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“Polish business interest associations in the EU – adjusting to new frontiers?”

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“New frontiers in EU business lobbying?”

First draft

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Abstract:

This paper provides first insights into the characteristic of Polish business interest associations and their European strategies based on large-N quantitative data. It describes and explains how Polish business interest associations (BIAs) have adjusted to the European multilevel system. Can we say that Polish BIAs have evolved into multilevel players who represent their interests at both the European Union level and in the member states? Or are they still mainly rooted in the domestic context and depend on national actors? The main purpose of empirical analysis is to show whether they actively take advantage of the available opportunities in terms of timely access to EU institutions and broad involvement in consultations. What kind of recourses and exchange goods can they offer? Do they consider themselves to be partners or rather competitors to other business actors in the EU arena? This survey is a part of broader research project “EUROLOB II” and in the next stage the empirical findings on the Polish BIAs behavior will be contrasted to that of BIAs from older member states such as France, Germany, and Great Britain.

Introduction

Interest representation before EU institutions requires adjustment of national strategies to European context. Research conducted in the old EU Member States¹ show, that there are various models of adapting national interest advocacy strategies to the requirements of the European scene. Business associations from the new EU Member States, including from Poland, are also trying to represent interests at the EU level, even though it proves to be very difficult for them. They have to adjust their hitherto national strategies (including the national logic of influence) to new, as of yet unidentified conditions on the European scene. It may be assumed, that they are less active, less involved, undertake fewer initiatives, for various reasons do not make use of the opportunities offered by the EU institutions, particularly the European Commission (e.g. new European governance). Nevertheless, they might be important partners for other stakeholders and may become important players on the European scene in the future.

This is the first time that quantitative research regarding the interest representation of BIAs in Poland are conducted. Their main aim is to analyse strategies employed by Polish associations at the EU and domestic level, and an attempt at answering the question, whether they fully exploit the possibilities offered by the EU institutions, adapt their actions to new conditions, and whether they are becoming active players on the European arena. This paper presents the results of the first stage of the project, i.e. only part of the gathered data, which is

¹ Kohler-Koch B., Quittkat Ch., (1999), *Intermediation of Interests in the European Union*, MZES, Mannheim <http://www.mzes.uni-mannheim.de> ; Quittkat Ch. (2009), *The Europeanization of Professional Interest Intermediation: National Trade Associations in a French-German Comparison*, in: McGrath C., *Interest Groups and Lobbying in Europe*, Lewiston, New York: Edwin Mellen Press, 125-159

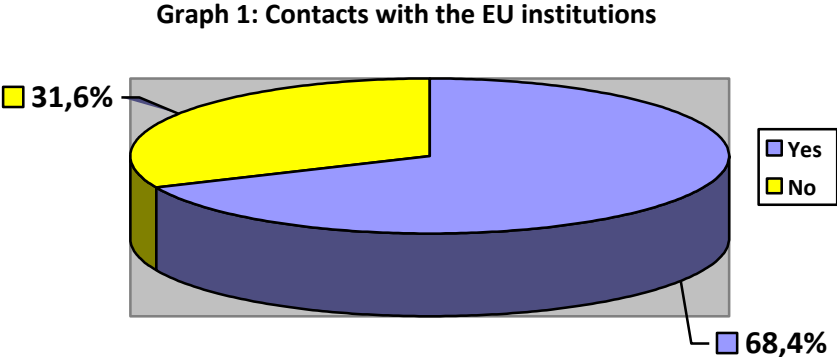
why only the initial characteristic of associations' activities and strategies shall be presented, without detailed testing of hypotheses, researching dependencies, correlations and conditionings, etc. The survey covered 132 Polish BIAs, whereas the survey response rate is 33%. This paper was prepared with the use of the data on 38 associations (response rate = 28,9%).

I. Relations of Polish BIAs with the EU institutions and national organs

When considering the general number of contacts of Polish BIAs with the EU institutions and national organs, their frequency, evaluation and character, it is easy to discern the differences in associations' interest representation on the national and EU levels. Not only are there fewer relations with the EU institutions, but they are also less frequent, regarded as less important, and are initiated in the later stages of political process.

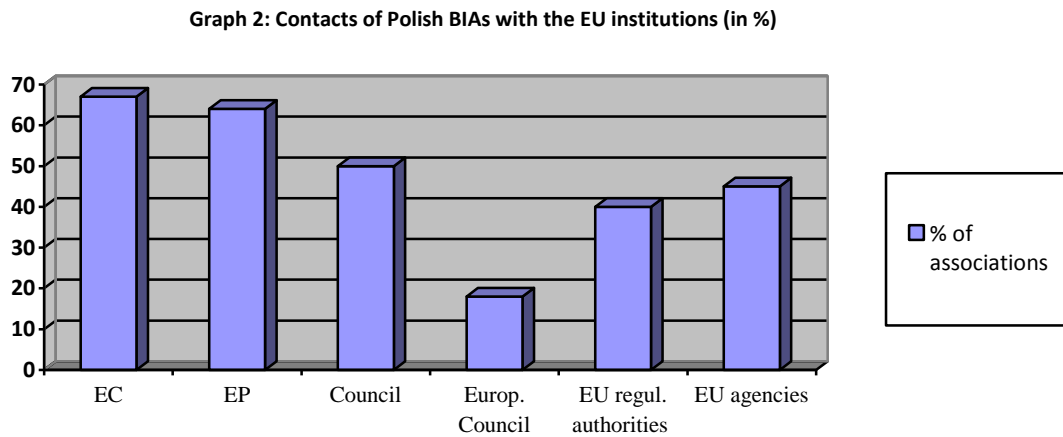
All surveyed associations retain frequent and regular contacts with national institutions, i.e. quarterly or monthly, and sometimes even weekly. A large majority of associations regard them as important or very important. Approximately 68% of associations remains in contact with EU institutions; these are infrequent, i.e. once or twice per annum, and fewer organisations regard them as important or very important.

Figure 1: Contacts of Polish BIAs with the EU institutions



The associations maintain contacts primarily with the executive power authorities and legislative institutions. At the national level, these are the government and parliament, and at the EU level – European Commission, European Parliament and EU Council.

Figure 2: Contacts of Polish BIAs with the EU institutions (in %)



At the EU level regular contacts are primarily maintained with the European Commission, mainly with working level (67% stakeholders) and individual members of the European Parliament (64% organizations) and COREPER within the Council (50% associations). These are rare (yearly or ½ a year), or of average frequency (1/4 a year or monthly). Only one association maintains weekly relations with working level within the Commission. Contacts with the EU regulatory and standardization authorities and the EU agencies are few and rare. The fewest contacts are with the European Council (only 18% associations). If Polish BIAs have relations with the EU institutions, they prefer maintaining individual contacts and on working level than other.

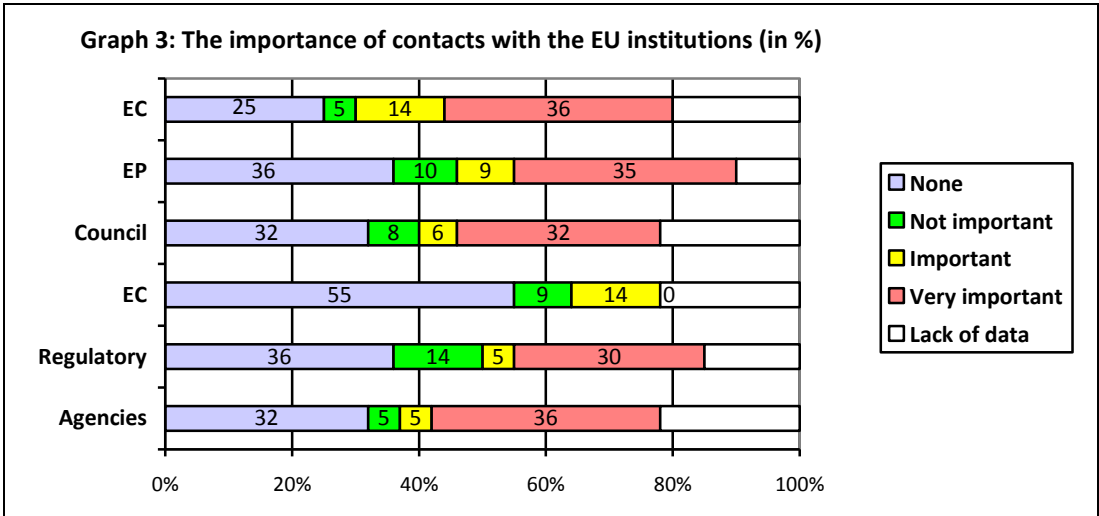
Table 1: Contacts of Polish BIAs with the EU institutions (in %).

The EU institutions	Rare contacts (yearly or ½ a year)	Quarterly and monthly contacts	Weekly contacts	Total (in %)
European Commission				
- Top level (Commissioners and cabinets)	32	9	0	41
- Working level (e.g. director-general, desk officer)	36	27	4	67
European Parliament				
- Committees and rapporteurs	32	18	0	50
- Individual members of the EP	32	32	0	64
- Secretariat of the EP	27	0	0	27
Council				
- Level of Ministers	23	4	0	27
- COREPER, working groups	23	27	0	50
- General Secretariat of the Council	18	0	0	18
European Council (EC)	14	4	0	18
EU regulatory and standardisation authorities (e.g. CEN, CENELEC)	32	9	0	41
EU agencies (e.g. EEA (environment), EFSA (food safety) etc.	36	9	0	45

This data confirms the thesis of lobbying practitioners assuming², that the most effective form of lobbying is the bottom-up lobbying conducted at the stage of substantial (technical) works, i.e. on the working level, and not on the level of political decisions. It may be assumed, that Polish BIAs employ exactly such strategy.

Even though Polish associations have few contacts with EU institutions, many organisations regard them as important or very important³. It may thus be concluded, that if an association initiates relations with an EU institution, they are a result of a strong need of that organisation, aimed at achieving certain goal, and are neither routine nor superficial. Relations with the European Council are treated as less important.

Figure 3: The importance of contacts with the EU institutions (in %)

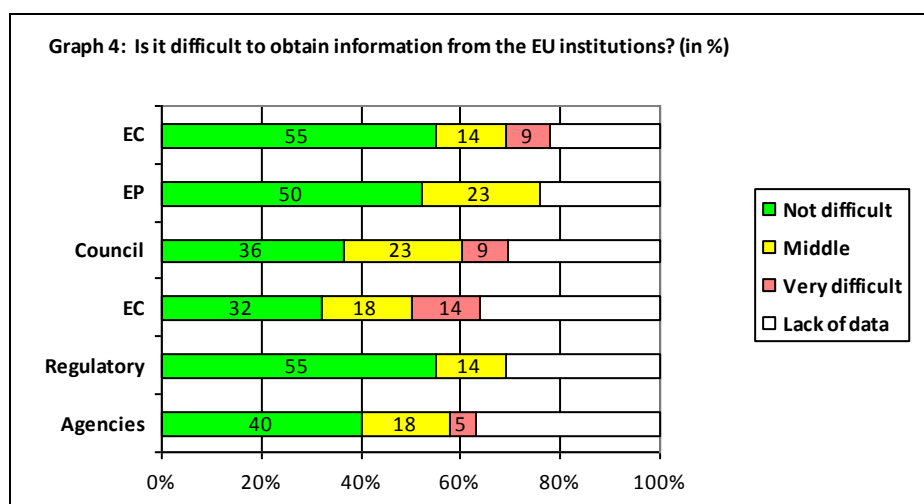


According to the majority of Polish associations contacting EU institutions, obtaining information from them is rather easy and unproblematic. More than 50% of them say that it is not difficult at all or average difficult. In this respect, particularly positively regarded are: the Commission, the Parliament and EU regulatory and standardisation authorities.

² E.g. Gueguen Daniel (2009), *Strategies of Influence and Lobbying*, Warsaw: European Training Institute (ETI) for the Centre des etudes europeennes de Strasburg.

³ Tough in comparison to evaluation of significance of contacts with national institutions these relations are regarded as important and as very important twice less frequently.

Figure 4: The level of difficulty in obtaining information from the EU institutions (in %)



A majority of BIAs perceives changes in significance and role of individual EU and national institutions over the last decade. By more than half of them, the scope of competence and significance of the Commission, the Parliament and EU regulatory and standardisation authorities have increased. Particularly the changes of the European Commission role are perceived (86% associations).

Table 2: Opinions on changes of importance of the various political institutions (in %)

The institutions	Decrease of importance	Remained on the same level	Increase of importance	Lack of data
European Commission	0	14	86	0
European Parliament	4	27	67	1
Council	5	54	41	0
European Council (EC)	4	45	45	6
EU regulatory and standardisation authorities	0	32	67	1
EU agencies	0	45	55	10
National government	23	45	23	9
National Parliament	41	50	4	5
National regulatory and standardisation authorities	23	67	4	6
National agencies	27	59	4	10
Regional governments	23	59	18	0

In case of other EU institutions opinions are nearly equally divided. Half of the organisations perceive the increase of their significance, whereas the other half perceive no changes whatsoever. At the same time 23%-41% BIAs think that the importance of almost all

national institutions, particularly the national parliament, concerning EU law making has decreased.

Also many organisations (36%-67%) perceive the increase in access for organised interests to the European Commission and the European Parliament. The lowest accessible institutions for Polish BIAs are the European Council and the Council. Polish associations also see other changes: the increase of competition between interest organisations and political (rather than technical) considerations by EU institutions (67%-72%).

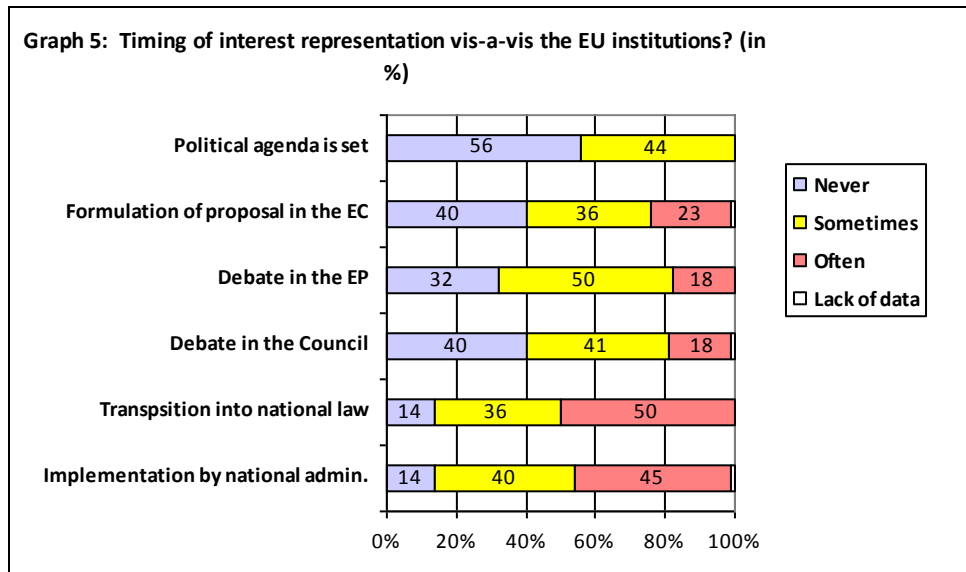
Table 3: Opinions on changes of conditions for EU interest representation (in %)

The changes	Decreased	Remained on the same level	Increased	Lack of data
Competition between interest organisations	0	32	64	4
Acces opportunities to the European Commission	0	27	67	6
Acces opportunities to the European Parliament	9	45	40	6
Acces opportunities to the Council	9	50	36	5
Acces opportunities to the European Council (EC)	0	32	67	1
Political (rather than technical) considerations by EU institutions	0	18	72	10

Even though Polish associations perceive the increasing role of the primary EU institutions, increase of their accessibility and openness, they still maintain only infrequent contacts with them. On the basis of gathered data it is difficult to identify the reasons for such behaviour. Only thorough analysis of different additional variables as well as data obtained through interviews could help explain this phenomenon. It may be assumed, that for Polish associations, the primary recipients of interest representation within the scope of EU legislation are still national institutions, and particularly the government administration, that play a role of advocate and defender of interests of Polish business in international environment.

This assumption is also supported by data on the stage of political process at which the associations represent their interests towards EU institutions. A large majority of associations (85%-86%) becomes active at the final stage of the legislation process i.e. when EU law making is transposed into national law or during the implementation by the national administration.

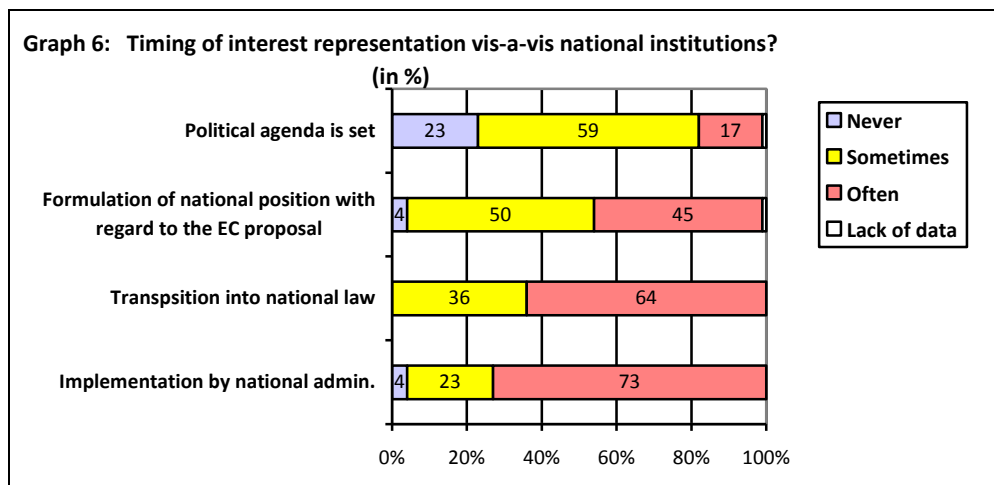
Figure 5: Timing of interest representation vis-à-vis the EU institutions (in %)



By comparing the data on the right timing of representing interests, we clearly see the differences in the strategies of Polish organisations. In regard to EU institutions, the interest groups choose the last stage of the legislation process i.e. when EU law making is transposed into national law or during the implementation by the national administration. Never, or hardly ever, the Polish associations represent their interests at the initial stage of political process i.e. when the political agenda is set or when the Commission formulates its proposal. Only half of associations declare their activity at the stage of the debate in the Council. But also here their attention is probably focussed on the Polish representatives at COREPER or Polish ministers in the Council. It may thus be assumed, that at the EU level their strategies of interest representation are reactive, they omit the initial stages of political process, focussing on the final stages and national institutions.

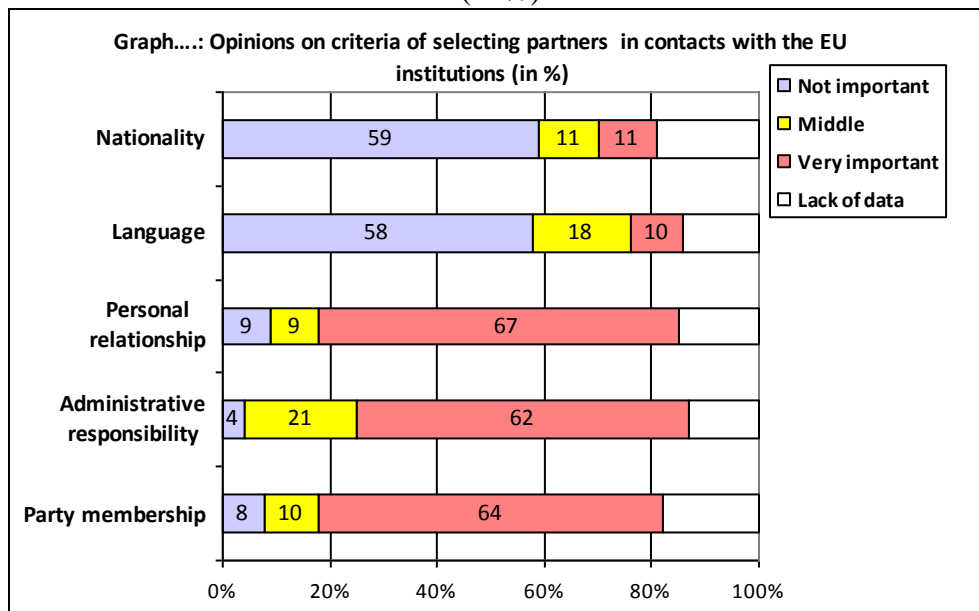
During the interest representation before national organs the associations are active at all stages of political process, even though a large majority usually intervenes not until the transposition of EU legislation into national law and during the implementation by the national administration. If the associations attempt to influence the decision process at the earlier stages they do it more often during the formulating of the national position with regard to the Commission proposal than when the proposal agenda is set. It may be assumed, that at the national level the associations are active entities nearly throughout the entirety of political process, that is different from their activity at the EU level.

Figure 6: Timing of interest representation vis-à-vis national institutions (in %)



The associations apply different criteria when choosing contact partners in relations with political institutions. Both at the national and EU levels, the most important criteria considered when choosing partners, are: administrative responsibility, personal relationships and, to a lesser extent, party membership. Considered the least important, are: language and nationality in relations with the EU institutions and regional origin in contacts with national institutions.

Figure 7: Opinions on criteria of selecting contact partners in contacts with the EU institutions (in %)



High regard of personal relationships arises probably from the prevalent in Poland trend of personalising politics and public sphere as well as preference of rather informal

instruments of influence. The research conducted in Poland over the lobbying and interest representation of various groups show, that the greatest significance in relations with public institutions at various levels of power is attributed to private contacts and informal connections⁴.

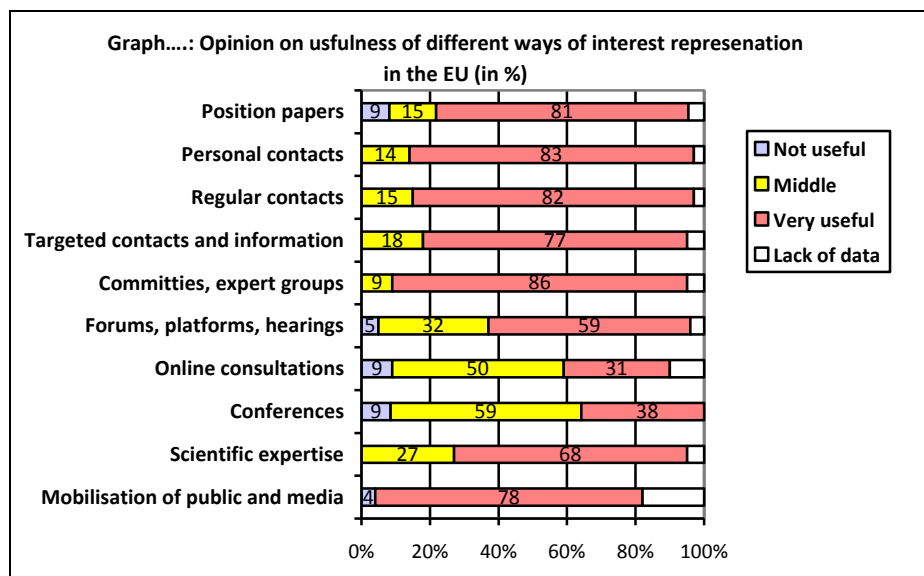
The party membership is also an important criterion in choosing a partner, which confirms the above thesis on significance of network of informal connections in the sphere of politics, but it may also arise from the growing role of political parties in Poland. As shown by the public opinion surveys in Poland, identification with political parties and party membership are becoming some of the most important criteria of social divisions. Clearly visible is progressing party polarisation and conflicting nature of political scene.

It is puzzling, that more than half of associations claims, that nationality and language are not important criteria at all, since numerous studies of cases show, that the main recipients of interest representation of Polish economic associations and enterprises are national representatives in the UE institutions: Polish members of the European Parliament, Polish commissioners and heads of the DGs in the European Commission, Polish ministers in the Council etc. This discrepancy between declarations and practices requires further explanation.

II. Methods and ways of interest representation

Nearly all associations highly regard the usefulness of classic ways of interest representation in the EU. Considered the most useful are, among others, participation in committees and expert groups, position papers, personal contacts etc. Also considered helpful, are presentation of scientific expertise and mobilisation of the public and the media, participation in online consultations and conferences, but to a lesser extent than other ways.

Figure 8: Opinions on different ways of interest representation in the EU (in %)



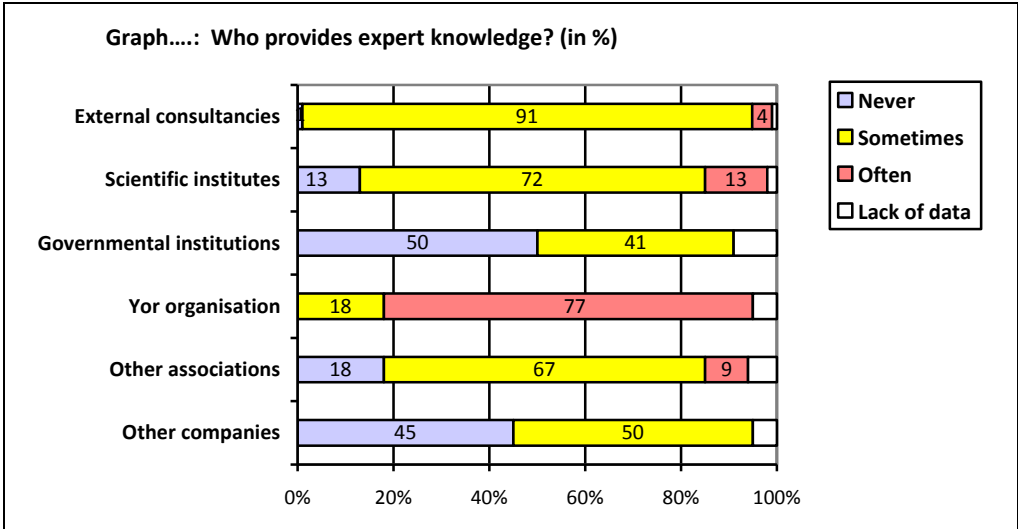
⁴ Kopinska G, (ed.), (2008) Transparency of legislation process. Report from implementation of “Social monitoring of the legislation process” project, S. Batory Foundation, Warsaw

It is clear, that higher regarded are direct forms of influence, creating a network of direct contacts and also referring to public opinion, rather than making use of new forms offered by EC, including e.g. online consultation or policy forum, platforms and hearings. A large majority of associations perceive the usefulness of all forms of interest representation, however in practice they not always make use of them. Only 2 organisations are registered at the joint Transparency Register of the European Parliament and the European Commission, that means that only these two associations participate in public consultation.

III. What kind of resources and exchange goods can Polish BIAs offer?

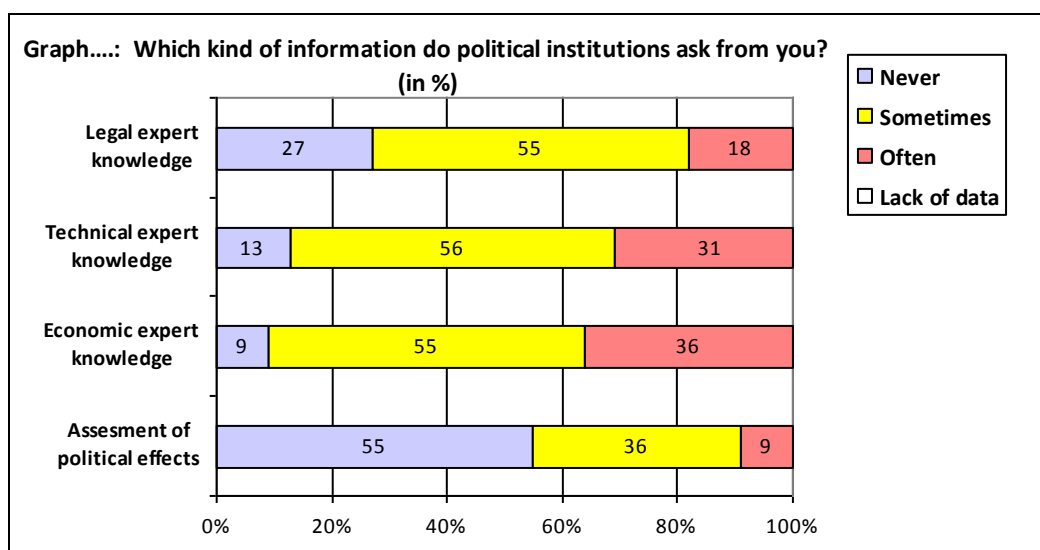
The primary resources that associations might possess and offer to other political actors include: expert knowledge and social support. They may either acquire expert knowledge on their own or make use of consultancy of other entities e.g. scientific institutes or external consultants. The surveyed groups are self-sufficient in this respect. Nearly all provide expert knowledge (including their members), only sometimes do they make use of external sources, e.g. external consultancies, other associations, scientific institutes, other companies. The expert knowledge is rarely acquired from governmental institutions. It may point to difficulties in contacts between associations and governmental institutions e.g. limited access to information or uselessness of information offered thereby.

Figure 9: Resources and exchange goods of Polish BIAs (1)



The expert knowledge offered by the stakeholders may concern various issues e.g. technical, economic or legal. In the surveyed group of associations the most desired by political institutions is economic expert knowledge, technical expert knowledge and legal expert knowledge. Hardly ever, do political institutions ask associations for assessment of political effects.

Figure 10: Resources and exchange goods of Polish BIAs (2)



The second resource that may be offered by associations is social support and legitimisation. The higher the status and prestige of an association, the more precious the support offered thereby. Position and status of a given organisation is determined, among others, by the number of its members and the level of its representation in a given sector (measured by the number of potential members).

In a given group, nearly half of associations are small groups, comprised of small number of members (1-25), and half are medium-sized organisations (31-250 members).

Table 4: The number of the members of Polish BIAs

Number of members	1-10	11-25	26-30	31-50	51-100	101-250	More than 250
% of BIAs	5%	40%	5%	18%	14%	18%	-

However, even the medium-sized ones are not very powerful, because most of their members are small and medium-sized enterprises. However a large majority of associations represents a considerably high percent of potential members: 45% groups represent 51-75% of potential members and 27% organisations acts on behalf of 76-100% of potential members.

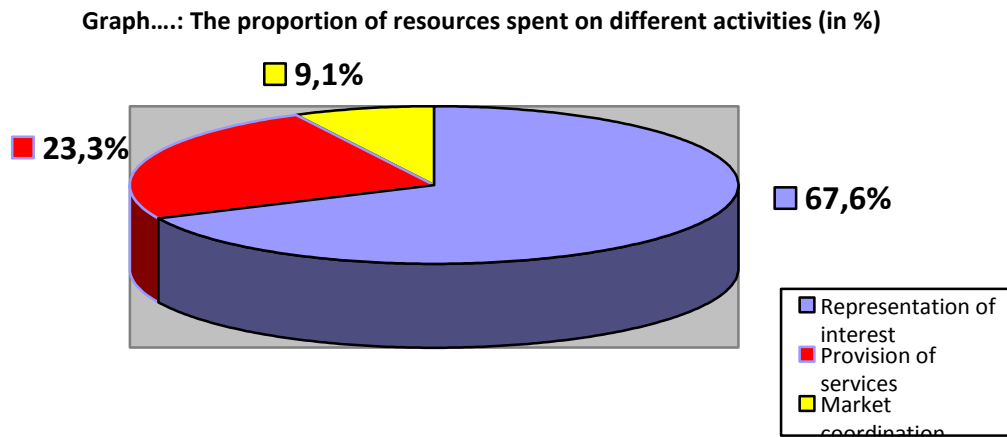
Table 5: The number of the potential members of Polish BIAs

Number of members	1-25%	26-50%	51-75%	76-100%
% of BIAs	9%	19%	45%	27%

IV. Functions of Polish business associations. Service provider or interest groups?

Business associations serve different functions and roles before their members and other political actors. We may separate three groups of functions: representation of interests, provision of services and market coordination. In the surveyed group, nearly all organizations deal primarily in interest representation. Over half of them allocates 70-100% of their resources towards this activity. To a far lesser extent the associations deal in provision of services and market coordination. 80% of associations deal in services, and 60% in market coordination. On average a Polish association allocates 65% of its resources towards interest representation, 23.3% towards provision of services and 9.1% towards market coordination. It may thus be assumed, that they primarily serve the role of interest groups representing positions of their members and influencing decisions of political institutions.

Figure 11: The proportion of resources spent on different activities in average association



Within the framework of interest representation, nearly all groups deal in: monitoring of political development (90% of associations), informing the members about political development (90%), representation of the members in political committees and hearings (89%) and representation of interests vis-à-vis other interest organisations (86%). Only 28% of organisations represent interests vis-à-vis trade unions.

The surveyed associations also offer various services to their members. 80% of them provides statistics and branch information, 80% – access to consultancies, 68% – market research, 68% – individual legal and economic consulting, 68% – advertising and public relations activities, 57% – education of members.

To a significantly lesser extent the associations deal in market coordination. It is true that approximately 65-70% of associations deal in definition of technical norms and standards and resolution of conflict between members, however only 55% deal in the coordination of research and development, and only 25-35% deal in regulation of market entrance, issuance of licences and certificates, setting quality and education standards. It is clear, that actions related to regulations of market entrance, training standards and issuance of licences are not part of organisational culture of Polish economic associations.

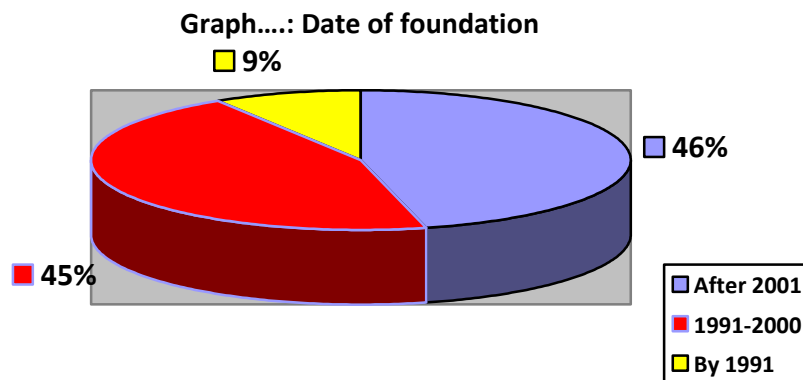
V. Characteristics of the Polish business interest associations

A large majority of Polish associations are small groups, representing not only a small number of members, but also the members themselves are small enterprises employing small numbers of employees. Nearly 90% of organisations represent enterprises employing not more than 100 000 employees. Only 1 association acts on behalf of companies employing altogether up to 500 000 employees.

The staff of the associations themselves is also small. Approximately 2/3 thereof employs 1–5 employees, and the remaining ones 6–7 people. Their budgets are also small. Nearly half of them have budgets not exceeding 100 thousand euro, and only three organisations have budgets of 250–500 thousand euro. In nearly all organisations the primary source of funding are membership subscriptions (70–100% of budget). To a small extent these are revenues for services (10–20% of budget). Only 10–25% of organisations use also other sources e.g. national project funding, EU project funding, but the share of these funds in the overall budget is also small (10–20%). This means, that associations are nearly entirely dependent on their members and their financing of organisation activity, but also on their expert support and initiating contacts thereby (as shown by the data presented earlier herein).

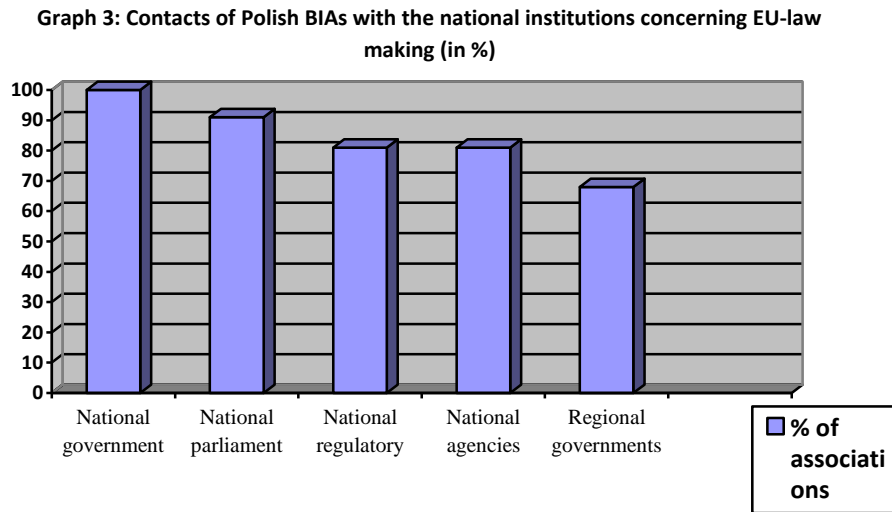
In most cases these are young or very young organisations. Nearly half of them was established in the 90's, the other half after year 2000, and only two of them were found earlier.

Figure 12: Date of foundation of Polish BIAs



At the national level, Polish BIAs are organisations that are active and very active in the public sphere. They all initiate contacts with political actors, whereas 2/3 of them do it often, and 1/3 sometimes. Also the members of associations are active entities – nearly all initiate contacts with political actors, and half of them do it often.

Figure 13: Contacts of Polish BIAs with the national institutions concerning EU-law making (in %)

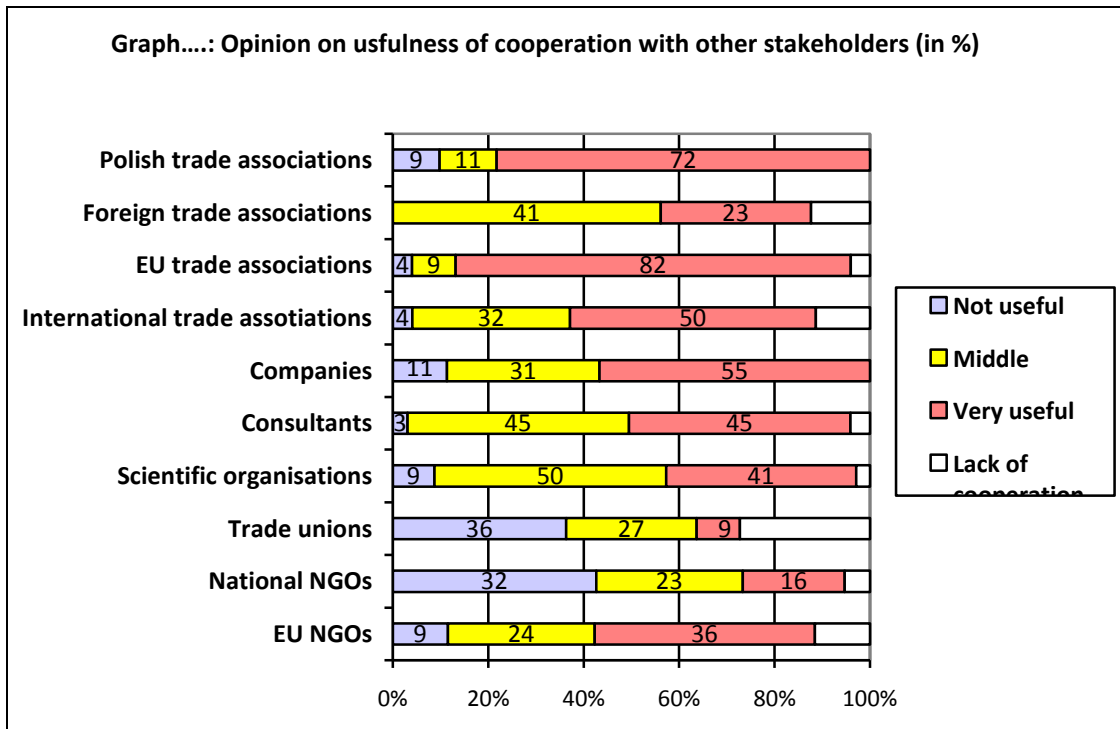


However at the EU level the surveyed associations are significantly less active. 2/3 of organisations initiates contacts with political actors, but only 18% do it often. Their members turn out to be far more active. 3/4 of associations admit, that contacts are initiated by their member companies.

Nearly all associations are open to cooperation with other stakeholders and highly rate its usefulness. Considered the most useful is cooperation with EU trade associations and national trade associations. 3/4 of organisations rates such cooperation as very useful. In spite of such high evaluation, only 2/3 of the surveyed associations are members of EU associations. There is a discrepancy between opinions and real involvement in collective activity at the EU level. Probably the costs of joining a European association according to 1/3 of the surveyed organisations are higher than expected benefits.

Half of associations fairly highly rate cooperation with companies, international trade associations and foreign trade associations, consultancies and scientific organisations, even though its usefulness is lower. Interesting is the comparison of evaluation of usefulness of cooperation with NGOs at the national and European level. Cooperation with EU NGOs is rated significantly higher than with national NGOs, whereas 1/4 of organisations consider it as very useful.

Figure 14: Opinions on usefulness of cooperation with other stakeholders (in %)



These differences in opinions result probably from experiences of surveyed associations. It may be assumed, that EU NGOs are perceived as much more professional than national NGOs, less demanding, open to cooperation, and not confrontation and conflict, forming various kinds of alliances with business (e.g. green alliances). Polish trade associations that are members of European federations and are active at the EU level know numerous examples of effective cooperation of European business with EU NGOs. Hence, the high evaluation of contacts therewith. At the national level there is lack of such cooperation. There are frequent confrontations between businesses and NGOs. Moreover, Polish NGOs are often treated objectively and patronisingly by both enterprises and public institutions, rather than as partners, which contributes to lessening of their prestige and role in forming public policies. The least useful for Polish trade associations is cooperation with trade unions. 1/3 of organisations do not cooperate with trade unions at all, and 1/3 rates such cooperation as entirely useless. This animosity towards trade unions arises probably from their overly demanding and confrontational positions, ostensible (superficial) social dialogue in Poland, lack of traditions of conciliation and collective agreements⁵.

Conclusions

On the basis of conducted analysis it may be concluded, that the majority (2/3) of Polish BIAs employs two strategies of interest representation: at the national level and at the EU level, whereas 1/3 does not undertake any activities before UE institutions. European

⁵ Gardawski J., (2009), *Dialog społeczny w Polsce. Teoria, historia, praktyka*, SGH, Warsaw

strategies of interest representation differ from the national ones: they are less complex, less intense and rooted in domestic context. Approximately 2/3 of associations maintains contacts with UE organs, but they are infrequent, made at the later stages of political process, they are considered to be less important than national contacts. Polish BIAs perceive the growing role of primary EU institutions, increase in their openness and accessibility, but for various reasons do not make use of the possibility of influencing the EU decision-making process. They fairly highly rate the usefulness of nearly all ways of interest representation, but in practice they not always make use thereof. Personal participations in committees and personal contacts are preferred, which may point to high level of personalisation of Polish political scene.

An important factor deciding of the power and position of an association is its size, financial resources and level of representation. Nearly all Polish associations are small organisations, have few members, low budgets, and are fairly young. Despite that, they are self-sufficient in acquiring resources and are characterised by high level of interest representation in a given field. However, they do not make full use of these advantages.

Polish associations primarily serve the role of interest representatives, to a lesser extent do they deal in the provision of services and market coordination, which may point to dominance of logic of influence in their strategies. However the financial dependence of associations on their members results in escalation of the conflict between the logic of influence and the logic of members.

It seems, that Polish BIAs are in their initial stage of building European strategies of interest representation. It does not suffice to simply transfer national strategies to the European political space. It seems necessary to introduce significant changes and modifications to hitherto strategies and to adjust them to the new context.