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LOBBYING ON THE EU ARENA – THE POLISH BUSINESS PERSPECTIVE

INTRODUCTION

The general image of Polish business lobbying on the EU arena coming out of the little scientific literature available is rather negative. Most opinions and comments express disappointment that Polish business lobbying presence on the European arena is insufficient. Very few Polish business actors mobilise and take advantage of the opportunities to influence the EU decision-making process and lobby the EU institutions. Even industries and sectors highly regulated by EU law, such as the pharmaceutical and chemical sectors, are hardly visible on the European arena. There are several examples of organised Polish business lobbies in Brussels; nevertheless they still are “a mere drop in the ocean”, fragmented and chaotic.

In the light of such a critical assessment, it is justified to take into consideration whether the actual picture of the Polish business lobbying is so bad, and if so, why, and how to remedy this. In search of answers to these questions, I conducted empirical surveys, which results in part – and as appropriate – are presented here. The topic can be considered as part of the broad stream of research on the Europeanisation of interest representations from new Member States. It is focused on selected forms of organised lobbying of Polish business aimed at influencing the EU decision-making process and executed beyond the national borders, directly with the EU institutions¹. The overall goal of this article is to better understand the Polish business actors' interest in EU lobbying by isolating their popular forms of activity and by drawing conclusions from empirical research conducted among Polish business representations and individual companies. It is also about whether Polish entrepreneurs in lobbying activities at the EU level are reactive or proactive and why.

¹ A form of representation is independent from public authorities. It is an organised and formalised way of exerting corporate interests in an international context. Therefore neither activities of Polish governmental bodies such as the Permanent Representation to the EU nor the treaty based institutions such as the European Economic and Social Committee are taken into account.

The results presented in no way claim to be exhaustive but may contribute to reduce the large gap in the literature on this particular topic. Taking into account the dynamics and development of the European lobbying “market” it is worth to mention that in principle the article describes the state of play at the end of the year 2010.

The first section introduces some reflections and assessments of Polish business mobilisation at the EU level in the pre-accession and post-accession periods. In the second the structured list of organisational forms of Polish business interest representations is presented. Then the results of the two empirical studies are analysed. They illustrate the two extremes. The first survey – conducted via direct, semi-structured interviews – took place from April to July 2010 with persons managing business representation offices in Brussels (in-house lobbying) and as such defending the interests of five large Polish companies: the Polish State Railways (PKP), the Polish Postal Services, the Gas Transmission Operator Gaz-System S.A., the Polish Oil and Gas Company (PGNiG), and Polish Telecom. It gives us some in-depth information about the motivation for choosing this form of lobbying activity, and about the functioning, challenges and expectations of these business actors. If judging by their permanent presence in the European capital city, the companies are exceptionally mobilised and europeanised. The second empirical study – in the form of a questionnaire – was conducted in May and June 2010 among 308 exporting companies of the Pomerania Region in Poland. It shows a very different research sample: a mixture of small, medium and large size companies, most of which not even associated with any Polish business organisation, and with employees often refusing to even answer questions concerning lobbying.

AN UNSATISFACTORY PICTURE

The problem of European mobilisation of interest representations from the new Member States (NMS) has only recently and gradually become a noticeable area of research. Increasingly, authors are devoting their attention to this issue, which until recently was not at all common². It seems that researchers’ interest in the topic follows the slow and timid development of lobbying activity of actors from the NMS. In 2004, at the time of enlargement of the EU, only 2% of all Brussels lobbyists were representatives of NMS [Pleines 2007]. In spite of the openness of the EU institutions and numerous channels of access to the decision-

² The problem was not raised for example in any of the nine articles included in a special issue on European lobbying of the Journal of European Public Policy [Journal of European Public Policy 2007]. Only recently, in April 2010, Acta Politica refers to the problem in the context of the development of civil society in CEE countries [Acta Politica 2010], with special attention for business mobilization in Ch. Koutalakis’ [2010] article. See also H. Pleines [2007 and 2008] and M. Sapała [2009].

making process, entering the European arena is still a significant challenge and difficulty for both the representations of civil society and the private sector from these countries. Online consultation of EU legislation is negligibly low with entities from NMS, especially from Poland, which demonstrates that even seemingly easy and freely available tools, not requiring the presence of an office in Brussels, are underused. Reports on online consultations presented by the European Commission show a large imbalance between the participation of stakeholders from new and old Member States³.

The image of insufficiency as for the level of activity of Polish civil society both on the national and the European level comes out as well in articles included in *Acta Politica*'s special 2010 issue. The introductory headline of T.A. Börzel in this special issue reads: "Why you do not always get what you want: EU enlargement and civil society in Central and Eastern Europe". Her article tells us that the impact of the EU enlargement on civil society in CEE countries is ambivalent and depends on the national context. She states that EU enlargement "*did constitute a new opportunity structure offering civil society actors additional rights, money and networks. Yet, the extent to which CSOs became empowered depended on their willingness and capacity to make use of these new opportunities*" [Börzel 2010]. Furthermore, Charalampos Koutalakis in the same issue draws similarly cautionary conclusions on business involvement during the pre-accession negotiations in Poland in Hungary: *„their potential to benefit from new opportunities for influence offered by the EU is largely contingent upon domestic conditions that shape their preferences and interests in favour of or against cooperation.”* [Koutalakis 2010].

Even more skeptical opinions on business lobbying are expressed by Polish authors and commentators. They describe the situation as chaotic, with some isolated actions and with just a few examples of more formal, deliberate and successful projects. They state for example:

³ The data presented by Obradovic and Damsma [2007] covering years 2003-2006 as well as the reports from 2011 give evidence that the number of consultations is still relatively low among actors from new members of the Community. In 108 opinions submitted to the EC during the public online consultations between 2003 and 2006, the Polish average number of opinions submitted equals 0.57 per 10 000 citizens [Obradovic and Damsma 2007]. Recently finalized consultations on single market legislation include the following Polish citizen submitted opinions (July 2011, rate of Polish opinions as part of the total): Consultation on the harmonization of the securities law – 2/108; Public consultation on disclosure of non-financial information by companies – 2/259; Consultation on the Green Paper on expanding the use of e-Procurement in the EU – 2/77; Public consultation on a possible successor to the Competitiveness and Innovation Framework Programme (CIP) - 27/676; Consultation on central securities depositories (CSDs) and on the harmonisation of certain aspects of securities settlement in the European Union – 1/101. Data available on: http://ec.europa.eu/yourvoice/consultations/index_pl.htm (accessed July 2011).

"If we look more closely at Polish attempts of advocacy at the European level, we see that we are dealing with singular symptoms of activity, not a mature, thoughtful strategy, which form a Polish model of lobbying." [Mołęda-Zdziech 2006]

"Despite the fact that for several years Poland has been member of the EU, in terms of professional and effective lobbying for our economy, we are far behind the Germans, French or British. Lobbying in Brussels is another area on which the Polish economy loses to foreign competition." [Formicki 2010]

"Large and strong is the representation of Polish regions, which may indicate their substantial mobilization and Europeanization. The picture of individual and collective representation of businesses, professional groups and NGOs is much worse. Strangely enough, especially poor is the representation in the form of individual Brussels offices of enterprises. The largest Polish companies in the fuel and the gas sector have only recently taken up the challenge. Against this background stands out the active presence of the Polish Confederation of Private Employers 'Lewiatan'." [Sapała 2009].⁴

Moreover, the comparison with other countries that joined the EU in 2004 is unfavorable for Poland. As M. Mołęda-Zdziech [2006] states, Czech and Hungarian representations are more coordinated and some of them can boast much more active lobbying for business actors than Poland. It is true that, according to one of the few studies on the perception of European lobbying among entrepreneurs of the NMS, the Polish business in 2001-2004 strengthened its belief in the importance and significance of this kind of activity, and their results did not deviate strongly from the average performance, but it seems to remain only as a pre-accession declaration, not translated into concrete action (Table 1). The study also shows that in 2001 more than half of Polish companies (56%) could not identify the desired form of representation of their interests in Brussels and none of them considered to create a representative office. Over time however the conviction about the need to lobby at the EU level grew and in 2004 most respondents preferred representation in the form of a trade association with an office based in Brussels.

⁴ It is worth underlining however that this does not apply to the representation of regional interests. Their presence and engagement in EU lobbying is relatively important and longstanding. Although the analysis of particular regional representations may point at some divergence in effectiveness or activity, the general picture of this group is much better than the one of Polish business representations [Sapała 2005].

Table 1. Importance of lobbying at the national and European levels in the opinion of entrepreneurs from NMS in 2001 and 2004 (in %).

Member State	2001 LOBBYING AT THE NATIONAL LEVEL		2001 LOBBYING AT THE EU LEVEL		2004 LOBBYING AT THE NATIONAL LEVEL		2004 LOBBYING AT THE EU LEVEL	
	Not important	Important	Not important	Important	Not important	Important	Not important	Important
BG	4	93	4	95	12	87	7	91
CZ	39	61	15	94	23	77	49	51
EE	12	67	27	72	55	39	26	74
HU	11	77	7	92	14	83	28	69
LV	10	80	17	91	29	71	26	60
LT	21	77	9	91	12	88	35	64
PL	24	68	15	90	17	78	32	52
RO	12	83	9	91	10	88	13	78
SK	42	33	12	86	30	68	51	40
SI	29	67	16	83	21	77	39	56
average	20,4	70,6	13,1	87,5	22,3	75,6	30,6	63,5

The answers „no opinion” are not included in the table.

Source: Own elaboration based on *Corporate Readiness for Enlargement in Central Europe. A Company Survey on the State of Preparation of the Single Market*, CAPE 2001, Eurochambres, SBRA, Brussels.

Sources of these problems may lie in the internal weaknesses of civil society in Poland (finance, human resources, skills, motivation), as well as in external conditions, resulting from the requirements of the international environment in which they come to work (level of development and professionalization of European lobbying, the complexity of the legal and institutional decision-making process of the EU) [Sapała 2009]. Moreover, a very important reason for this situation are mental barriers of cultural and psychological origin and resulting "from (...) lack of tradition of participation in public life and lack of experience in lobbying at the national forum." [Molęda-Zdziech 2006]. This thesis is confirmed in the results of Burson & Marsteller’s research about the perception of lobbying. The lack of transparency in the sector is the most often identified weakness and is most keenly criticised in Poland. In addition, only 3% of respondents from Poland see lobbying as a constructive part of the decision-making process [Burson&Marsteller 2009]. It is hard to expect that in such an atmosphere the enthusiasm for lobbying at the European level will easily rise and develop.

The Polish pejorative perception of lobbying and hesitations to engage in EU lobbying come forth from a variety of conditions, incentives and barriers. Many of them, however, ultimately boil down to the so-called “human factor”. This came out of my study on the Europeanisation of lobbying activities of Polish regional authorities [Sapała 2005]. It turned out that a key determinant of activation on the European arena is not so much the financial resources as it is the human factor. A properly oriented leader of a region, a company or a NGO can do a lot to expand the organisational thinking beyond the local and short term

dimension. The starting point for mobilisation towards a European dimension is when people, on whom depends the action of the entity (eg. a company):

- ⇒ realize that there is an impact of the European integration and EU level decisions on their business,
- ⇒ get knowledge of the possibilities to engage in the decision-making process of the EU,
- ⇒ want to make use of the opportunities and tools available in order to influence the decisions taken in the EU institutional setting.

Only then one can expect that a decision to enter and to engage in the EU lobbying arena can be taken. To realize this goal – starting EU lobbying activities – the company adjusts its structure and staff, incorporates EU-related challenges in its operations, seeks ways of representing its interests and an access to the European institutions. All of these activities, in turn, can be divided into reactive or proactive. The first group consists of actions that are imitative not innovative, conservative and not risky. These could include, for example, membership in a national, possibly international association which in some way represents the interests of the business at the EU level. However this form of indirect representation of a company will often result in lobbying which can be delayed, occurring at the late stages of the legislative process (eg. when legislation is already in the EP) and representing a position, in a given piece of legislation, which is not necessarily favorable to a company.

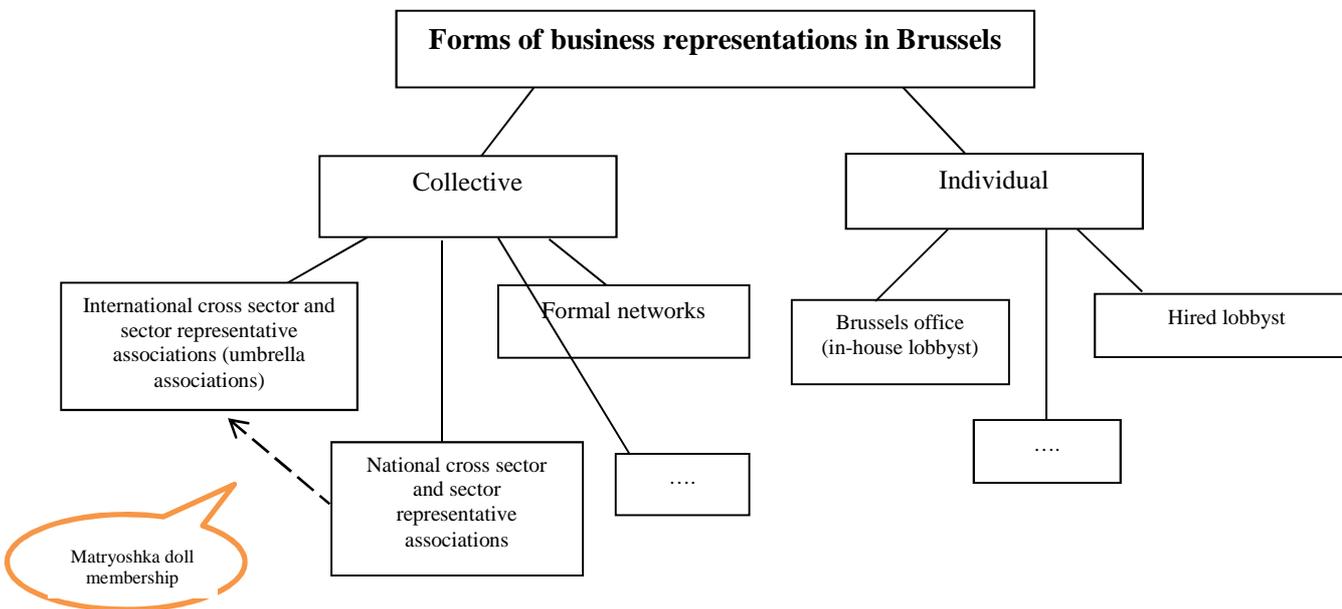
Proactive actions, on the other hand, entail courageous and unambiguous participation in the mainstream of European lobbying, a clear definition of a European strategy, allocation of funds and personnel for these purposes. They also entail stable and direct contacts with EU institutions and active membership in an umbrella organisation and in formal and informal networks with counterparts in a given industry, as well as the establishment of representative offices in Brussels, or hiring a professional lobbyist.

The results of the research presented in the following sections of this paper may help to establish to what extent Polish entrepreneurs are already mobilised and whether their actions are more proactive or reactive.

FORMS OF REPRESENTATION OF POLISH BUSINESS INTERESTS IN BRUSSELS

Representation of business interests at the European level can take different forms⁵, from membership in national organizations active in international forums, through membership in international groups and networks and individual representation via an office in Brussels (in-house lobbying), to the services of a professional lobbyist or individual actions carried out without using any Brussels "outposts". Diagram 1 shows forms of organised business interest representations at the EU level. The main division is made between individual or collective forms of representation. In fact, a company can simultaneously use forms from both categories (act individually and collectively). In relation to collective forms it is also worth noting that national associations often become members of international umbrella associations. This way of interest representation can be compared to the construction of several layers in the matryoshka doll model. A company choosing this form of representation is a member of a national association and, indirectly, of an international association at the same time.

Diagram 1. Organisational forms of business representation on the EU forum



Source: Own elaboration

⁵ Form of representation of interests is here understood as a formalised, institutionalised and organised lobbying activity in the name of a single company or group of firms.

Already before 2004 the first offices of Polish companies and business associations were established in Brussels, and they also applied for the membership in the euro-groups. Today you can find examples of Polish activity for each of above mentioned forms. Several, most visible and distinctive examples will be briefly described below.

Individual form – Brussels office

- Representation of Polish National Railways (PKP) - is the first Polish company in-house lobbying office in Brussels which began its operations in 2002. Already before PKP was cooperating with an umbrella organisation: the Community of European Railway (CER), initially benefiting even from CER's infrastructure in Brussels. The immediate impetus for the creation of an office was a report issued by the Polish Supreme Chamber of Control on the state of the company's preparation for EU membership. The report contained stern criticism and in order to rectify the situation the decision on the deployment of one person to work in Brussels was taken. After EU accession, the Polish railways became an important beneficiary of EU funds, which necessitated the employment of additional staff. Now the office in Brussels consists of three employees (a CEO, a specialist in EU funds and programs, and a specialist in cooperation with international associations). Moreover, the office carries out an intensive training program for people from the company. PKP is a member of fourteen different European organisations.
- Representation of the Polish Oil and Gas Company (PGNiG)⁶ - is the first representative office in Brussels from the Polish oil and energy industry. It began operating in 2007 and it currently employs two persons. From 2008 it has organised a training program for employees of the company's headquarters in Poland (5-6 trainees per year). PGNiG is a member of several sectoral organizations, such as Eurogas and the European Energy Forum.
- Representation of the Gas Transmission Operator (Gaz-System)⁷ - the office was set up in May 2008 and is carried by one person. Before the decision to start-up an office in

⁶ The Polish Oil and Gas Company (PGNiG) is the largest Polish oil and gas exploration and production company. It is the natural gas market leader in Poland, active in trade, distribution, oil and gas exploration and production as well as gas storage and processing. The company is also the largest importer of natural gas into Poland. The PGNiG Capital Group is a business consortium with members specialized in production, trading and services. In March 2010 the Group consisted of PGNiG SA as parent enterprise and 34 subsidiaries.

⁷ Gas Transmission Operator GAZ-SYSTEM S.A. is a strategic company for Poland's economy and energy security. GAZ-SYSTEM's key task is the transport of gas via the transmission network throughout the country to supply with gas the distribution networks and final customers connected to the transmission system. The State Treasury is the only shareholder of the company.

Brussels, the company cooperated with international organizations, such as: Gas Infrastructure Europe (GIE), European Association for the Streamlining of Energy Exchange (EASEE-GAS), European Gas Research Group (GERG), European Network of Transmission System Operators for Gas (ENTSOG), Technical Association of the European Natural Gas Industry (Marcogaz) etc.

- Representation of Polish Telecom (TP) – the company is part of France Telecom and as such does not have a separate office in Brussels. Nevertheless, since 2010, the company has a special Polish representative working in France Telecom’s main seat in Brussels.

Individual form - a hired lobbyist

- Representation of the Polish Postal Services (PPS) - has been operating in Brussels since July 2006 via a hired, professional lobbyist, who also performs services for other entities. The lobbyist was especially active during the preparation of the 3rd postal directive by the EU in 2007 and 2008. The impetus for the decision to hire a representative was a recommendation arising from the assessment prepared by a consulting company. Currently, due to financial reasons, PP significantly reduced its European lobbying activities. Still, the Polish Post cooperates with its counterparts from other Member States within the framework of the Universal Postal Union, International Post Corporation and PostEurop.

Collective form - national cross-sector representative association⁸

- Representation of the Polish Confederation of Private Employers "Lewiatan" (PKPP Lewiatan) – the office was opened in Brussels in 2001. The idea to launch a European lobbying office was prepared shortly after the creation of the Confederation in 1999. It is one of the most recognised cross-sector associations in Poland and the only one representing Polish business interests in Brussels. Experts of the Confederation participate in committees and advisory bodies of the European institutions, such as the Enterprise Policy Group at DG Enterprise⁹ and the European Economic and Social

⁸ Apart from representations mentioned here, the Brussels Euro-Poland Representation of Business and Regions (REPOER) was created at the initiative of the Polish Chamber of Commerce, and existed in 1999 – 2004. It had to suspend its functioning due to financial problems.

⁹ In 2000 the European Commission has set up a consultative committee called the 'Enterprise Policy Group' (EPG). The group is made up of two chambers, the first comprising high-level representatives from national ministries dealing with industrial and enterprise policy issues (EPG Directors General), the second comprising

Committee. PKKP Lewiatan is also an active member of the biggest business umbrella association in Brussels – *Businessseurope*. During the 2005-2007 and 2011-12 terms, the president of the PKKP Lewiatan is also the vice-president of *Businessseurope*. Currently, the office in Brussels has three employees.

Collective form – national sector representative association

- Representation of National Union of Farmers, Circles and Agricultural Organisations (KZRKiOR-Poland) – the Polish farmers' organization was one of the pioneers of Polish lobbying in Brussels. It started to operate already in 1997 at the initiative of the Foundation of Assistance Programmes for Agriculture (FAPA) but the official opening of the office took place only in 2002. An important task of the representation is cooperation with international agricultural organizations, especially in the framework of the European Economic and Social Committee and influential European associations such as COPA-COGECA and the European Council of Young Farmers. The office is financed with public money and does not operate stably. In 2007 it had to suspend its operations due to financial problems, yet it reopened a year later after the adoption of the regulation on the farmers' unions by the Polish Parliament, which provided budgets subsidizing the activities of Polish agricultural organizations in the EU for the period 2008-2013. The office is managed by two employees.
- Representation of the National Council of Legal Advisers (KIRP)¹⁰ – operates in Brussels since 2005 and cooperates closely with the Council of Bars and Law Societies of Europe (CCBE), the European Company Lawyers Association (ECLA) and International Bar Association (IBA). The activities of the representation are coordinated by one person.
- Central Europe Energy Partners (CEEP) - is one of the latest Polish lobbying initiatives on the EU arena. It is a non-profit organization, which aspires to become the international think tank representing the interests of the energy and oil industry from Eastern Europe. Its principal founder in June 2010 was a fuel industry company – Lotus S.A.. Currently CEEP represents 10 large firms, all of Polish origin. The Brussels CEEP office employs three people.

eminent persons from business (EPG Business Chamber), <http://ec.europa.eu/enterprise/dg/epg/business-chamber-members>

¹⁰ In addition, in 2002-2008 the Polish Bar Council had a representative in Brussels.

Collective form – matryoshka doll membership

Polish business actors are often also present at the European level within umbrella organizations. Since these organisations usually only accept national associations and not individual members, a company is represented by such a national group, which in turn is a member of an umbrella organization at the European level (i.e. the so-called matryoshka doll membership). The activity of national associations in a given umbrella organization is diverse. In some cases it is limited to the payment of a membership fee. Sometimes however, the representatives from national associations try to play a more effective role and be part of the decision-making bodies or members of working groups and special networks. The framework of this study does not allow for a broader description of this activity; therefore only few examples are presented in table 2.

Table 2. Collective business interest representation (matryoshka doll model): examples of Polish business associations in 2010.

EUROPEAN ASSOCIATION	NATIONAL ASSOCIATION	PERIOD OF MEMBERSHIP	ACTIVITY IN AUTHORITIES
European Chemical Industry Council (CEFIC)	Polish Chamber of Chemical Industry (PIPC)	1992 – associated member 2001 – full member	W. Lubiewa-Wieleżyński (the president of PIPC) was member of the board of CEFIC.in 2004
Businesseurope	Polish Confederation of Private Employers (PKPP Lewiatan)	2000 – observer member 2002 –associated member 2004 - full member	H. Bochniarz, the president of PKPP Lewiatan in 2005-2007 and 2011-2013 is the vice-president of Businesseurope
European Association of Craft, Small and Medium-Sized Enterprises (UEAPME)	Polish Craft Association (ZRP)	1993 – associated member 2004 – full member	J. Bartnik, the president of ZRP, since 2005 has been vice-president of UEAPME
European Committee of Sugar Manufacturers (CEFS)	Association of Sugar Manufacturers (ZPC)	2004 – full member	No data
The Brewers of Europe (BE)	The Union of Brewing Industry Employers in Poland - Polish Brewers	2004 – full member	No data
The European Spirits Organisation (CEPS)	Polish Spirits Industry	2004 – full member	L. Wiwala is vice-president of CEPS
The European Landowners Association (ELO)	Federation of Union of Agricultural Employers-Tenants and Land Owners in Poland; Polish Landowners Organisation	No data	No data
European Federation of Pharmaceutical Industries and Association (EFPIA)	Employers’ Union of Innovative Pharmaceutical Companies INFARMA	2004	No activity

Source: Own research based on data found on the websites of above mentioned organisations.

Activity “directly from the country”

The above mentioned list of examples would not be complete without mentioning the activity which over the past 2 or 3 years has become more and more visible at the level of the European Parliament. Some Polish industries, organisations and individual companies, perform lobbying activities without any permanent office or representatives in Brussels, meaning that they do it directly “from the country”. One example of such activity is the lobbying in the EP carried out by the Polish branch of the International Paper company in Kwidzyn. The lobbying intended to influence EU legislation on the reference criteria for CO2 emission allowances. The company sent letters and invitations to all Polish Members of the EP in order to discuss the matter and influence the MEPs’ positions.

Another example of lobbying action, performed “from the country” is the battle revolving around the definition of vodka, which took place in 2007. A real and imminent threat to the subsistence of one of the most important Polish products mobilised some producers and associations, such as the Polish Spirit Industry and the Association of Polish Vodka (born under the impulse of the EU legislative process). As a matter of fact, the lobbying was rather „spontaneous”, delayed and all-in-all not successful. It did not lead to any more advanced and formalised participation on the EU lobbying arena afterwards [Formicki 2010; Woźniak 2008; Rynki Alkoholowe 2007].

A much more promising example in terms of such type of lobbying is presented by the Polish Association of Producers and Distributors of Automotive Parts (SDCM), which since 2008 has been involved in a campaign "The right to repair". It has managed to establish stable contacts with the EU officials and members of the EP. Since 2007 it has been a member of the International Federation of Independent Automotive Aftermarket Distributors (FIGIEFA). Importantly, their contacts and lobbying activities are not resulting from ad hoc action, i.e. a temporary need to defend the sector against draft legislation. SDCM has been building its position among MEPs for some years now. Recently SDCM organised in the EP and with the patronage of some MEPs a meeting on the topic "The Polish presidency of the EU Council - an opportunity to liberalize the market of automobile spare parts in the EU." An illustration of SDCM’s good cooperation with its umbrella organization – FIGIEFA – is the fact that the latter decided to organise its next congress in Warsaw in September 2011. These are certainly pro-active, stable, long-term and goal oriented lobbying activities.

As outlined above, Polish business interests are represented at the EU level in various forms. Most often difficultly traceable are collective activities and activities carried out

directly from the country. Representation in the form of individual offices in Brussels is still quite exceptional and apparently rather neglected even by industries which are traditionally very much influenced by EU legislation like the pharmaceutical, financial, or chemical industries. As for the Polish chemical industry, it did not even appear on the scene in Brussels when the particularly consequential battle was fought on provisions in the REACH legislative package¹¹. As stated in one of the Polish popular journals: *"The majority of Polish chemical companies had no idea that the EU was discussing this topic. The Ministry of Economy sent out 1800 questionnaires to companies asking them to respond to the project and received barely 80 responses. As a result, there was no Polish position on REACH."* [Formicki 2010]. Moreover, it is surprising that the largest Polish companies from the oil and energy sector only recently took up the challenge and established their permanent representations in Brussels. Against this background stands out the already stabilized and active lobbying presence of the railway company and the representation of private employers, PKPP Lewiatan. It seems that Polish business representation is mostly based on national associations and euro-groups (umbrella organizations, matryoshka type of membership).

INTERVIEWS WITH REPRESENTATIVES OF BRUSSELS OFFICES

As already mentioned, only five Polish companies have permanent representatives in Brussels¹². All of them are large companies, some with a significant share or wholly owned by the state: the Polish National Railways, the Polish Oil and Gas Company, the Gas Transmission Operator, Polish Telecom and Polish Postal Services¹³. Via face-to-face interviews we were able to come to the following conclusions as far as Polish business interest representations are concerned:

1. Generally, the awareness of the influence of EU legislation on company performance existed long before deciding to create an office presence in Brussels. Even before the formal establishment of offices in Brussels, all companies pursued international contacts with umbrella associations. For some time this form of interest representation was

¹¹ Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC.

¹² In the study the representative of Polish Postal Services was included in the group, although formally he is a hired lobbyist.

¹³ GAZ System SA – Piotr Kuś, Polskie Górnictwo Naftowe i Gazownictwo – Bolesław Rey, PKP – Tomasz Lachowicz, Poczta Polska – Krzysztof Gembala, Telekomunikacja Polska S.A. – Vianney Hannes, Grzegorz Pięta.

sufficient and the decision to set up an office was considered too ambitious and avant-garde. In one case, even 5 years passed from the time of the first discussions on this subject to the moment of taking the final decision to create an office in Brussels. This long process was sometimes due to the mentality and attitude of the company leader, as testified by one of the interviewees: "one CEO was more Europe-oriented, the other less". In other cases, decisions were taken due to external impulses and recommendations, contained for instance in the report of the Polish Supreme Chamber of Control as far as PKP is concerned, or triggered by the initiative of the Polish government in the case of Gas System.

The below presented comparison suggests that the decision to intensify lobbying activities on the EU arena coincides with the important legislative packages that were included in the EU inter-institutional procedure and would have significant consequences for the operation of these sectors:

- The climate-energy legislative package proposed by the EC in January 2008 ⇒ Gaz System office opens in 2007, PGNiG office in 2008;
- the draft 3rd postal services directive presented by the EC in October 2006 ⇒ the Polish Post office opens in 2006
- Polish Telecom's problems with EU rules on competition in 2009 ⇒ employment of a Polish representative at the France Telecom Brussels office at the beginning of 2010

Taking into account the primary rule that effective lobbying requires to influence the legislation process at the very beginning, the launch of a Brussels office usually was a decision taken "too late in the game". Moreover, all directors acknowledged that the start-up of operations in Brussels was challenging, and that it takes at least two years to understand the nuances of the EU decision-making system and to establish appropriate contacts.

2. Setting up an office in Brussels does not mean that the staff back at headquarters is interested in the project and will make use of the information delivered. According to all the interviewed directors, this is an important problem that impedes the maximization of the efficiency of their work. The understanding and interest among the employees back at headquarters is growing but still not common. Yet even the best measures implemented in Brussels will not bring the desired effect without the involvement of people back at

headquarters. The office is an extension of the firm and even if it has a lot of decision-making autonomy, it cannot produce effects when there is no proper cooperation with the enterprise itself.

As one of the reasons for this imbalance they point at the fact that due to the nature of the decision-making process in the EU, lobbying is often a long-term project and the realisation of its goals can take even a couple of years. Meanwhile, a company's daily work is focused on current affairs and dominated by short-term projects, aimed at quick results. Another important reason for the misunderstandings may be the pejorative perception of the phenomenon of lobbying in Poland. One respondent put it like that: "Rarely and with caution I use the word "lobbying" while dealing with the Polish side" because "national lobbying is governed by very different rules than those at the European level. In Brussels, by exercising influence on our 50 MEPs, I can achieve more than in Poland with all the ministers".

All but one of the interviewees admitted however that over time, through the action of the office, noticeable positive change had appeared. There is more and more interest in European affairs and in cooperation with the Brussels office. One of the directors said: "Previously, when there was no Brussels office yet, the company did not realize how much is going on here and how important it is for the operation of our business." Only in one case it was found that the company's CEOs still do not have a European vision and even cut off funds for the activities in Brussels. Apart from this case, in general the responses confirmed that the longer the office operates, the greater executive management confidence is and also the greater the autonomy in decision-making the Brussels office team gets.

A very effective tool that facilitates raising awareness about the importance of decisions made at the EU level is the organisation of traineeships. The PKP office in Brussels has trained about 200 people so far. Working at the representation in Brussels allows to see how important this activity is for the company and how the European institutions function. Then, after returning home, the former trainees' attention for EU issues usually increases, and they know better what to expect from a Brussels office representation, just as the Brussels office better knows what it can expect from them.

3. All company directors agree that membership of an international association is indispensable and considerably strengthens their voice on the European arena. Despite the high membership fees and the inherent weaknesses of large euro-groups, companies do get involved in this form of cooperation. They do this with varying intensity - PKP declares membership of 14 associations, others focus on 3-5 organisations. Each company has also

a different strategy as far as the level of commitment in various associations is concerned, e.g. some of them have the ambition to get a position on the managing board and engage in joint projects. They admit that the profits from their memberships differ and, as they pay high fees (often calculated on the basis of a company's turnover), they expect something relevant in return. Yet it happens that the decisions and positions of the organization are not compatible with the interests of the company. Therefore, gaining a position in management or presidency of an association can be crucial. This is not an easy goal to achieve and requires important commitment and time, but it certainly enables greater influence on decisions taken in the association¹⁴.

4. In the three surveyed representations no special strategy for annual actions is prepared. In two other cases, the action plan is devised and based on the EC legislative program and the company's priorities. Their day-to-day operations are dominated by traditional, routine functions for this kind of representations, such as the transmission of information, monitoring of legislation, networking and maintaining contacts with the decision-makers in the EU institutions. Except for one case, all directors complain of understaffing and compare themselves in this respect with representations of German or French companies which employ a few dozen or so people.
5. A further aim of the interview was to determine how business representations cooperate with the Permanent Representation (PermRep) of Poland to the EU. In three out of five cases interviewees declared not to cooperate with the PermRep at all but they wanted to do so more. In two interviews, it was stated that the cooperation with the PermRep is carried out on a regular basis and is satisfactory. All the interviewed persons however would welcome more activities aimed at coordinating Polish positions for some of the most important pieces of legislation. They see the necessity to coordinate opinions and lobbying actions with a wider group of Polish business representations, regional offices and MEPs. The Permanent Representation would be a very proper framework institution for this type of compilation and coordination activities.
6. Four business representations indicated that their contact and cooperation with Polish MEPs is very good. Only one company did not share this view by stating that,

¹⁴ Extremely important for national associations like KIRP and PKPP Lewiatan is the cooperation with an umbrella organization. For KIRP the main partner is the Council of Bars and Societies Laws, for PKPP Lewiatan is BusinessEurope. Genesis of the creation of their respective offices in Brussels is connected with the support of these international organizations, and now their cooperation is still very close. Projects and tasks largely (as far as KIRP is concerned from 80 to 90% of time) are related to or resulting from the projects of the international umbrella organizations.

unfortunately, the problems of its sector do not frame in the interests of Polish MEPs, allegedly afraid of contacts with lobbyists. In general contacts are established with both Polish and foreign MEPs and the EP is considered a very important channel of access to the legislation process. Companies admitted that it is much more difficult for them to contact the European Commission and/or the Council. They do not have any specific interactions with the European Economic and Social Committee, which is on the contrary the case for national collective associations such as PKPP Lewiatan.

7. In the opinion of office directors, Polish business lobbying at the European level is still in a learning phase, inadequate and chaotic. It was pointed out that many industries are still poorly represented, especially as far as chemical and financial sectors are concerned which urgently need an arm in Brussels.

POLISH POMERANIA REGION CORPORATE SURVEY¹⁵

As mentioned in the introduction, this research presents the other extreme of Polish business involvement in interest representation on the EU arena. The results described here account only for a small part of the bigger research project which concerned the consequences of functioning on the EU single market for Polish exporting companies - micro, small, medium and large. The respondents of the questionnaire were mostly employees – active as experts in export departments. Depending on the size and the structure of the company they were either managers, directors for export, directors of sales or in smaller units owners of companies or persons designated to respond to the survey by the owner. Their sometimes quite limited authority and responsibilities may partly explain the hesitations and even refusals to answer the questions about lobbying (some questions were ignored by two thirds of the respondents). On the other hand, the surveyed companies are dealing with export and are active participants in the common market, so one would expect a greater than average interest in EU legislation regulating the common market. The questions asked in the survey were designed to get a picture of the situation regarding the perception of EU lobbying and firms' attitude towards business associations which can represent their interests with the EU institutions.

Overall answers indicate that Polish entrepreneurs in Pomerania are rather indifferent towards fighting for their interests at the EU level and that hence they are unwilling to partner in organizations that could defend and represent their interest. The Polish entrepreneurs

¹⁵ The results were also presented in Sapała [2010]. The study was conducted in May and June 2010 as a part of the project "Analysis of export and foreign direct investment development trends in Pomeranian firms", led by the PBS DGA and the University of Gdansk. The project was financed by the European Union under the European Social Fund. More results are presented in Umiński [2010].

surveyed are not motivated to lobby for their interests. When asked whether the respective companies would be interested in lobbying nationally or internationally only 25.6% of firms responded positively, 60% negatively and 14% said to have no opinion. A large proportion of respondents could not answer the question about their company's membership in national or international associations. Only slightly more than 15% of companies surveyed are already affiliated, while less than 3% were planning to join some organization. Among the most frequently mentioned organizations are regional trade (sectorial) associations and chambers of commerce. Membership in international associations is – generally speaking – quite unattractive. Nine companies in the examined sample declared that they are already members of one or more of these organizations, but only four respondents were able to specify the name of the organization(s) they were member of. Eleven companies are considering applying for membership of an international organisation.

The respondents were also asked to indicate which of some given statements applied to their respective company (Table 3). More than 76% of respondents refused to reply to this question but among those who answered the vast majority (61.6%) believes that decisions taken at the European level do not affect the functioning of their business, while only 38.4% said that EU decision-making impacts their business. This declaration is inconsistent with the response to a similar question in the questionnaire in which respondents evaluated the effects of EU membership for their business. The same respondents turned out to have a well-established belief in the influence of EU membership on the functioning of business and most of them indicated that the effects of EU membership were "very important" and "important", with respect to both positive and negative effects.

While choosing a membership in an association the surveyed entrepreneurs do not pay much attention to the fact if the organisation has established international contacts or cooperates with the European Parliament and the European Commission. Given this, it may be surprising that as many as fourteen of the responding companies claim that they individually pursue lobbying and maintain direct contacts with the EU institutions.

Table 3. Is the following statement true or false for your firm?

Decisions taken in the EU (in Brussels) have an impact on the performance of the company		
	Number of answers	%
No	45	14,6
Yes	28	9,1
No answer	235	76,3
Total	308	100,0
It is important that the association (which we are a member of), cooperates with the EU institutions such as the EP and the EC		
	Number of answers	%
No	49	15,9
Yes	23	7,5
No answer	236	76,6
Total	308	100,0
The company individually lobbies with the EU and maintains direct contact with EU officials		
	Number of answers	%
No	58	18,8
Yes	14	4,5
No answer	236	76,6
Total	308	100,0
When choosing an association, which represents our interests, we are guided by, inter alia, information on whether it has international contacts		
	Number of answers	%
No	36	11,7
Yes	36	11,7
No answer	236	76,6
Total	308	100,0

Source: Own research

As for the preferred way of representing corporate interests at the European level, they named:

- membership in a national trade (sector) association or chamber of commerce (80%),
- direct and independent lobbying activities such as creating an individual office in Brussels (15%),
- hiring a professional lobbyist or a lobbying company (5%).

CONCLUSIONS

It is not easy to unambiguously describe the state of Polish business lobbying at the EU level, since the reality is by far richer than the list of forms presented here. It is particularly difficult to investigate the activities that are implemented in the framework of mixed membership in national and European associations (matryoshka type of membership) or individual actions realised at the so called “from the country” level. Certainly this image can vary depending on the analyzed sector and size of business.

Nevertheless, on the basis of the conducted interviews and surveys we can conclude that skeptical assessments of Polish business representation at the EU level are, at least in part, justified and confirmed. Overall the picture is not optimistic. Although Polish companies use collective and individual forms of presence on the European arena, still many of them hide shyly in the long lists of members of pan-European umbrella organizations. Their attitude can therefore be labeled passive or reactive rather than proactive. The answers given in both studies, although coming from very different groups of companies, lead to similar conclusions. They indicate that still much needs to be done in the sphere of awareness and motivation for EU lobbying activities. Changes in these aspects do not occur quickly. In the case of Polish businesses face over the latest ten years with opportunities provided thanks to European integration, we can recognise the same mechanism that T. A. Börzel described when talking about civil society organizations in CEE countries: they became empowered only if they really wanted and if they could make use of these new opportunities [Börzel 2010].

The barrier is not only the operational costs of having an office in Brussels or paying a membership fee for an international organization, but above all, the lack of interest in actions at the international level, the lack of relevant expertise and knowledge, and especially the lack of awareness that an international presence may cause positive change. Even the term "lobbying" still has a negative connotation in Poland. It is associated rather with scandals and corruption than with necessary and complementary actions to influence a decision-making process¹⁶. Given the number of respondents in the Pomerania region refusing to answer questions about lobbying, one can even get the impression that for them lobbying is an abstract concept, remote from their daily tasks and not part of their range of interests. It may

¹⁶ One can notice that also lobbying at the national level is gradually professionalised. The Polish Sejm in 2005 worked out the Regulation on Lobbying in legislative process of July 7, 2005; About regulation on lobbying in Poland see also: Kołodziejska i Bąba [2006], Cianciara [2007], McGrath [2008].

very well be that most respondents simply were afraid to express interest in something like lobbying.

For practitioners and academics dealing with the idea of EU lobbying, it is clear that in the face of such an intense development of the phenomenon of lobbying, the negative connotations of lobbying in Poland should give way to try to change that and start thinking about lobbying as a necessary element in the decision-making process. Collective and individual forms of representation should be more intensely used by Polish businesses. Entering into national and international cooperation for the defending interests of an industry, a sector or a group should be an important component of the development strategy of any company, especially if it operates on foreign markets. Therefore, it is urgent to take action at both national and regional levels, in order to promote, inform and educate entrepreneurs about the possibilities that the open EU decision-making process offers. It is up to individual owners and directors of companies to assess whether their interests are protected and adequately represented and they should demand and expect from national organizations that they intensify their level of activity on the European arena.

When making a map of the Brussels lobbying landscape there are still only few flags belonging to Polish businesses. Recently however some positive developments can be observed. Perhaps a large group of Polish companies is preparing for an offensive on the European lobbying market, because, as reported on its website, one of the major employers' organizations, with the help of EU funds, is currently rolling out a project called: "How to talk to Schuman?" According to the initiators, it is to be a series of workshops and lectures "*instructing how to use the instruments of the European social dialogue, and how to effectively participate in the consultations and lobby in the EU institutions.*" Moreover, "*this initiative will ensure that the positions, opinions and arguments of entrepreneurs in Poland will finally be satisfactorily heard in Europe*".¹⁷

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