

LOBBYING THE EUROPEAN UNION AND THE BENEFITS FOR THE BUSINESS COMMUNITY

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Lobbying – different definitions

- ‘Professional, profit activity in order to influence **legislative process** for third party interest.’ (*Polish Law on Lobbying*)
- ‘Special part of **public relationships** that allows argumentation to the regulator in order to explain what is good for us and for him:
 - work/act as lobby in Parliament or in public life;
 - promote some ideas, political movement, state interest, et similar among certain persons or certain influential groups.’
(V. Anić, *Croatian Language Dictionary*)
- ‘Lobbying is part of life and blood of every political system: at local level, in the national capital and, depend on the definition of a political system, even inside a **company or a family system.**’ (ed. P. Van Schendelen, *Lobbying in the EU*)

Who is lobbyist?

- ‘Someone who tries to persuade a politician or official group to do something.’ (*Cambridge Dictionary* definition)
- ‘Someone who is – and is recognized as – the **best source of information and solution** during the decision making process, with the aim of achieving their **own targets** as well as the long term (European) **strategies.**’ (Herzog definition)

In general: - open competition of interest groups;

- part of democratic process;
- more transparency;
- more knowledge of procedures;
- less potential of domination of strongest interest groups in decision making process
- lobbying in the position of marketing 20 years ago

Why to lobbying in Bruxelles?

- European Union: although complex system (Acquis, comitology, different EU institutions, official languages, etc.) EU acts in democratic and relatively open way
- MS experience: besides Government representatives good to have direct impact at EU headquarter
- BXL global lobbying center: 15.000 - 20.000 lobbyists (5.000 accredited for European Parliament), cca. 3000 interests groups have permanent office in BXL

Lobbying scene in BXL (2006 data)

- Commercial and professional organisations 614
- Consulting companies specialised for EU themes 195
- Interest groups and NGO associations 257
- Cities and region representatives 153
- Chamber of Commerce representatives 40
- National associations representatives 155
- Employer associations representatives 31
- Union representatives 29
- Agricultural associations 34
- Religious/Church associations and other organisations 28
- Corporations 500
- Specialised legal firms 200
- Think-thanks 50

Reasons for BXL lobbying

- **80% of economic legislation** is created/yield in BXL (intensive development from the establishment of EU Single market),
- Many EU laws will be transposed later into national decisions – knowledge and **regular monitoring of EU affairs/decision making is must**,
- Decision of EU institution (regulatory measures) can increase **costs** and/or bring **benefits** for companies/MS,
- **Reaction** on lobbying activities of other groups / competitors,
- Timely action can **delay/dilute** unfavourable decisions or **increase benefits/accelerate adoption** of EU decisions,
- Re-distribution of cca **80 bil € / annualy** (instruments of structural/Cohesion policy, agriculture, fishery, Community programmes, grants, R&D, etc.),
- Help in **inclusion of Internal market** with 450 M consumers,
- International impact (rise of regional blocks).

Systematic and programmed numerous possibilities for **formal and informal consultations/interactions** with different institutions/groups.

3 levels of EU lobbying:

- (I) **local/national** (Member States): Government, Cabinet, Parliament, different government bodies, sectoral & regional organisations;
- (II) **EU institutions and associations** (Commission, Parliament, Council, European networks, ad-hoc interest groups, etc.);
- (III) **International** (USA – EU Committee AmChamb, Russia, development countries, etc.)

Multi-level EU lobbying:

- Multi-level decision making system: wide spectar of potential influence channels, multi-dimensional lobbying strategies
- strong ***interaction among all institutions/stakeholders***,
- non-predictability of decision process result,
- EU institutions depend on external output (e.g. specific expertise).
- **Visible power** - EU institutional power (E. Comission, E. Parliament, Council)
- **Invisible power** - more than 2.000 specialized Committees but very strong influence (cca. 30.000 EU staff at all levels)
- Plus media (e.g. Financial Times) / journalists + different associations (industry, commercial) + NGOs + MS representatives – in total 50.000 decision makers and influential persons

European Commission

- Legislation initiative (proposals of EU Directives/Regulations),
- Policy making (White&Green papers, Communications, EU technology platforms),
- Managing programme (e.g. LIFE+),
- Guardian of the Treaties (infringement procedures)
- Commission is divided into DG (Directorate Generals) which are built of units

Council (Council of EU or Council of Ministers)

- Playing field of Member States: many levels (Ministers, Ambassadors (COREPER - Comite des representants permanents), Working groups)
- 4 formal Environment council per year, plus two informal
- Two key working groups for environment: ENV and Working party on International Environmental issues (presidency, secretary, experts, etc.)

European Parliament

- Key role: co-legislator (co-decision for $\frac{3}{4}$ EU decisions), decision on budget, political control
- Work is divided into 20 Parliamentary Committees (Sub-Committees, research sub-committees, ad-hoc sub-committees)
- ENVI – Environment, Public Health and Food Safety Committee

Decision making process

Preparatory phase

- Commission DG prepares proposal (Advisory Committees, Scientific Committees) – consults group of experts (Expert groups)
- Public consultation
- Responsible DG consults other DGs
- Commission adopts proposal

Adoption phase

- Council of Ministers: C of M Working groups (common position);
- European Parliament - EP Committees (EP plenary 1st reading)
- Commission might revise proposal
- EP second reading
- Co-Decision Council
- Long procedures (up to 24 months and more),
- Scale of lobbying influence (more influence in the preparatory phase!)

Execution phase of legislation and policies (comitology)

- Advisory Committees, Managing Committees, Regulatory Committees

Lobbying in the EU - game of 3 'P's:

- **Procedural** aspects: determine type of procedures (consultations, comitology, co-decisions; role/influence of each institution);
- **Positional** aspects: to achieve key positions in all phases of decision making process;
- **Personal**: be connected with relevant persons (don't exclude technical staff)

Lobbying methodology:



MAIN ACTIVITIES:

- **Deep analysis** (regulative framework, key decision making centers, media monitoring)
- Lobbying **environment** (to keep positive environment or to change positions of main actors)
- **SWOT analysis** of all stakeholders/actors – ranking of stakeholders, assesment of influential potential (e.g. third party advocates)
- Development of appropriate **communication approach** to different stakeholders (what is key message)
- **Lobbyistic tools** (consultations, discussions, position papers, impact study, press, events)
- **Good timing** is must!,
- **Revision** of progress - planning of next step in the EU long procedures (strong motivation during whole process)
- **Flexibility** as a result of numerous external factors

Lobbying strategies

- **Proactive** (constructive work with targets/stakeholders, cooperation and credibility in activities)
- **Reactive** (caution in actions/initiative, only monitoring; less intensity in communication/publicity)
- **Internal** (focus on key actors in decision making process)
- **External** (involvement of NGOs, media buying, organisation of events, massive e-mailing through several interest groups, etc.)

‘European dialog’

- i) Problem definition (company/industry/national/MS/EU)**
- ii) Trends in national and EU policy (static/dynamic)**
- iii) Potential network (who are institutional and out-of-institutional stakeholders, their interest)**
- iv) Base for lobbying proposal (good material preparation, measurable/realistic goals, quantified indicators, relevant cost-benefit analysis, relationship with international practice/conventions/public interest, etc.)**
- v) EU decision making drivers: procedures, working groups – expertise/background of members, activities of permanent Mission in BXL**
- vi) Time factor (EC/EP mandate, EU presidency, national elections)**
- vii) Financial & HR resources – time/energy/financial consuming process (adequate budget, good expert team, share costs with other institutions, become part of existing network)**
- viii) Choose strategy (level, min/max acceptable results, inform/include relevant national institutions – co-financing activities, provision of experts)**
- ix) Start, monitor and evaluate action plan (priority of activities, models of communication – dossier of activities, e.g. notes, reports).**

Materials preparation: good examples in EU *‘Guide for Producing Documents for the Council and its Preparatory Bodies’*

Potential lobbying partners

- Representative offices of Croatian regions in BXL, HGK, HOK, HUP, Croatian Mission in BXL, Negotiating team with EU, National Parliament Committee for negotiating process with EU (limits of national influential channels)
- Different European associations (Green 10, European Water Partnership, Eurocities, UEAMPE – represents 11 M SMEs in Europe, European Round Table of Industrialists, etc.)

Lobbyistic associations in EU

- SEAP (www.seap.eu.org) – individual members
- EPACA (www.epaca.org) – corporative members
- AALEP (www.eulobby.net) – accredited lobbyists in Parliament

EU Code of Conduct (integrity, professionalism, transparency, confidentiality, financial integrity – no personal rewards, etc.)

Case study I - REACH

SMEs in REACH (UEAPME – SMEs organisation)

REACH target: new registration systems for all chemicals.

Players: EC, Parliament, Council, stakeholders.

SME's priorities: simplified procedures, data sharing and cooperation with European Chemical Industry Council.

- Alliance with UNICE (European Alliance of Industrial Associations),
- Awareness rising in Parliament,
- Involvement in impact assessment and test running,
- Provision of experts from SME sector,
- Balancing conflict between large and small businesses.

Case study II - Renewable energy prices vs. market competition

- EC stated that RES prices in Luxemburg were structured against EU market competition rules.
- European Environment Biro (EEB – roof env. NGO in Europe) took initiative that EC procedure is in contradiction with EU policy of RES support, sustainable development and against goals of Kyoto Protocol.
- EC will probably accept good elaborated argumentation of EEB and LXB RES alliance.

Case study III – Grant application for projects in FP7 for R&D

- FP7 open for industry/SMEs projects
- EU decision for approving grants cannot be directly influenced, but preliminary steps can help

Preliminary lobbying:

- via national FP7 contacts influence key conditions and potential fields of prospective FP7 *Calls for projects*
- Concrete action via potential partners in Member States (also good for future consortium building).

Informal lobbying: European technology platforms, conferences, bilateral meetings.

Lobbying during preparation of grant application: consultation during project planning and application preparation.

Only allowed **until project submission!**