

# Corporate lobbying for environmental protection

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**Abstract** Much of the time, firms lobby against environmental protection, but there are major exceptions to this rule. DuPont, the leading ozone polluter in the 1980s, lobbied for a complete ban of its product. In 2015, in the run up to the Paris Agreement, Europe's six largest oil and gas companies lobbied for a global carbon price. This kind of political support is often pivotal for governments trying to protect the environment. I offer an explanation for this phenomenon, suggesting firms behave as they do in order to steal market share from their rivals. I develop a simple model in which a polluting firm makes a clean technology investment and then lobbies successfully for strong environmental protection, since this will shift market share away from its rival who has not made the clean investment. The key result is that there are situations where it is only because of firms' lobbying that environmental protection is achieved, and this raises welfare.

**Keywords** lobbying, environmental policy, political economics

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