

Penta Policy Insiders

2023 EU Insights Review

A brief note of thanks

As we share findings from our 2023 EU Insights Review, we want to express our gratitude to the numerous policy leaders who have contributed to our research. Without your generous contribution of time and insight, this work would not be possible.

As policy priorities shift in advance of elections next year, our research centers on what EU policymakers want to see from private sector advocates. Our findings indicate a desire among policymakers across the political spectrum to see substantive engagement from the private sector on environmental issues; in particular, the desire to see progress and not just goals and commitments. Our research also demonstrates the value of (credible) research and data on relevant policy areas to inform decision-making.

Having spent more than a decade studying advocacy (initially in Washington DC), Ballast Research officially rebranded as Penta Policy Insiders in 2022. We are excited to join with other world-class research, consulting and advisory firms under Penta Group. Our mission remains the same: to enhance policy dialogues by delivering candid, anonymized feedback from policymakers to government relations professionals.

We hope you will consider joining our Penta Policy Insiders community.

The Penta Policy Insiders research team

November 2023

Executive summary

Policy priorities in Brussels are changing in anticipation of the 2024 Parliamentary elections. At the forefront of the agenda are environmental concerns and geopolitical uncertainty. Environmental conversations center on the most effective composition of low-carbon resources, as well as formulating a response to the Inflation Reduction Act (IRA) in the US. Simultaneously, the ongoing conflict in the Middle East is raising geopolitical concerns and putting international relationships, be it China or the UK, in the spotlight.

Companies and private sector advocates have an opportunity to strengthen partnerships with policymakers by honing in on the types of engagement that policymakers find most helpful. Our research reveals that policymakers place a growing premium on candid, straightforward communication as well as reliable data to inform policy conversations. The most influential advocates distinguish themselves by providing research and data policymakers find relevant and by sharing concrete progress against commitments.

The following report dives deeper into these developments and their implications. As Europe navigates the current political and social landscape, Penta seeks to offer valuable insights to guide strategic stakeholder decision-making.

About this research



Every year, Penta conducts research with senior policymakers in Brussels to understand the current advocacy landscape and how private sector companies can improve their engagement. This year, from March 2023 to August 2023, Penta surveyed more than 600 policymakers in the European Union and its member states. The comprehensive research gathers feedback directly from senior policy makers in Parliament, the EU Commission, and EU Capitals as well as policy experts in Brussels.

This study also draws on similar research that Penta conducts annually on advocacy in Washington DC as well as findings from the Penta Insights Platform.



Washington DC Advocacy Research. More than 10 years of research conducted annually into the US advocacy environment.



Penta Insights Platform. Advanced analytics of nearly 200,000 news outlets, 3 million blogs, and 1,000 social and web forums from 200+ countries and territories and 100+ languages.

Table of contents

Section One | 05

Environmental concerns are back on top

Section Two | 13

Geopolitical priorities are shifting

Section Three | 23

How companies can strengthen relationships with policymakers

Section One

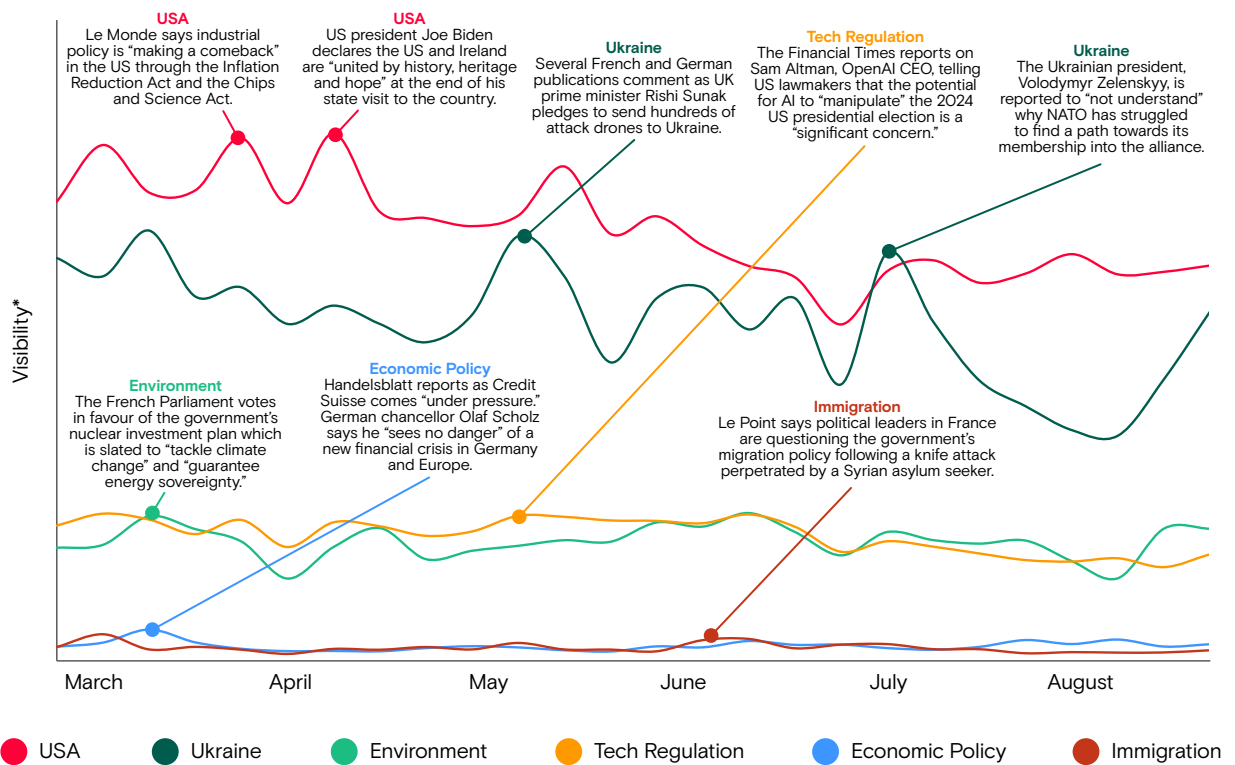
Environmental concerns are back on top

EU media focused on USA and Ukraine, while Brussels policymakers focused on the environment

While media conversations in the EU are focused on the invasion of Ukraine and relations with the US, policymakers in Brussels are much more focused on environmental issues.

Penta's analysis of new and traditional media shows how conversations in Europe about Ukraine and the US are more than twice as visible as conversations about the environment.¹

Stakeholder discussion in media focused on USA and Ukraine²

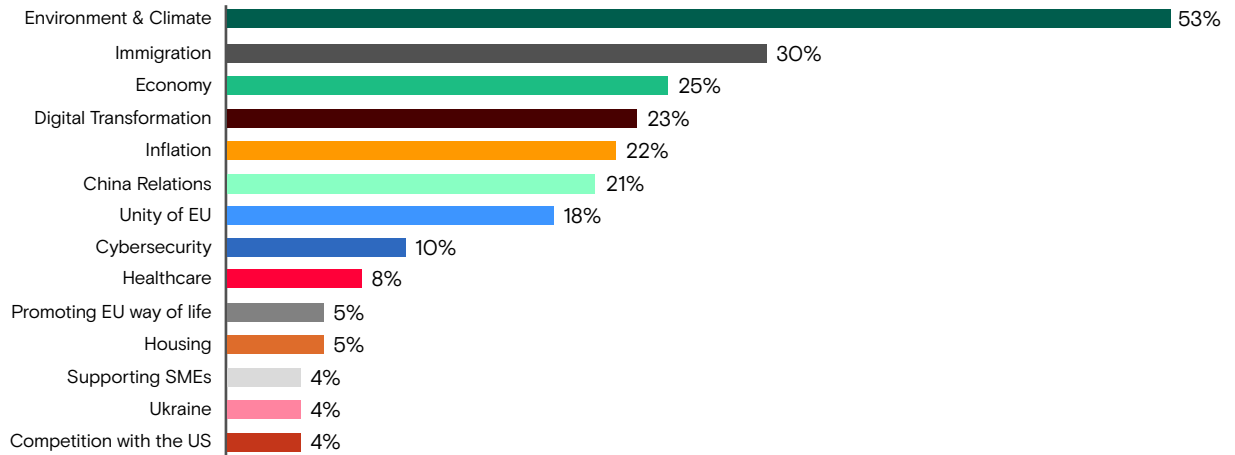


*Visibility is a measure of volume weighted by the influence of the source as well as the prominence and relevance of the mention.

In contrast, **our research with EU policymakers** suggests that environmental concerns are a much higher priority in Brussels. In fact, a majority (53%) of policymakers selected the environment as a top priority, outpacing other key issues like immigration, the economy and digital transformation. This is in alignment with the emphasis placed on the European Green Deal and its environmental goals in President von der Leyen's State of the Union speech in September 2023.

EU policymakers' top priorities in 2023

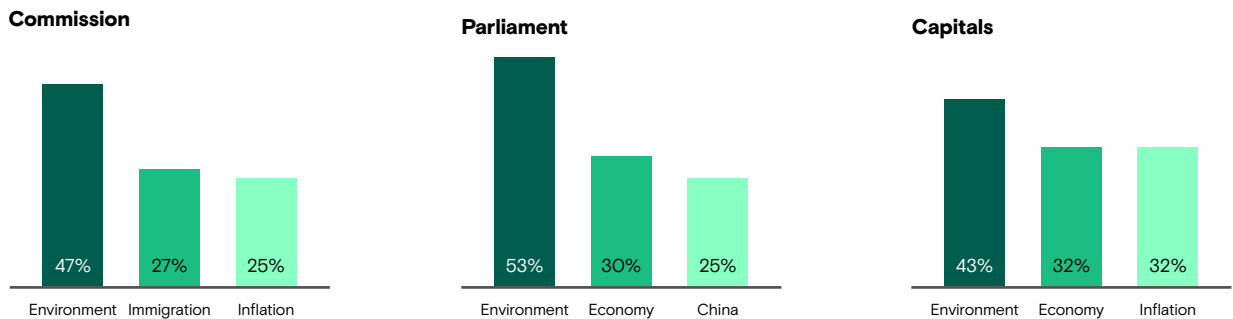
Which issues do you view as the most pressing issues facing the EU? (Percent of respondents who placed the issue in their top 3).



I'm very convinced that the European Parliament will be the legitimate stakeholder of the Green Industry... So in this context, it's clear that **we need solutions on green energy and sustainability...** I think that is the one objective.

MEP

A staunch commitment to the environment remains consistent across the EU institutions.



High prioritisation of the economy and inflation also illustrates the nuanced nature of a focus on the environment – for some policymakers, that focus comes from a concern for the balancing act between green initiatives and the economic competitiveness of the EU.



Climate activism, the Green Deal and green sustainability activism can be good and bad. I think that **we have to find the middle way**... Industry is a legitimate stakeholder and industry has to be here... [People say] Trade is polluting the environment, trade is subjugating people, trade is financing wars and so on. But very few people speak about trade as a job creator and how it has a key role in the way of life that we sustain today.

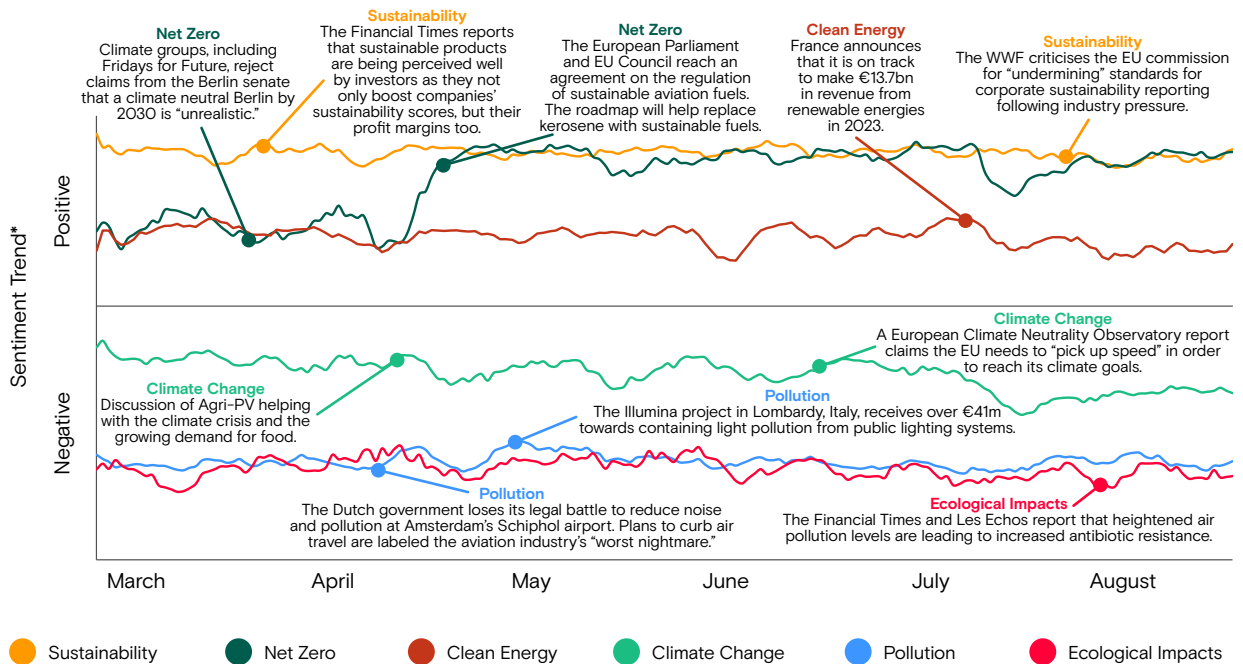
Committee Vice Chair, Parliament



Policymakers are optimistic about renewable energy

To understand the discussions that are shaping the policy agenda, we conducted sentiment analysis in the EU across seven key environmental policy issues. The findings revealed optimism surrounding renewable energy, sustainability and net zero initiatives as well as concerns about the negative impacts of pollution and climate change.

Clean energy, net zero and sustainability discussion is largely positive; pollution and ecological impact topics generate negativity

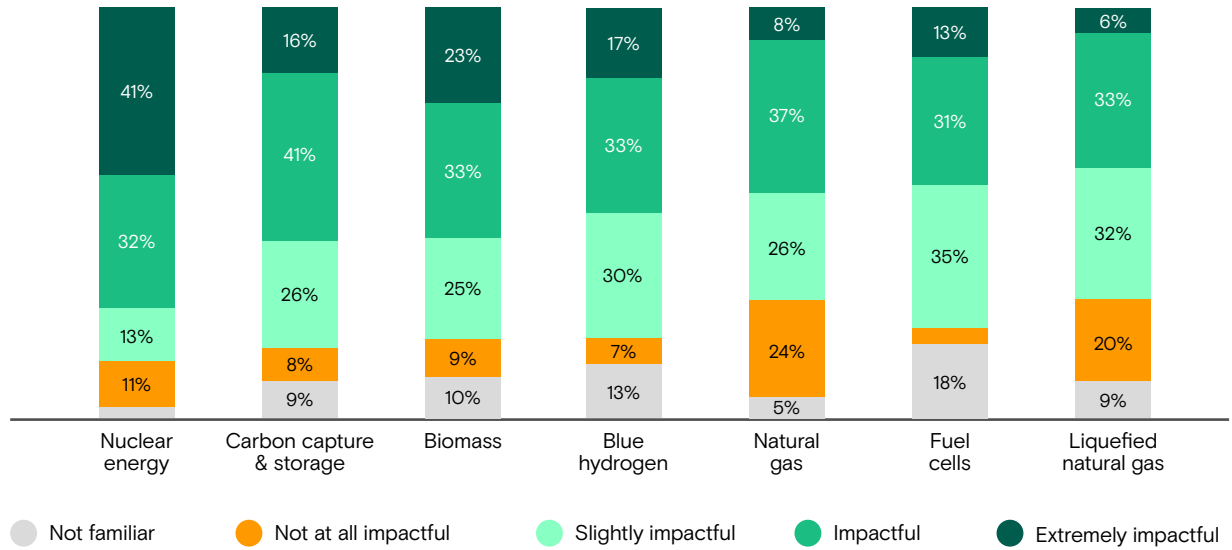


*Sentiment is measured on a scale of -100-100, with 0 representing neutral. Sentiment trend is a simple 7-day average of sentiment score.

Similarly, our polling of policymakers indicates strong optimism about the potential impact that renewable energies – especially nuclear energy, carbon capture, and biomass – can have on the climate crisis.

Policymakers view nuclear energy & CCS as most impactful energy alternatives

To what extent do you believe the following low-carbon energy sources can have a positive impact on the climate crisis? (Percent of respondents who selected each answer).



I see a host of countries with ongoing and planned **massive investment in renewable energy production** in Europe, both solar and wind, but also in some cases nuclear, and others are looking for some other alternatives. So there is a trend both in terms of looking for greater variety, and also greater possibilities of domestically produced and sourced energy.

Head of Unit, Commission

Party Differences. While there is broad agreement across parties on the positive impact a transition to low-carbon energy sources would have on the climate crisis, there are varied views regarding which energy alternatives should be focused on within that transition. For example, 93% of right leaning policymakers believe nuclear energy is extremely impactful or impactful, compared with 63% of left-leaning policymakers.

Commission vs. Parliament. Between institutions, perspectives on the clean energy transition can differ somewhat around implementation challenges. Among Commission staff, optimism tends to be more tempered by implementation challenges, relative to Parliamentary staff. For example, the quotes below represent differing perspectives on the promise of blue hydrogen.



Right now we are going backwards, because the energy we got from Russia is cut off. And we are doing everything we can just to get through the season. So we are thinking of any other option. **Hydrogen can be a [long-term] solution** and so the private sector will have to be involved.

Winter 2022, Former MEP, Parliament



The role of hydrogen is much too exaggerated... Hydrogen will still be quite important for certain sectors that are hard to decarbonize, but it is not a solution for all the sectors. First of all, because the level of contribution to greenhouse gas emission reduction is very limited because it needs to be mixed with gas...[and] the cost of hydrogen is still not cost competitive.

Adviser, Commission



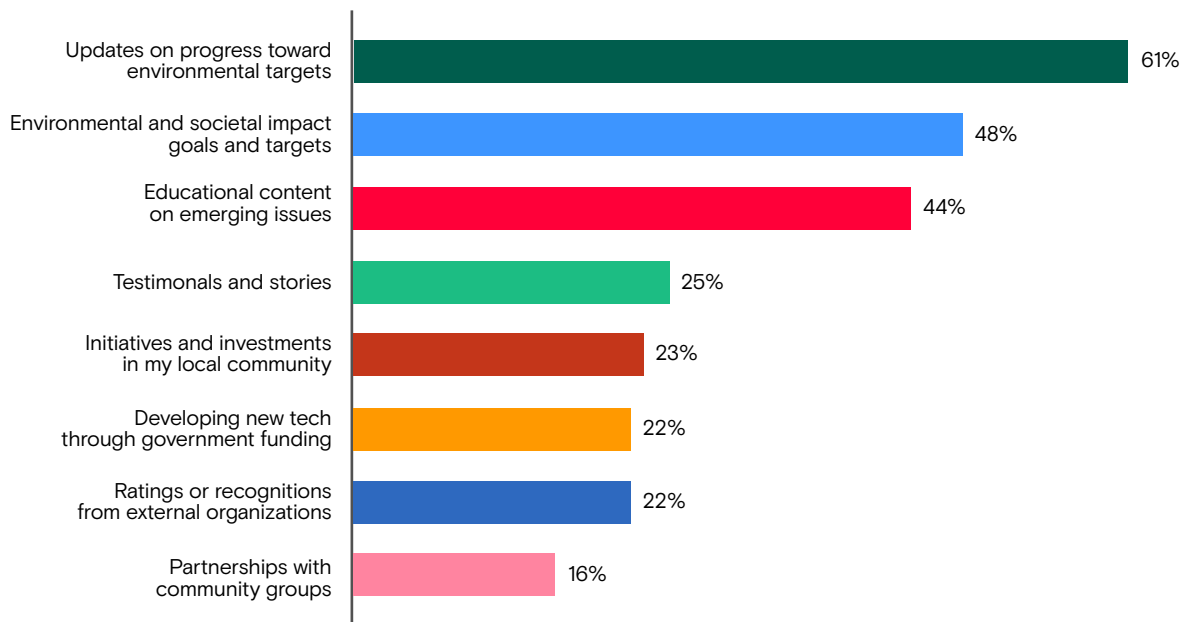
Policymakers want to hear about tangible environmental progress

As advocates examine how they can work alongside EU institutions in the pursuit of environmental goals, our research shows that EU policymakers welcome engagement from organisations who can demonstrate their dedication to environmental stewardship.

However, this expectation goes beyond green commitments and goals. There is also a strong desire from EU policymakers to hear from private corporations with concrete updates on their environmental progress.

Policymakers want to hear about companies' green progress (not just goals and commitments)

What type(s) of content and information are most useful to you from companies when it comes to learning about their policy positions and environmental/societal impact work? (Percent of respondents who placed the issue in their top 3).



Section Two

Geopolitical priorities are shifting

Middle East in focus

While our survey closed prior to the recent conflict in the Middle East, our conversations have highlighted the priority policymakers are placing on finding a peaceful resolution as well as heightened geopolitical uncertainty.



We are living in extraordinary times. When I look back in 2009-2010, we had the economic and financial crisis in 2015-16, we had the refugee crisis also in Germany... In 2019, we had COVID... Since the last year to 2023, we have the war in Ukraine...I can only tell you **the density of all these crises and wars...**we should be alerted...What Macron said, to plan this strategic autonomy of Europe, this cannot be done now in a globalized world, because **all the dependencies are too high in a globalized world.**

MdB, Bundestag

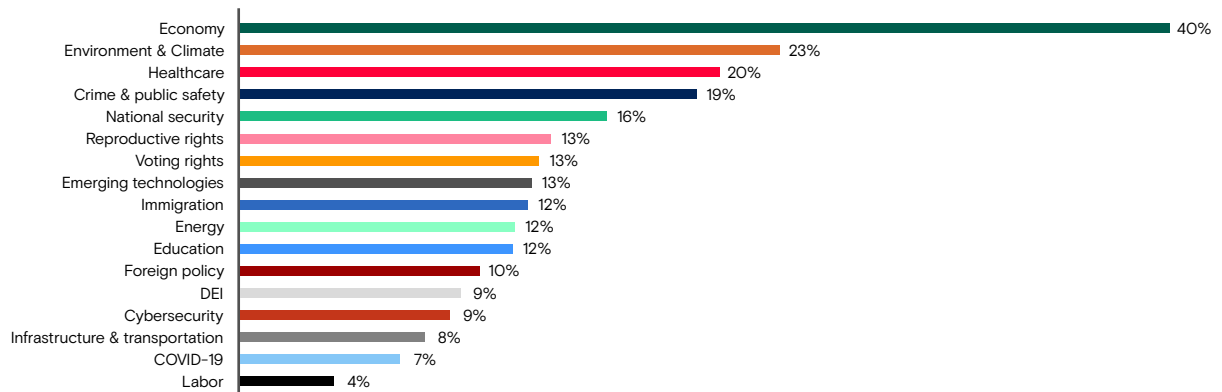


Growing transatlantic gap on environmental priorities

Across the pond, our US Federal Research shows that US policymakers report environmental issues to be less of a priority compared with economic prerogatives.³

Most Pressing Issues in the US in 2023

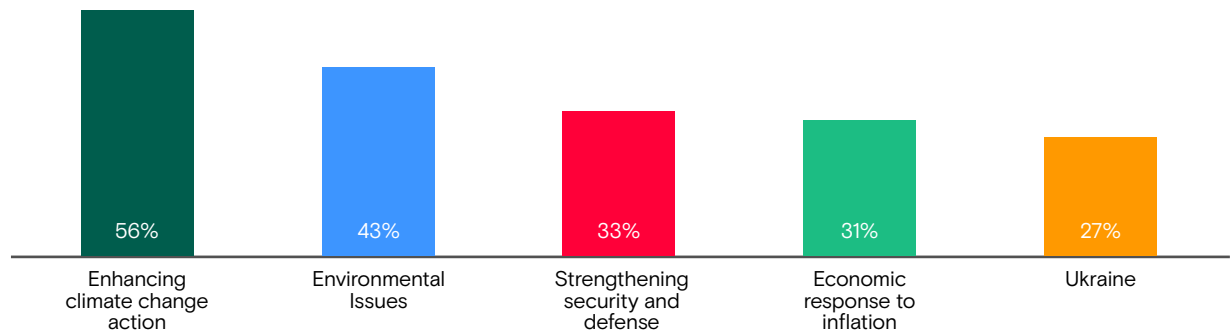
Which of the following do you view as the most pressing issues facing the nation? (Percent of respondents who placed the issue in their top 3).



Nonetheless, there is still potential for transatlantic collaboration as EU policymakers demonstrate a strong desire to work together with US policymakers on environmental issues.

Policymakers want to see cooperation around climate

Where do you want to see cooperation between the US and the EU? (Percent of respondents who placed the issue in their top 3).



US IRA highlights environment-economy balancing act

Despite concerns of the potential effects the Inflation Reduction Act (IRA) on US/EU relations,⁴ our research indicates that only 4% of EU policymakers view competition with the US as a top priority.⁵

Now, EU policymakers are looking to the IRA for reference as they plan to implement similar policies and investments in the EU, illustrating the nuanced nature of green legislation in the EU as policymakers seek to balance such measures with the economic development of the Union.



The US is not a total 100% friend in terms of trade with the European Union. This has been extremely visible since President Trump was in the White House, but also we see it with President Biden with the IRA.

Policy Adviser, Parliament



Look at the United States, with high subsidies they are supporting their own economy with the Inflation Reduction Act. **A European answer has to be given.** And so you see, we have a lot of challenges, a lot of insecurity.

MdB, Bundestag



We, as policymakers, have the responsibility to shape it to create matching policies [with the IRA]. That's important...We are standing in a worldwide competition. That's globalization. And we have to give our industries clear incentives to stay here.

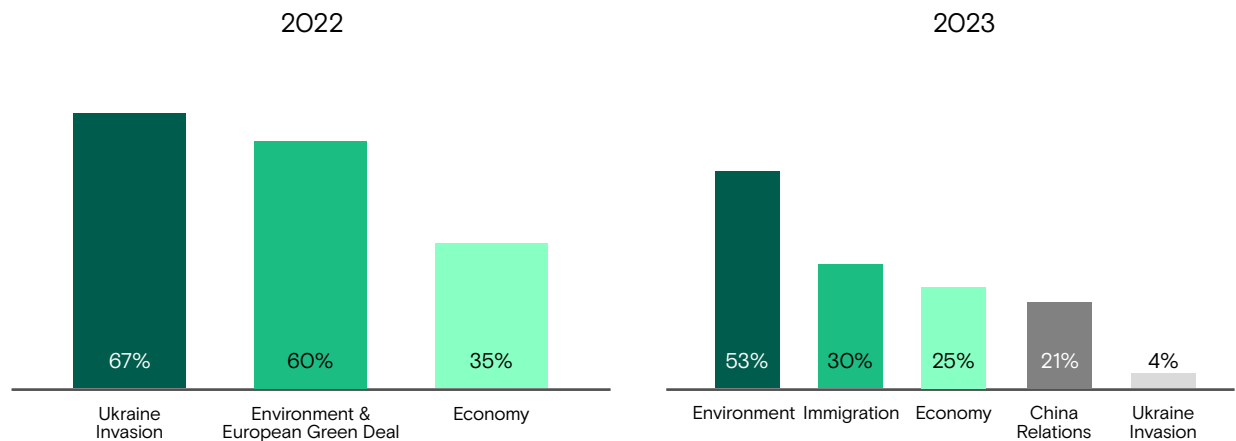
MdB, Bundestag

Ukraine policy is shifting to infrastructure and rebuilding

When asked about the most pressing issues facing the EU in 2022, policymakers overwhelmingly placed the Ukraine invasion at the top of the list. However, in 2023, the focus has shifted toward environmental priorities.

Ukraine prioritisation in 2022 vs. 2023

Which of the following do you view as the most pressing issues facing the EU? (Percent of respondents who placed the issue in their top 3).



This shift has been accompanied by new perspectives as to how the conflict in Ukraine should be addressed. In 2022, policymakers were worried about the immediate response to the Ukraine crisis:



Now with Russia's invasion of Ukraine, there is suddenly a huge rush of pro-militarism in the West, because we realise militaries keep us safe.

Winter 2022, ESG Director, Germany



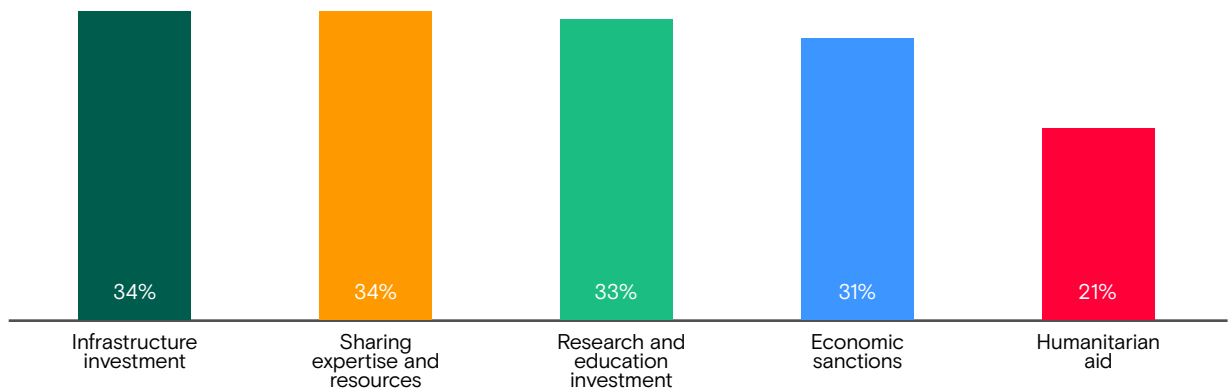
The war in Ukraine is a global situation, but it is disproportionately affecting the European Union...And we have to get some answers... [because the] shocks revealed the very deep dependencies of the European Union.

Winter 2022, MEP

In 2023, policymakers are more focused on the future: the reconstruction and infrastructure spending in Ukraine, as well as the possibility of tying in the EU's environmental priorities. This is a process in which they want to see the private sector contributing to.

Private sector partnerships in Ukraine wanted in infrastructure

How can the private sector be the most effective partners to the public sector during this period of geopolitical crisis? (Percent of respondents who placed the issue in their top 3).



Our agenda remains firmly [on reconstruction]. But even with Ukraine, we are anchored to the green reconstruction and decarbonisation. Whenever we talk about reconstruction, we always make clear to our Ukrainian colleagues that this has to be anchored on the green transition and decarbonisation.

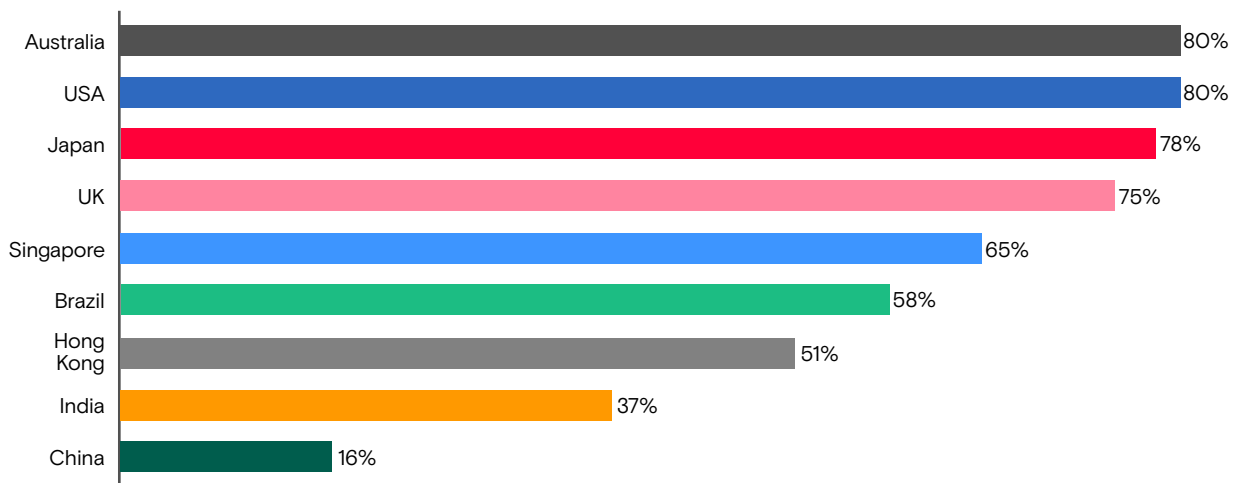
MEP, Parliament

China relations are nuanced

Relations with China is a pressing issue for EU policymakers who remain relatively wary of working with companies from China.

Policymakers are less open to working with companies from China

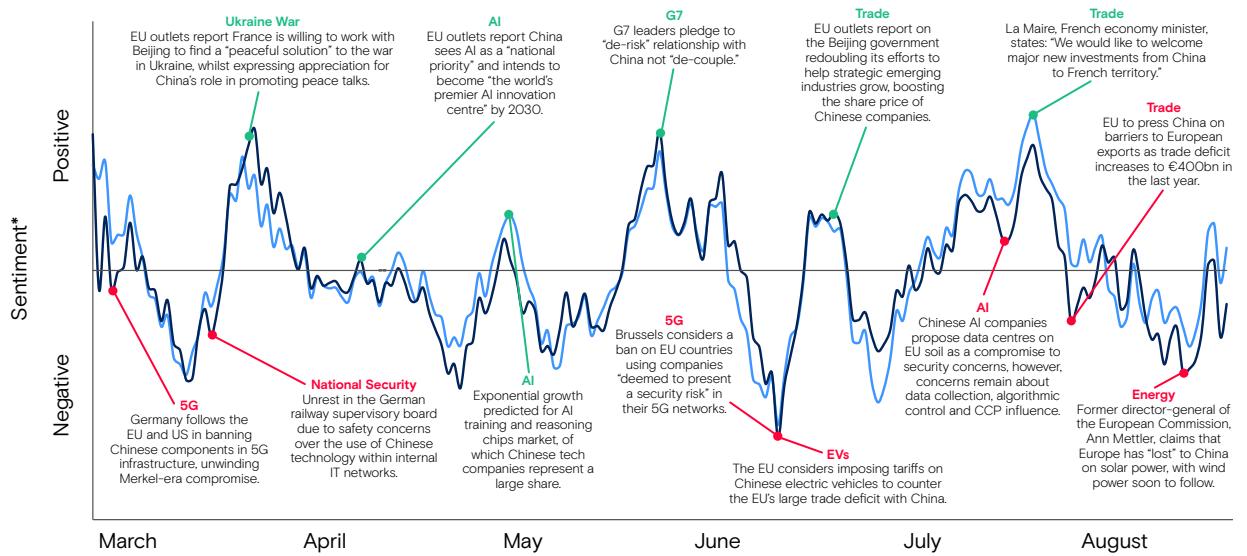
How open are you to working with companies from these countries? (Percent of respondents who selected very open or open).



This wariness has risen from concerns regarding national security, 5G, data storage, and cybersecurity, as well as references to Chinese economic policies. On the other hand, there are industries where China ranks highly as a prospective partner – namely, textiles, energy, e-commerce, consumer electronics, medical devices, and machinery.

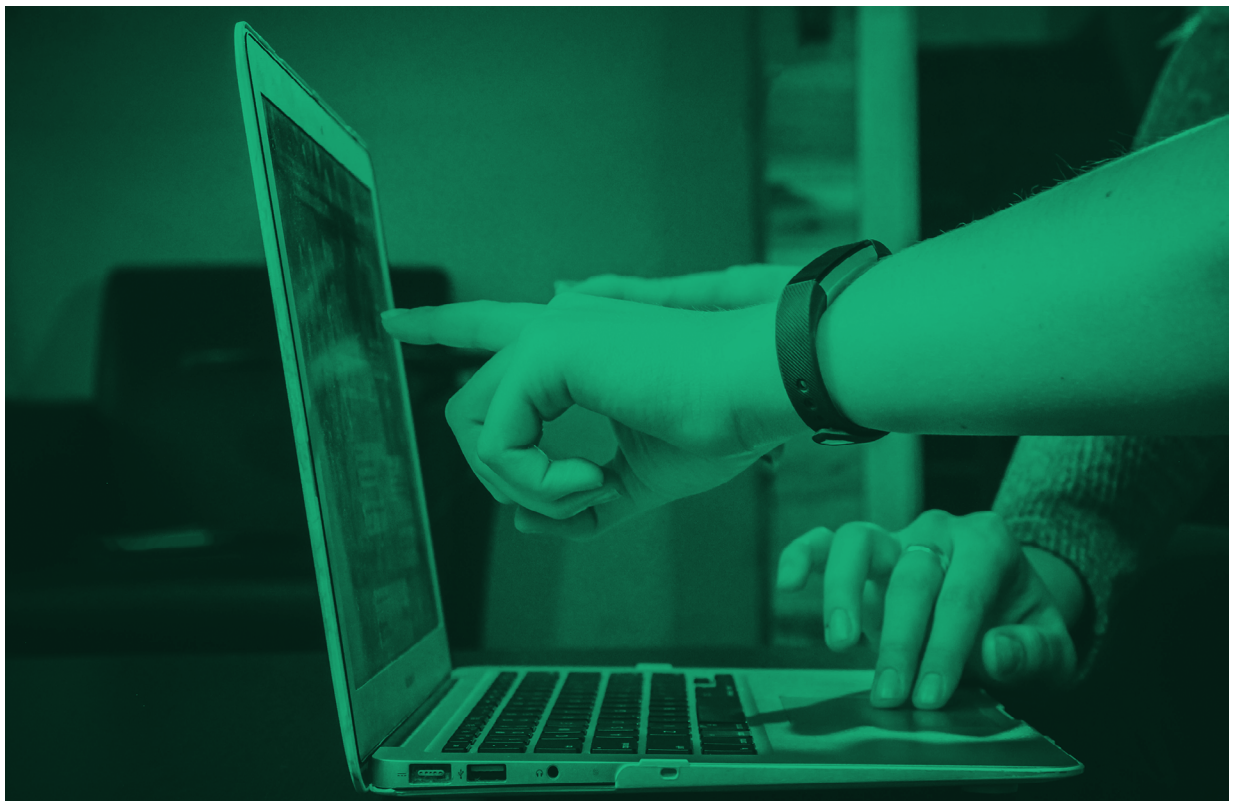
The dynamic nature of EU attitudes towards China also surfaces through Penta's sentiment analysis of China relations in the media. When comparing conversations of EU policymakers versus the EU general public in the media, we found that the two groups' sentiments largely align, with positive and negative fluctuations across the past six months. Such dynamism suggests there is opportunity for Chinese companies to productively engage in the EU.

Discussion of relations with China is dynamic; stakeholders are broadly positive about Chinese AI initiatives, though politicians remain cautious



- Overall sentiment trend
- Government & Politicians sentiment trend

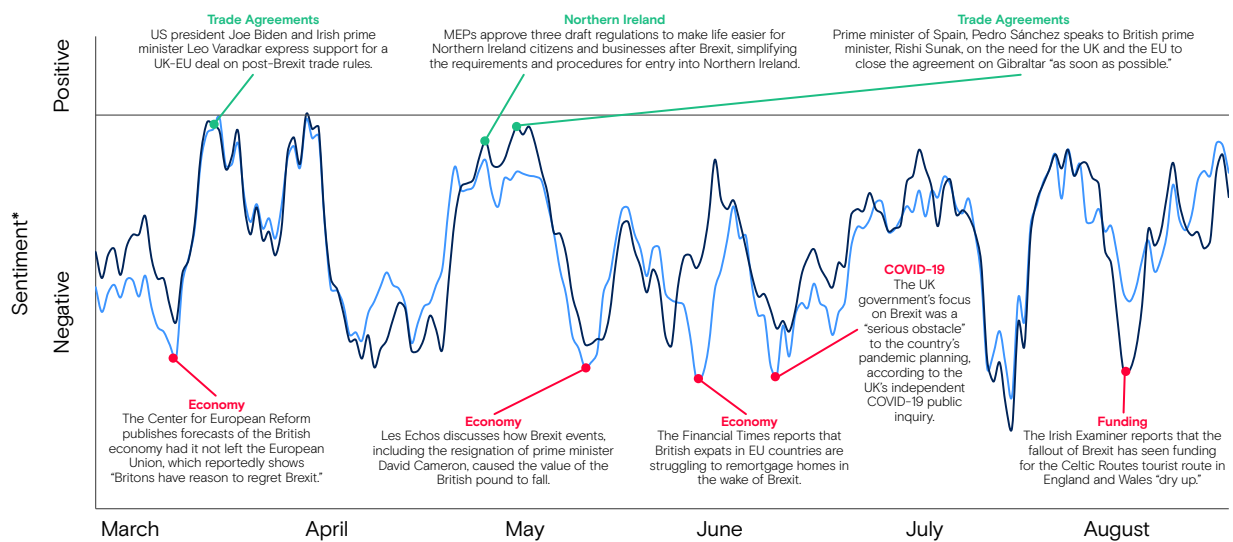
*Sentiment is measured on a scale of -100-100, with 0 representing neutral. **Sentiment trend is a simple 7-day average of sentiment score.



Brexit is an ongoing complication

The UK ranks behind other countries (the US, Australia, and Japan) when it comes to their corporate reputation in the EU. Our media analysis suggests that conversations related to Brexit have a negative impact on UK-related sentiment.

Broadly negative discussion of Brexit's impact on the economy is occasionally mitigated by efforts to improve trade relations



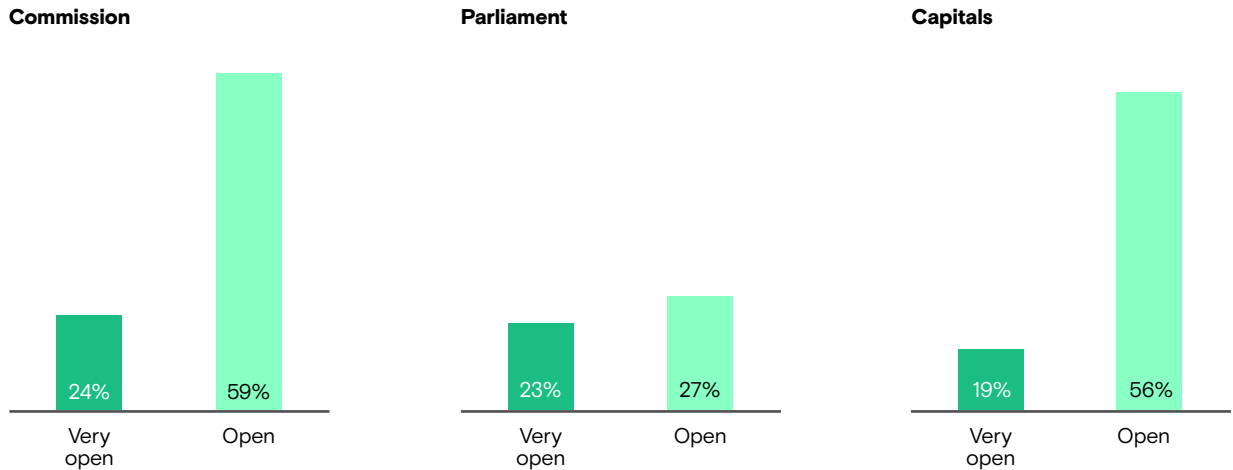
- Overall sentiment trend
- Government & Politicians sentiment trend

*Sentiment is measured on a scale of -100-100, with 0 representing neutral. Sentiment trend is a simple 7-day average of sentiment score.

This hesitation is particularly felt within the European Parliament as they are less open than other institutions to working with UK companies.

Openness towards UK companies across EU institutions

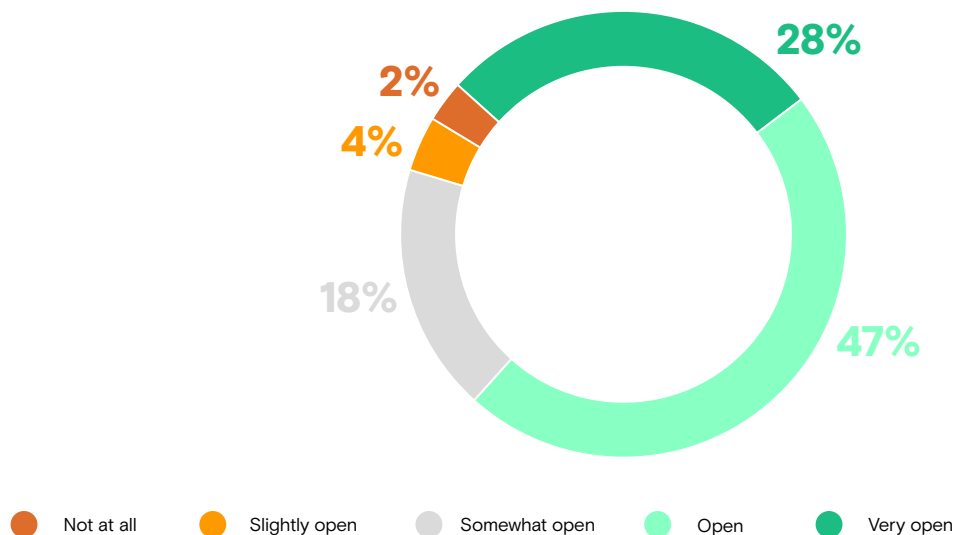
How open are you to working with companies from these countries? (Percent of respondents who selected very open or open).



However, EU policymakers as a whole do demonstrate an ongoing openness to working with the UK and improving trade relations, particularly in the chemical, aerospace, biotech, defense, and financial services industries. There is opportunity for U.K. companies and policymakers alike to compensate for the negative sentiment Brexit has inspired within the EU.

Openness: UK

How open are you to working with companies from UK?



Section Three

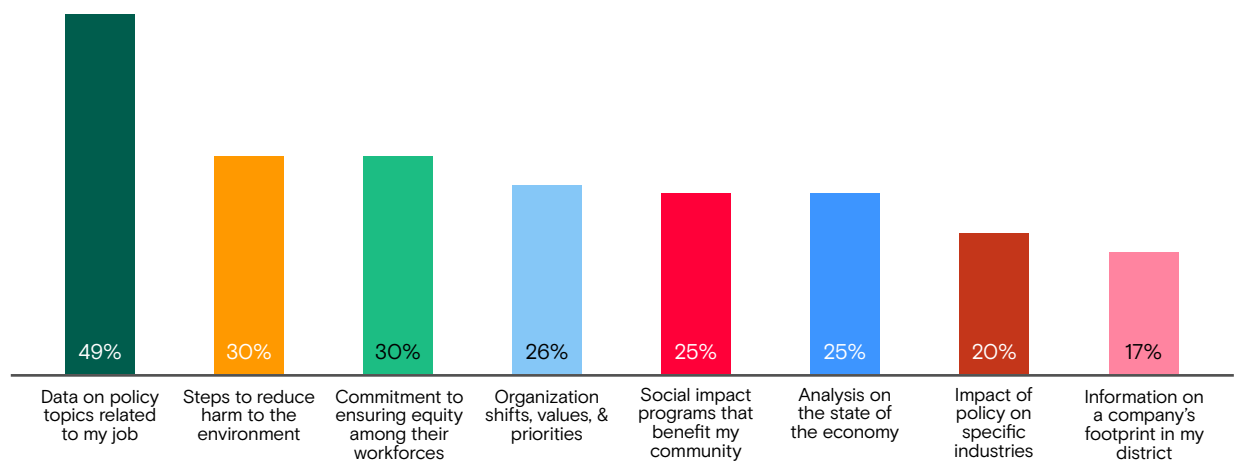
How companies can strengthen relationships with policymakers

Policymakers want data and candid communication

As companies seek to improve engagement, especially in the wake of the ‘Qatar-gate’ scandal,⁶ our research has produced several best practices for interacting with the public sector. More than any other type of private sector engagement, EU policymakers value data on topics related to their jobs.

Policymakers want companies to share more about data on their policy priorities and less about their footprint

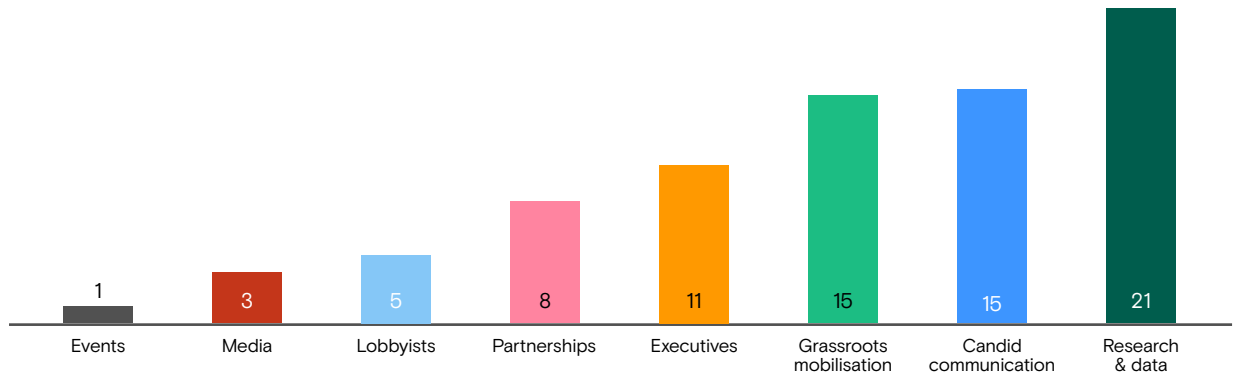
How frequently would you like to hear from the private sector about the following topics? (Percent who chose ‘Weekly’ or ‘Monthly’).



The value that policymakers place on helpful research and data from companies is also reflected in our analysis of corporate reputations among policymakers. As part of our annual advocacy research, we measure the reputation of companies and associations across key dimensions of their engagement. When we compare companies that have the strongest reputations with their less well-regarded peers, we see that leaders distinguish themselves through their research data. In fact, effective research and data is the largest differentiator, followed by candor in communications. Other important engagement tactics, like events and media are critical tools, but do less to separate the best private sector advocate from their peers.

High-impact partnership levers

Difference in scores between the most effective and least effective advocates



The biggest challenge is that **it's hard to get the meaningful information** in policymaking, meaning information that can be shared and is not subject to confidentiality... The biggest challenge is how to make sure that we've got all the information which we need.

Head of Unit, Commission



To enable the private to look at our goals objectively and to make them more compliant with the public interest, **you have to always have a dialogue**... So you align the competencies among the public and private on specific topics.

Director of International Relations, Council



The public sector didn't have a lot of experience with digital [transformation]... **We need companies to help the public sector organize and rejuvenate the economy.**

Head of Unit, Commission

Citations

1. Penta Insights Platform conducts advanced analytics of nearly 200,000 news outlets, 3 million blogs, and 1,000 social and web forums from 200+ countries and territories and 100+ languages.
2. The graph demonstrates the Visibility of chosen topics. Penta measures and calculates Visibility by considering the volume (distribution) and three key factors: influence of a source, prominence of a mention, and relevance of the mention.
3. For an in-depth analysis of differing energy priorities in the US and the EU, see our report '[Powering the Future: Energy Priorities in the US and the EU](#)'
4. For the impact of the IRA on European politics please see: <https://www.cnbc.com/2023/01/19/still-discriminatory-measures-in-us-inflation-reduction-act-eus-valdis-dombrovskis-.html>
5. For an in-depth guide to the Inflation Reduction Act and its measures, see: <https://www.whitehouse.gov/cleanenergy/inflation-reduction-act-guidebook/>
6. Several EU policymakers, including lobbyists and members of the European Parliament, were revealed to be involved in a corruption and money laundering scheme that sought to influence the decisions of the Parliament in favour of the Qatari government's agenda. For more information on the scandal, see https://www.lemonde.fr/en/international/article/2022/12/15/qatargate-what-we-know-about-suspected-corruption-at-the-european-parliament_6007916_4.html

About Penta Policy Insiders

Penta Policy Insiders is the research arm of Penta. We have been studying advocacy for more than a decade. Our mission is to improve the quality and effectiveness of private sector engagement by providing candid, anonymized feedback from policymakers to government relations professionals. To our policymaker community, we provide cutting-edge content research and content tailored to the pressing issues facing public sector colleagues. Stay up-to-date by joining Penta Policy Insiders and following us on X @pentapolicy.

About Penta

Penta is purpose-built to help improve understanding between companies and their stakeholders. In an age where business requires new skills, tools, and framework for engagement with stakeholders, Penta defines, informs, and strengthens decision-making and understanding between our clients and their stakeholders.

Penta has a global reach, with over 350 professionals spread across 9 locations in Washington D.C., London, Brussels, New York City, Paris, Dublin, San Francisco, Singapore and Hong Kong.

Monitoring support

Penta as eyes and ears on the ground:

1. Get the basics right:
File monitoring
2. Looking ahead:
Horizon scanning
3. Long-term goals & how to get there: Strategic advice

Strategic support

Penta as advisors:

1. Stakeholder mapping: Who is important, why and when?
2. Campaign outline: Messaging - Audience - Toolbox
3. Engagement implementation: Recommendations - Action - Lessons learned

Comms Support

Penta on the importance of communications:

1. Focus on supporting your objectives and amplifying your message
2. Ensuring your messages reinforce all your work
3. Influencing a global agenda (beyond 'bubbles')

Penta Policy Insiders