to privacy agreements made about the interviews. Most of the quotations have been translated from Finnish to English by the author and, thus, might not be word-to-word for linguistic reasons. The author has, however, paid close attention to maintaining the meaning of the message in the quotations.

### 3.1. How and why business actors use discursive power

My central thesis is that in order to be able to influence climate change policy-making, business and industry actors have had to change their political strategies toward a more cooperative stance in relation to public and other private actors (e.g. Kolk & Pinkse 2007, World Business Council on Sustainable Development 2004, the interview material). As discussed earlier in this paper, political dynamics in European climate politics have led the political struggle over climate action to be more about the pace of the action than about the need for the action. It is widely accepted that climate change is happening and that society at large should be responding to it. The business actors have had to adapt to norms that arise in society, such as environmental and climate concerns, but in adapting, they have also influenced those norms through discourse (Bernstein 2001; see also Rutherford 2006). One of the most visible roles that business actors have assumed has been that of “problem solver,” in which they are claiming that by doing business they are not just causing troubles, they are also solving problems. Global corporations have taken this discourse as their main message in international arenas when lobbying for business’s seat at the table of climate change negotiations (e.g., World Business Council for Sustainable Development 2010). I claim that since business actors can be, and are, interested only in doing business and staying in business, they need to sustain business’s “license to operate,” and for that they use discursive power to maintain business-friendly norms in the society. At the same time, they need to adjust their operations to the new regulations and norms, and also use other political strategies together with the discursive ones. However, discursive power in particular helps them in their aims to legitimate their operations and sustain the favorable business environment.

Why have business actors changed their political strategies toward a more cooperative stance, as Pinkse and Kolk (2007) argue? And why do discourses have an important standing among their political strategies? According to interviews, many business actors have learned that engaging in the governance process in a constructive way is likely to produce much better results from their point of view than putting their resources in resisting the change in norms or regulations that are likely to take place in any case. Business actors have found out that instead of resistance, it is more effective to adapt their own operations to the coming demands, but at the same time engage in a constructive way in how that change comes to being. In order to be able to engage constructively, one has to have a captivating *story* on how one’s business is improving the situation and how it can work as a solution rather than being part of the problem (see also Rutherford 2006, 85). In several interviews it was said that using *positive messages* is the *new kind of way of working* with policy-makers.

According to both corporate and federation representatives, it is often impractical to use the old-fashioned way of being against everything without having your own answer to the problem at hand:

*We do not want to grumble. We want to address [policy-makers] with a positive message, not with the traditional approach that has been to say no to everything: “No, we can’t, everything is a problem and industry will die and everything will move to China.” We have not been in line with this [kind of talk].* (Representative of a corporation)

*We have deliberately left the word “no” out of these climate issues. We are not giving any messages that would say “not this,” but how do we do it, what kind of future we want to make, what investments do we need for that? We need that investment environment. So this has turned from hindering into what you can actually accomplish by advocacy, which is to push the issue a little bit in the right direction, so that it will go to the track we prefer instead of some other. This has been a remarkable change during last four, five years.* (Representative of a federation)

As the representatives of the government said in the interviews, policy-makers do listen more carefully for those business actors who have a clear view and answers to the problems than those who are just against everything or do not have a clear opinion on the issue:

*If they [business actors] have well-prepared materials, background premises, and well-argued statements in early enough stages, they have an opportunity to influence...* (Representative of a ministry)

*If one can genuinely see that it is a well argued and in all means rational [message], then it will influence. But, if it is only opposing everything, then it is a little bit ... it can be said that okay, it is easy to oppose ... it is the easiest way, but it is not wise in the EU decision-making. ... One can oppose an issue and say that thinking in this way, it is not a good [thing], but ... What is it then? How could we promote the same target and in what pace then?* (Representative of a ministry)

One reason for using more positive messages and influence early in the process has been the EU membership and the EU’s powerful position in defining the common climate policy. In order to be able to have an influence on EU policies, both governmental and business actors emphasized that

they have learned to move early in the process and always with a message that includes ideas about the outcome of the process:

*Finland understands better and better that if we are to influence EU, we have to move early. When first hints come about the Commission planning for some initiative, you have to have your own suggestions ready, that “we think this should be done in this way.” Historically, we have said “no” many times, and started with “no.” The emissions trading is a good example; we were hindering it and industry did everything it could so that it would not come into effect, but it came. ... It would have been much more useful to start to think about how it should be and how it is done and then introduce the ideas. ... We are now developing it [influencing the process] in this direction. (Representative of a ministry)*

Industry federations’ representatives, especially, also see that the EU membership has brought business and governmental actors to a closer cooperation in their efforts to promote Finland’s (economic) interests:

*The dialogue between ministries and business has become more co-operative when a large part of legislation comes from the EU, where something is prepared by the Commission, 27 member countries are involved, and country-specific characteristics are easily ignored. There can sometimes be good cooperation between officials and stakeholders in Finland to monitor Finland’s interests. (Representative of a federation)*

Through positive messages, business actors will have more access to policy-making since for officials and politicians it is usually easier to listen to and accept positive than negative messages. So, by using discursive power, business gains more access to decision-makers and thus more instrumental power that it can use through information strategy. Information strategy is among the most used political strategies for business when it gains access to politicians. As Fuchs claims (2007, 144), due to a more complex world of technologies and large business, decision-makers are more dependent on the information that business has about different technologies and methods – basically about what is possible and what is not. And, to gain access to this information, decision-makers do need business representatives. This expertise is one channel for business actors to obtain legitimacy as relevant actors in governance and steering. Another important source of the business’s legitimacy is its economic importance for the government. (Ibid.) Business, for its part, is interested in cooperating and sharing this information, but does it with its own message, of course. And this leads us back to discursive power: although information strategy, that is, sharing information about

a business sector with policy-makers, is part of the use of instrumental power by being about traditional *lobbying*, it includes the *message* from the business and, thus, also has a discursive side (Rutherford 2006, 98).

*... [P]oliticians need many-sided background information so that they can make the right kinds of decisions, and our view is that, for example, to Brussels our type of corporation, which is unique in the world, has to bring our view to them about these issues. ... If we do not bring our view to them, nobody else will. (Representative of a corporation)*

Along with the positive message and early influence, the business actors use also other persuasion strategies. One is to point out that they are not lobbying for their private interests but a larger good for all (business). In many interviews it was brought up that the business representatives themselves do not consider themselves to be directly lobbying for their *private interests* or selling their products, but rather offering *solutions* to decision-makers' problems and aiming for a friendly operating environment:

*We are not selling [the company name] there [to the policy-makers]. We are talking about the European energy future and challenges and about our vision based on what we have noticed in that development through our own experience. (Representative of a corporation)*

*Public officials are sensitive to not promoting some particular company's interests. ... So we are not looking for special interests for us, but we are looking for a kind of operating environment where everyone doing it smart can survive. (Representative of a corporation)*

A business-friendly operating environment is an often-mentioned goal for the business lobbying. It basically means that business aims to stay in business. The preferred operation environment for business would be the one where a business has as much room as possible to operate in a framework that has a level playing field for all business actors and, in the case of climate change, clear targets established by the public sector. From the business actors' point of view, the public sector should put in place clear incentives to invest in the right kind of technology, methods, and materials, but not to set those as preconditions. Public regulation is needed so that the most harmful activities from the environmental and climatic point of view can be abolished, but otherwise

business actors would like only to see the market take care of the rest. Also, some governmental representatives accept this as an appropriate way of moving forward:

*So, the companies probably know best how [to do it], when there are certain preconditions in place. That is why ... targets for the direction ... are political targets. The firms must then think how they will survive in this operation environment. And of course they have the innovators [for it]; it is not for officials and politicians to innovate. (Representative of a ministry)*

### **3.2. The EU's climate action as a *threat and opportunity* for the business actors**

*What has changed over the years has been that before there was more confrontation, for example between the Ministry of Environment and the business, when these [climate change] issues were considered challenging. But today, when companies have acknowledged and accepted the need for change, we in business, due to these pressures, see that we must adapt to it in any case and even that there might be some kind of opportunities and competitive advantage in it. ... It is more about discussing about what would be the smartest way of implementing it, not if something should be done regarding these [climate change] issues. (Representative of a federation)*

The big business actors in Finland aim to frame themselves as the *solution providers* when discussing climate change action on a global level, but when discussing the action at the EU and national level they mostly engage themselves in what I call “threat and opportunity” discourse. In this discourse, the solutions that business actors provide for climate change problems create *opportunities*, which, for example, can be refined to export products that would help to mitigate the climate change globally. According to this discourse, since the industry in Finland is already one of the most (energy) efficient in the world and since it has know-how that could help others, the government in Finland should be more interested in promoting the export of this know-how than restricting the operations here through national (or EU level) regulation. Instead of restricting regulation for operation, policy-makers should concentrate on providing the right kinds of incentives to business actors to work in right direction.

*During the last year or two, around 80 percent of all things related to climate change has been about energy efficiency... about it being a clear opportunity now; and I believe that the opportunity is greater than current threats in the production. The only*



*question is that are we increasing exclusively regional costs too fast, so to that we do not have time to realize the opportunities.* (Representative of a corporation)

The *threat* in the discourse is the political uncertainty related to the direction of global climate politics while the EU is planning further unilateral actions. Here the “opportunity and threat” discourse connects to the EU-level struggle on the pace of climate action: unilateral action taken too quickly is seen as a grave threat to the survival of Finnish (and European) competitiveness and certain industry sectors. The EU’s concentration on regulatory measures is characterized as a choking of industry instead of the creation of an innovative operating environment for business:

*It feels as if this EU policy is somehow like slow choking ... that if you strangle the neck slightly, “now you will be a little bit more efficient.” I am not sure if it is a smarter [way to do it].* (Representative of a federation)

The EU is blamed for “rushing and fussing,” for its too many overlapping targets in climate policy, and for the “sick” situation in which the EU member states are forced to pay subsidies for corporations that should be perfectly competitive on the global market:

*Our life insurance now is the new emissions trading period, since the emissions trading directive mentions that a member country can pay subsidies for the kinds of corporations that are threatened by the carbon leakage. We think that this shows how sick the situation is. Our industry’s performance is among the best in the world. ... Corporations should be competitive! They pay taxes, dividends, and employ people, but now they would have to take government subsidies because of the unilateral EU policy. I think it is a big paradox and I am ashamed that we have drifted to this. It should not be like this.* (Representative of a federation)

At the same time, no one of the business representatives interviewed opposed a global agreement on climate change if it included “fair rules” for everyone. The “threat and opportunity” discourse is primarily used by the representatives of industry federations and those corporations representing energy intensive industries that have a lot of production under the EU Emissions Trading System (EU ETS). Those corporations that are not directly involved in the EU ETS or gaining more business opportunities from the strict climate policy are not as active in using “threat and opportunity” discourse, but are emphasizing the responsibility for business to help find the solutions and hold the issue as an important one:

*Firms must think on their own what they are able to do through their own operations. ... It would be very unethical to say something like: “we do not consider this*

*important.” That kind of talk we want to fully abandon.* (Representative of a corporation)

“Threat and opportunity” remains the dominant discourse since the corporate actors that might not totally agree with it are still not eager to disagree with the majority too loudly:

*... [The Confederation of Finnish Industries] has then been somewhat more difficult if we think about how broad it is. With the climate policy in particular we have had small problems standing in their row, since their opinions have sometimes been harsher than what we need to say. But then we ... very rarely take a strong stand on issues that might be significant for some other industry sector, so, if it is not significant for us then we usually do not shout very loud [about it].* (Representative of a corporation)

This might be due to the corporatist political system in Finland and in Europe that emphasizes collective corporate action (Kolk & Pinkse 2007, 208), and is also seen in the statements made in interviews:

*The approach is really that we primarily always aim to go forward as a part of the industry just because we think that the industry is more credible if we are together.* (Representative of a corporation)

In the Finnish political system, industry federations very often have an institutionalized position as the representatives of their sector, and their views are heard and often taken into account in decision-making (Ruostetsaari 2010, 246-7). This might have led to the situation where the industry federations also, due to this structural power they have through their institutionalized positions, are able to use harsher language than are specific corporate actors. Then again, some large corporations in Finland do have unquestionable structural power but they still choose to use “softer” means of power instead of harsh language.

## Conclusion

Many traditional business actors in Finland and in Europe at large worry about the current political dynamics of global climate change politics. Thus, they are actively engaged in influencing the right pace of the EU’s climate action. Although the business actors have become more cooperative with governmental actors on climate policy, they are now wary about any further unilateral targets that the EU would pose on its own without global rules and clear signs of action in other parts of the

world. Failure in the Copenhagen Climate Conference was a great disappointment to the business actors who are now looking back and blaming the EU for expecting too much from the results of Copenhagen. When looking at the dynamics of climate politics, it seems that maintaining the business actors' commitment to the EU's climate targets demands more emphasis on getting other big actors – namely the U.S. and China – to take part in the action. The EU has been the forerunner in climate policy-making and regulation and will continue to be in the near future. At the same time, its business and industry have in large part become the most efficient ones in the world, taking also other corporate social responsibility issues seriously. Clearly, this is the path that all business and industry should be taking globally– and it's a path that more and more global corporations are already on. At the same time, one cannot neglect the fact that if the EU continues to move forward in its climate regulation without any action in the other big regions of the world – whose greenhouse gas emissions already exceed the EU's total emissions many times over – there is a threat that the EU will regulate its business out of business. For the overall problem of climate change, this would not make much of a difference and would not be a step in the right direction. Hardly anyone denies that the demand for global rules and a level playing field for all business is a legitimate one from the point of view of the businesses and industries that operate in highly regulated environments, such as the one in the EU.

This study set out to determine those political strategies linked to discursive power that the business actors in Finland use in order to have an influence on climate policy-making at national and the EU levels. Questions of how and why they use discursive power as well as what kind of discourse they use were posed in the beginning. For the questions of how and why, this study has shown that the business actors have discovered that using positive messages as early in the policy-making process as possible is a more influential way of working with the decision-makers than being against all such initiatives. Well-argued statements, together with clear plans for how the problems should be solved, work better than saying “no” to everything. The second political strategy linked to the discursive power use found in this study was that instead of lobbying private interests, business actors have learned to emphasize how their way of doing business is the *smart* way that should be encouraged for all business. Thus, they have lobbied for the business friendly operation environment for all the corporations “doing it smart.” The dominant discourse that business actors in Finland have used in the struggle for the pace of the EU's climate action has been “threat and opportunity” discourse, which emphasizes that there are a lot of opportunities for business to gain from strict climate policy if there only were enough global political will to create common rules so that business could have a level playing field for its operations. Acting collectively and maintaining

the idea of a unified industry is seen as more powerful way to have influence than unitary action in climate change policy.

A lot of questions for future research remain. What other means are the large business actors in Finland using when exercising discursive power? How are these discursive strategies linked to how they use other dimensions of business power? What other dominant discourses there are except for “threat and opportunity”? It would also be interesting to analyze more closely the differences in discourses among distinct industry sectors – something the space does not allow here. In any case, discursive power use of business remains underexplored ground for the IR research. The business actors remain influential and central for the overall question of climate change mitigation, and their role in climate change governance is difficult to neglect.

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