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In search of a Polish interest representation pattern in the European Union – the case of sector interest organisations

Urszula Kurczewska*

Abstract

It may be expected that along with Poland's accession to the EU, domestic sector interest organisations, to a larger extent than hitherto, will also be lobbying at the EU level, by using various 'channels of access'. This article has two objectives: first, it is aimed at reconstructing the pattern of interest representation of Polish third sector organisations at the EU level; second, it analyses whether and how the isolated scheme fits into a pluralistic economic interest intermediation system in the EU. The analysis of individual cases reveals the advantage of a non-corporation related model in the representation of Polish interest groups, with the government occupying a dominant role, which may not be in line with the pluralistic and network-dependent character of the system at the EU level.

Key words: lobbying, interest groups, European Union

Introduction

While analysing the beginnings of the integration processes in Europe, Ernest Haas claimed that the active participation of interest groups explains the development and functioning of the EEC. First of all, interest groups create important communication channels between the main institutions of the European Union and the European society and they are a kind of remedy for a 'democratic deficit' (Greenwood 1997, 1). Second, they play a key role in the process of legitimisation of the decisions made by the EU institutions. Finally, they cause the movement of some of the member states' competences to the European level, especially when the economic issues are concerned. Right now, the European Union is open to the interest groups to an extent where European institutions consider these groups as crucial for the valid shaping of the Union's policy, with emphasis on its regulatory functions.

The development of interest representation in the European Union and its influence on the processes of shaping European policies is an important issue in many research studies and this has led to the publishing of a great number of excellent papers (van Schendelen 2005; Greenwood 2007; Pedler 2002; Cohen 2007; Mazey and Richardson 1993; Eising 2009). However, there are hardly any substantial empirical studies on the integration of the interest groups from new member states into the EU decision-making process and governance.

This paper discusses organised economic interest groups in Poland and explores the structures and patterns of lobbying activities, pointing out the strategies that have been (more or less) successful in the complex EU system. The aim of this study is to analyse the cooperation between Polish business interest groups, the national institutions (particularly the Polish administration) and the EU decision-makers. Using a case study analysis, which is very common and useful in social sciences, I would like to make some generalisations on the Polish interest representation in the business sector. The article tries to

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explain what is the general model of Polish economic interest representation at the EU level and how it fits into the European diagram of interest intermediation, as well as why Polish business groups usually choose the 'national route' of access to the EU instead of (or together with) the 'European route'. In the case of Poland, it is interesting to note to what extent interests are dependent upon the 'national route' and why they are trying to exploit this access channel. Would significant engagement at the national level mean that the Polish public sphere constitutes an important vehicle for interest representation in the EU or is it perhaps merely more open to domestic interests than the EU institutions?

The interest representation pattern in the European Union

During recent years, interest groups and civil society organisations have become an important out-of-treaty partner in the EU decision-making process. Not only has the number of the organisations in Europe risen and the variety of their interests widened, but their status in negotiations with the EU has also improved. European associations are considered to be a valuable part of the democracy, since their role is to connect the citizens and the EU institutions, especially in a situation of a gradually rising 'democratic deficit'¹. The objections over the growing distance between the society and the Union, as well as the lack of transparency and openness of the decision-making procedures forced the European Commission to initiate a civil dialogue, which means creating a network of cooperation with the representatives of certain groups² and arranging various consultations.

The unique institutional system of the European Union offers many opportunities for different interest groups to participate in the decision-making processes. Lobbying and representing interests is a basic form of pressure group activities and it means influencing the final shape of decisions that have not yet been made. Of course, lobbying activity is deeply rooted and legitimised in the American political system, but in the EU for many years we have observed the process of shaping a new model of interest intermediation that has its own specific character. There are both positive and negative aspects to the involvement of interests in the EU processes. The positive aspect is that interest activity broadens the participatory base of the EU and ensures that decision-making is not completely controlled by politicians and officials. Second, interests can provide EU authorities with information and viewpoints that improve the quality and effectiveness of their policies and decisions (Nugent, 2006, p.347)

It is hard to define exactly the interest representation model in the EU. Difficulties in achieving a clear definition of the nature of the relations between institutions and organised interests at the European level originate from the fact that plenty of empirical evidence can be found for both classical

¹ The EU is criticised for a democratic deficit, meaning that the Union and its various bodies suffer from a lack of democracy and seem inaccessible to the ordinary citizen because their method of operating is so complex and very difficult to understand, most institutions are not elected, the European Parliament is not a real parliament and the executive role of the Commission and the Council is too big. But Giandomenico Majone and Andrew Moravcsik, two of the most prominent scholars of European integration, have argued that the EU does not suffer from a 'democratic deficit' and that the EU is, in fact, as democratic as it could or should be. They claim that the EU is essentially a 'regulatory state', most EU policies are redistributive and EU policy-making should not be 'democratic' in the usual meaning of the term. For them, the problem for the EU is less a democratic deficit than a 'credibility crisis'. The solution, they believe, is procedural rather than a more fundamental change (Majone 1998, Moravcsik 2002).

² As the EU refers to all collectively organised non-state actors as 'civil society organisations', this term is used synonymously with 'interest groups'. According to the European Commission, civil society includes different groups: trade unions and employers' organisations (social partners), organisations representing social and economic players that are not social partners in the strict sense of the term, non-governmental organisations that bring people together in a common cause, such as environmental or human rights organisations, charities, professional associations and grass roots movements, institutions or sectors that involve citizens in local and municipal life, such as churches or religious communities; http://ec.europa.eu/civil_society/index_en.htm.

models: pluralist and neocorporatist. Some previous approaches defined the EU decision-making system as a rather pluralist one (e.g. Mazey and Richardson 1993), pointing out the large number of lobbying actors and access points (Michalowitz 2004, p.29-30). The participation of interest groups in a binding decision is an essential part of the relations of the EU institutions and associations. Consultative committees, roundtables, public hearings and consultations exist, but their establishment is not consistently regulated. David Cohen (1998; p.98) and Rainer Eising (2007; p. 52) also point out the pluralistic character of interest representation at the EU level by defining it as 'elite pluralism'. It is particularly noticeable within the scope of the interest representation of business organisations.

Other approaches took a closer look and pointed out the Commission's tendency to formalise and institutionalise consultation with interest groups (e.g. social dialogue) or even create them, thereby rather favouring the neocorporatist perspective. Support is given to certain European umbrella groups (EuroFed). In many cases, they receive preferential treatment compared to other forms of representations (Michalowitz 2004, p.29).

It seems that the pattern of relations between interest groups and the EU organs depends on the policy field and the specific interests involved. The system of multi-level governance complicates the picture: the relations between interest groups and the EC does not simply consist of two parties, but also involves national and sub-national state actors and others. In such a complex setting, links extend in all directions. Only in some fields (e.g. the Common Agriculture Policy) can we find a common pattern – the strong cooperation of national governments and national interest groups in the defence of common 'national' interests at the EU level (Obradovic and Pleines 2007, p.18).

Some researchers point out the polycentric and networking character of interest intermediation at the EU level, stressing that currently the system of government itself is ever more oriented towards the process and functions along horizontally ordered networks. That is why the system of interest representation should be examined in categories of policy networks. Networks are defined here as a space or arena for conducting negotiations and mediations between EU institutions and pressure groups, within the framework of which goods and resources are exchanged. From this perspective, the pattern of interest intermediation at the EU level is defined as a multipoint balance model (punctuated equilibrium) (Falkner 2000; p.102 and Richardson 2000, p.1011-1015).

In recent years, the European Commission has taken up many initiatives concerning civil dialogue and introducing various interest groups into the consultation process, as well as programs improving the transparency of the legislation processes. The Commission has formalised the dialogue with civic groups by adopting general principles and minimum standards that govern the process of consultation with interested parties (Commission of the EC (7/2001): 'European Governance: White paper', COM (001) 428). This formalisation of the civil groups' involvement in the EU policy conception and implementation is a part of the new forms of governance introduced by the EU to improve its efficiency and legitimacy.

The multi-level character of the European policy process means that actors seeking to participate in European affairs have a number of 'routes' (or channels) of influence. The 'national route' refers to the use of national contacts and national governments to influence EU decision-making, whereas the 'European route' involves seeking to exert influence by representation directly to the European institutions themselves (Greenwood 2007, p.25).

Since the 90s, the European Commission has systematically increased the number of recognised interest groups with the proclaimed aim of making the consultation process more open and transparent. In 2008 the Commission had contact with about 1200 interest groups³, two thirds of which represented business interests and the rest non-economic interests: social, regional, ecological, minorities, etc. Domination of economic interest groups is nothing new, because historically business interests have

³ European Commission, register of interest representatives: <https://webgate.ec.europa.eu/transparency/regrin/welcome.do>

always dominated European level interest representation, in part because of the history of the EU as an economic community. Some of the highpoints in European integration, such as the programme of the single market, have been attributed to the impact of business interests, both in responding to and helping to create a climate designed to ensure that business could flourish (Greenwood 1997, p.101). Cowles has estimated that some 60% of all legislation directed at industry in Europe has been created by the EU institutions (Cowles 1995, p.21). Today it is about 80% of all regulations in economic matters in EU member states. Among the biggest and the most influential economical interest groups are cross-sectoral associations:

BUSINESSEUROPE (Confederation of European Businesses) – the largest horizontal organisation of European employers grouping 40 federations from 34 European countries and representing more than 20 million enterprises. It has a ‘Social Partner Status’ from the EC. This is why it is often considered a representation of all European private businesses⁴. Its task is to present opinions on all important EU measures concerning the economic policy, such as the liberalisation of the services market, improving the competitiveness of European enterprises, reduction of the red tape and simplification of business-related regulations, organisation of the labour market, the EU budget, international trade or further enlargement of the Union.

European Round Table of Industrialists (ERT) – an informal forum bringing together around 45 chief executives and chairmen of major multinational companies of European parentage covering a wide range of industrial and technological sectors. ERT advocates policies at both national and European levels, which help create the conditions necessary to improve European growth and jobs. It is considered to have had a great influence on the creation of the single market and the Economic and Monetary Union (Betts, ‘Financial Times’, March 20, 2001). This proves ERT’s efficiency and its influence on the decision-making processes on the European level. Eurochambres is the umbrella organisation that represents European Chambers of Commerce and Industry and it is the most important European representation of small and medium-sized enterprises. AmCham EU is the voice of companies of American parentage committed to Europe directed towards the institutions and governments of the EU on the issues of trade, investment and competitiveness. Its 135 members include 40 of the Fortune 100 companies, sharing a common outlook in liberal, open markets. Its aim is to ensure a growth-oriented business and investment climate for its member companies in the EU.

Apart from the organisations representing horizontal interests, there are numerous associations working for the benefit of specific industry sectors. Each branch is represented by one or more organisations. Among the most important section associations we can mention are EFPIA, CEFIC, CIAA, EUROSPACE, ACEA, COPA, AEA, CIAA, etc., which at present also have, besides their ‘traditional’ affiliates i.e. national associations, a select number of large individual companies as members. A third type of collective business lobbying at the EU level that could prove to be an attractive alternative to Euro-federations is the *ad hoc* coalition of large companies.

The greater involvement of civil society in EU governance is to be achieved through civil dialogue, which refers to a range of consultation forums. The consultations take place through various channels, such as participation in the formation of Green and White papers, Dialogue with Business, Dialogue with Citizens, the European Round Table on Democracy, workshops, permanent consultative groups, dialogue with national associations of regional and local authorities, as well as around 25 Multi-Stakeholder Forums and Internet consultations. These are conducted between the Commission and interest groups in the pre-drafting phase of European legislation or via the open method of co-ordination (Obradovic and Pleines, 2007, p.70). The Internet consultations are treated as a way of access offering citizens, consumers and businesses an opportunity to play an active role in the process of shaping the Commission’s policies.

⁴ Mission and priorities of the organisation BusinessEurope <http://www.businesseurope.eu/content/default.asp?pageid=414>

Is there a single coherent model of interest representation for Polish organisations in the European Union?

With the accession of Poland to the EU, certain changes should have occurred in the relations between the civil society and the state institutions. As a member of the EU, Poland has transferred certain competences to the EU and interest intermediation should consequently have moved to the European level. Since policy-making powers are transferred to the supranational level, groups representing different interests have to become active at that level too. The second reason is a change in the system of EU governance that has given rise to new modes of governance. Multi-level governance is consistent with a pluralistic view of the state as an arena in which different agendas, ideas and interests are contested. The EU has become a polity where authority is dispersed between levels of governance and amongst actors, and where there are significant sectoral variations in governance patterns (Rosamond 2000, p.111). Some interest groups have learned to exploit the opportunities presented by a policy process, which is increasingly characterised by multiple opportunity structures (Richardson, 2000, p.1006). The system of European governance has become more transparent and open to direct consultation with interest groups. This is something new to Polish civil society because for many years in Poland there have been traditions of state-dominated networks of consultation, even considered as neocorporatist with elements of clientelism. Although EU institutions and policies create additional opportunities for national interest groups to influence policy-making, not all domestic groups make use of the extended niche provided by the EU.

Many research studies that have examined the role of the Polish interest groups in the EU have showed that they usually concentrate on the 'national routes' of influence on the EU decision-making process, they prefer indirectly putting pressure on the national level rather than directly pressuring EU level institutions. Polish organisations, while being able to negotiate with the Polish administration, are not capable of proceeding with the same techniques at the EU level.

In Poland, as well as in the other new member states, due to the relatively short membership in the EU, a limited knowledge of the Union's decision-making mechanisms and the weakness of the civic society structures, the leading attitude towards European integration is the one that perceives it through 'high politics' – bilateral meetings of presidents and prime ministers, European summits or professional diplomacy. Much less emphasis is put on 'low politics', which consists of the more routine, detailed and day-to-day issues that arise in public affairs. These issues tend to be the less politicised ones, such as the technical details of product standards and measures taken to achieve the single market within an industrial sector (Greenwood, 2007, p.13).

Perceiving the EU solely in categories of 'high politics' and omitting or marginalising its 'low politics' dimension is the reason why the possibilities of co-shaping the European integration process through both European and national social organisations, interest groups, regional associations, think tanks, etc., are not sufficiently used in Poland. A lack of belief in the possible influence and the efficiency of the national organisations at the European level has led to abandoning interest representation within EU institutions. So far, Polish organisations have cooperated with the European associations in carrying out common lobbying campaigns only on a small scale. The representations of the Polish interest groups in Brussels are also not overwhelmingly interested in professional lobbying at the EU level. If Polish organisations take up lobbying, it is most usually through the so-called 'national route', which uses national institutions, mainly government organs.

Moreover, the form of Polish interest representation at the EU level is also influenced by the way of perceiving and evaluating both lobbying and interest advocacy. In Poland the negative perception of lobbying is dominant and it is treated as unethical and against the law. It is talked about mainly in the context of scandals, corruption and other dysfunctions and pathologies in the public sphere (Jasiecki, Moleda-Zdziech, Kurczewska 2006, p. 23). Since this is the case, the leaders of Polish business organisations, who emphasise the need for strong interest representation in Brussels, are met by

negative reception in Poland.

While trying to define the national interests' representation model at the Union level, the tradition of the group interests' aggregation in the given political system should also be taken into consideration. In Poland it is difficult to precisely define the character of the group interest representation, yet some elements vividly stand out. One of them is the neocorporatist tradition inherited from the past communist system; however, the main role in the government-employers-employees relations still belongs to the government. Moreover, apart from the neocorporatist tradition, signs of etatism (the particular role of the government in the situation of the employers' institutional weakness) and clientelism can be noticed. Both lobbying organisations and government representatives' actions, considering interest representation in the EU, seem to be insufficient. Despite numerous initiatives, the activity of Polish business lobbyists in Brussels is almost invisible. Despite this apparent lack of visibility, we should note that Polish interest activity is not completely inexistent in the EU. Currently the representation of Poland's interests and the interests of Polish organisations in the EU take different forms. Apart from Polish embassies and government representations in Brussels, Polish interests are also represented by organisations and interest groups that set up direct representations and/or join European horizontal and sector confederations.

Most of representations in Brussels belong to Polish regions and local authorities, not to business stakeholders. Polish regions are mainly interested in the policies and programs that are connected with regional development, agriculture, environment, social cohesion, energy and transport. One of the crucial roles performed by regional offices is to gather and disseminate information. They also try to influence EU policies, gain EU subsidies and take part in European transnational networks.

Polish business organisations definitely have little representation in Brussels. Only one confederation of employers and few individual Polish enterprises have established their permanent representations. Polish Confederation of Private Employers (PKPP) Lewiatan is the only Polish entrepreneurs' organisation to have a permanent representation in Brussels. It issues opinions, both on a direct basis and through BUSINESSEUROPE, on drafts of directives and other acts of the EU law that have an impact on the European economy, and it also monitors important developments of the European economic policy. Representatives of PKPP Lewiatan and its member enterprises participate in the works of committees and advisory agencies to the European institutions. PKPP Lewiatan's positions, developed by experts and the Brussels office, are presented both within the framework of official consultations and through direct contacts with the European Commission officials. Lewiatan representatives contribute to the preparation of new EU legislation by participating in working groups and advisory committees to the European Commission. PKPP Lewiatan's priority is to represent Polish business in the proceedings of BUSINESSEUROPE bodies, so since 2005 the position of Vice-President of BUSINESSEUROPE has been held by Henryka Bochniarz, President of PKPP Lewiatan⁵. An important part of Lewiatan's involvement in the EU decision-making process is constituted by the work of its representatives in the European Economic and Social Committee.

Recently direct representations in Brussels have also been established by enterprises such as: Polish Post; , Polish State Railways (PKP SA), Gas Pipeline Operator (GAZ-SYSTEM S.A.), Polish Farmers' Organisations, National Council of Legal Advisors of Poland, Polish Science Contact Agency, among other organisations and institutions.

Another form of interest representation in the EU is membership and active participation in European and international federations and confederations. Many sectoral and horizontal associations are members of such organisations, i.e.: the Polish Chamber of Commerce (KIG) is a member of Eurochambres, PKPP Lewiatan is a very active member of BusinessEurope, the biggest Polish trade union NSZZ Solidarnosc belongs to ETUC, the Polish Federation of Consumers is a member of BEUC,

⁵ Polish Confederation of Private Employers (PKPP) Lewiatan, (2008). Activity in the European Union. <http://www.pkpplewiatan.pl/?ID=66522>

Polish Farmer organisations belong to COPA/COGECA, the Confederation of Polish Employers cooperates with the European Centre of Enterprises with Public Participation and Enterprises of General Economic Interest (CEEP), etc. Within the scope of sector interest representation, Polish branch organisations closely cooperate with European associations. The examples include the following: Polish farmer organisations belong to COPA/COGECA, the Polish Council of Chemical Industry is an active member of a very influential lobbying organisation in the EU – the European Chemical Industry Council (CEFIC), the Polish Committee of Electric Energy cooperates with partners within EURELECTRIC, the Polish Bank Association is an active member of the European Banking Federation, the Polish Organisation of Trade and Distribution cooperates with Eurocommerce, the National Confederation of Employers in Construction Industry belongs to the European Construction Industry Federation (FIEC), the Polish Assurance Committee is a member of the European Assurance Committee (CEA), etc.

In many cases, Polish business associations – members of European federations – seem to be focused on gathering material about specific legislation at the domestic level by default, rather than making a deliberate attempt to shape legislation by accessing EU institutions and networks. For many business organisations, the exchange of information is more important than the actual impact on the EU policy-making. This is probably the reason why many Polish associations are rather passive members of European federations.

Still, it seems that in Poland the necessity of intensifying lobbying activities in the EU in favour of Polish subjects is either unnoticed or there are barriers that are very hard to overcome. Apart from the costs, one of them is quite possibly the lack of awareness about common interests among the national organisations, a dislike of close cooperation and entering associations, as well as not noticing the ‘European correlation’ – that is, the dependence of the national situation on the situation in the EU.

Taking all this into account, Poland is not far from other new member states of the EU. Almost all actors coming from the Central and East European member states in the EU face challenges as they attempt to integrate themselves into the EU decision-making process. Whereas state actors from these countries received formal representation and voting rights in the system of EU governance, civil society organisations from there find it much harder to gain access to the decision-making process at the EU level. At the advent of the 2004 enlargement, civil society organisations from the CEEC accounted for a mere 2% of the Brussels-based lobbying community (Pleines, 2007, p.55). The main reason is that the civil society sector in these countries still retains a relatively low profile.

The relative weakness of Polish interest groups in lobbying in the EU is confirmed by an opinion survey of APCO *Worldwide*⁶. Compared to the high rating of Poland as a member state, Polish organisations are perceived as less efficient and less visible in the EU. According to the APCO report⁷ published in 2008, Poland is perceived as the most effective state in influencing EU policy among the 12 new member countries of the EU. Policy-makers and opinion-leaders in Brussels and Warsaw consider Poland to be a member state with the most influential voice besides the big five countries (Germany, France, United Kingdom, Spain and Italy) and the Netherlands. When looking at the 12 new member states, respondents in the survey are most likely to volunteer Poland (37%) as being especially effective at influencing EU policy, in comparison to the Czech Republic (15%). Opinion-leaders can describe without any problems the main issues associated with Polish interests in the EU – the priorities are: agriculture, regional development and energy. In rating Polish stakeholder groups and their activity in Brussels, almost all respondents are very critical and sceptical. Such groups are assessed as doing an average or below average job operating in the Brussels community compared to their counterparts in other EU countries, with mean scores mostly below the mid-point of five on

6 APCO (2009). Poland in Brussels: Controversial Partner and/or Opinion Leader?, APCO Worldwide Report, http://www.apcoworldwide.com/content/PDFs/krynica_forum160908.pdf

7 APCO surveyed 50 ‘opinion-leaders’ including politicians, officials and media representatives in Brussels and Warsaw to gauge how effective Poland has been in communicating and shaping European policy compared to other EU member states.

a one to ten point scale⁸. Of the five groups that were asked about, respondents gave their highest rating to the Polish government (mean score 5.27), followed by the Polish media (4.8). Nevertheless, the ratings are average in comparison to their counterparts in other EU countries. Polish NGOs (3.68) and Polish think tanks (3.39) are given the lowest ratings compared to their counterparts.

The Spirit Drinks Regulation No 110/2008 – the first battle for the Polish sector interests in the EU

One of the first important ‘battles’ for the Polish business interests in the EU was the case of a legislation process concerning Regulation (EC) No 110/2008 of the European Parliament and of the Council of 15 January 2008 on the definition, description, presentation, labelling and the protection of the geographical indications of spirit drinks. In 2005, when the European Commission was preparing the project of the regulation, it was expected that the proposition of the new regulation, especially giving one clear definition of vodka, will bring out serious differences between the member countries. The countries of the so-called ‘Baltic belt’, that is Poland, Finland, Sweden, Denmark, Estonia, Lithuania and Latvia, where vodka is produced from traditional ingredients, such as potatoes and cereals, were forcing the ‘narrow definition’ of vodka. Producers from these countries argued that only spirits distilled from cereals or potatoes should be labelled as vodka.

The British-led consortium, which included the Netherlands, France and Austria (and backed by the London-based multinational drinks producer Diageo), were trying to argue that vodka can be made from a variety of ingredients including grapes, beets or citrus fruit. Alcoholic beverage producers’ organisations from these countries created the European Vodka Alliance (EVA), which conducted a lobby campaign in favour of accepting the ‘open definition’ of vodka. It argued that the Baltic States are being wholly protectionist and want to corner the vodka market as their own⁹.

The work on the setting of the Spirit Drinks Regulation fully complied with the co-decision procedure, which means that the understanding between the European Parliament and the Council was a necessity. Regulations in the Council, especially in the *Special Committee on Agriculture* (SCA), were carried out in parallel to the works in the Parliament, ending in 2008.

Here it should be noted that the biggest producers of vodka in the EU are Poland, Sweden, Finland, Lithuania, Latvia and Estonia. Their share in the European market is more than 70%. These countries are responsible for 83% of the Union’s export and 64% of its consumption. The leader is Poland, which produces three times as much vodka as Sweden, which is second on this list¹⁰. In Poland, the spirits industry plays a crucial role for the agriculture, as it is the main recipient of cereals and potatoes. These two sectors rely on each other, therefore, any drastic change in the spirits industry will result in repercussions in agriculture and vice versa.

The main representative of the Polish spirits producers is the National Council of Spirits Industry (KRPS), which is also a member of the CEPS – the European confederation of the spirit industry. The KRPS plays an important role as an interlocutor of the government in many cases concerning the spirit industry in Poland. This pattern is mostly valid for all main Polish business and social associations. Interest groups are organised in peak associations, which have direct access to decision-makers. In Poland, certain sectorised organisations are highly institutionalised and possess a right to influence policy. For instance, certain interests are ‘privileged’, such as trade unions,

⁸ Where one means they do a very bad job and ten means they do a very good job compared to other EU counterparts

⁹ European Vodka Alliance (2007). Vodka and the European Union. http://www.european-vodka-alliance.org/documents/Aide_Memoire_050906.doc

¹⁰ Polish Ministry of Rural Development and Agriculture. Bieżąca informacja o rolnictwie na świecie nr 19/2007 [Current information on agriculture in the world nr 19/2007]. www.minrol.gov.pl/

farmers. For example Solidarność, the most important trade union, is almost an official partner for the government. This system of interest intermediation could be even considered as neocorporatist (Kucharska, 2007-2008, p. 8).

The CEPS is the biggest European organisation representing the spirits industry, yet, because of internal conflicts and a lack of compromise, no unanimous decision considering the definition of vodka was made. The lack of a standpoint on the part of the CEPS seems quite surprising and interesting. Being a sectorised organisation, it was supposed to have a clear statement on that particular issue. However, the CEPS did not take any position on the vodka definition because of the protest of the British Diageo, which is a member of CEPS.

Therefore, the EVA, created by the supporters of the ‘open definition’, was acting as the main representative of the European spirits industry. Its lobbying was carried out mainly through the ‘European route’ (with the European Commission and the European Parliament) and had an expert character¹¹. Apart from that, members of the EVA also lobbied their governments, which resulted in creating a majority in the Council that was in favour of this organisation’s definition.

The works in the EP and in the Council took two years and ended up in setting up a regulation including the ‘open definition’ of vodka. The new regulation – which was finally passed with Poland, Finland and Sweden voting against and Lithuania abstaining – leaves the wider definition of vodka in place, but with new labelling requirements: vodka made from cereals or potatoes will henceforth be labelled simply as vodka. Vodka based on other raw materials, on the other hand, will bear the indication ‘produced from’, supplemented by the name of the raw material used. The agreement was hailed as a ‘major achievement’ by Mariann Fischer Boel, Commissioner for Agriculture and Rural Development. But Poland said it was ‘frustrated’ with the definition of vodka, arguing that consumers would end up being ‘misled’ over the raw materials used to produce the alcohol. In a declaration, Poland said that the definition ‘does not safeguard the interests of those who produce vodka from traditional raw materials, who produce 98% of all the vodka produced in the EU’¹².

In the case of the Spirit Drinks Regulation, the Polish federation KRPS has represented its interests at the EU level using the ‘national route’ – through cooperation with the Polish government (particularly the Ministry of Agriculture and Rural Development), the Polish Permanent Representation in Brussels and Polish MEPs in the European Parliament. KRPS did not carry out an individual campaign in favour of creating a coalition with other spirit producers’ organisations from the ‘Baltic belt’, neither did the European Commission nor the European Parliament. All its efforts concentrated on national institutions and Polish delegations in the European institutions. Even the consultations with the representatives of the spirits industry from other countries (i.e. from Finland) were carried out through the Polish Permanent Representation in Brussels and the Polish Ministry of Agriculture¹³. Moreover, none of the producers, who are members of the KRPS, carried out individual actions using contacts with producers from other ‘Baltic belt’ countries. The KRPS was the sole initiator and the main organiser of the campaign for the representation of Polish vodka producers’ interests.

The battle over vodka demonstrates that the KRPS strategy was not sufficiently Europeanised compared to the EVA campaign. For the Polish industry, the government still remains the main and probably the only legitimate interlocutor at the EU level. For this reason, it seems logical that the outcome of all procedures was influenced by a better-organised group.

Another feature of Polish interest representation at the EU level is the perception of European

¹¹ EurActiv (2007). Calling vodka ‘vodka’? EU agrees new spirit drinks regulation.

<http://www.euractiv.com/en/food/calling-vodka-vodka-eu-agrees-new-spirit-drinks-regulation/article-1691947>

¹² *ibid.*

¹³ Polish Ministry of Rural Development and Agriculture (2007). Sprawozdanie z II posiedzenia grupy roboczej ds. wódki w ramach Zespołu ds. wyrobów winiarskich i napojów spirytusowych [Report from II meeting of working group on vodka in Group on wine and spirit products] www.minrol.gov.pl/FileRepozytory/FileRepozytoryShowImage.aspx?item_id=243764

institutions through national interests. In Poland the European Parliament, which is a supranational institution, is often considered as a place where the battle for national interests can be fought. That is why the KRPS was lobbying Polish members in the EP, expecting them to almost automatically defend the interests of Polish producers. They were also expected to undertake their own action in order to enlarge the 'narrow vodka' coalition within the European Parliament. Similar expectations were voiced towards Polish representatives in the Economic and Social Committee. In order to increase efficiency, KRPS employed a Polish lobbyist, who supported the Polish government in the Council and Polish deputies in the European Parliament.

It would appear that not only was the Polish campaign too focused on the 'national route', but it was also started too late, that is, when the European Commission had already published the draft of the regulation. The most intensive lobby actions were taken at the end of 2006, when the regulation was discussed in the Parliament. Despite the multi-direction and multi-level campaign of the KRPS, the Polish government and the Polish MEPs could not create the blocking majority in the Council or in the European Parliament and ban the regulation that was unfavourable to Polish producers.

The case of this regulation provides extensive evidence that numerous factors have an influence on the ultimate result. The battle was lost by Poland for multiple reasons. When the definition was prepared by the European Commission, Polish interests were not prepared sufficiently to create a satisfactory outcome. Furthermore, they relied mostly on the government, which failed to succeed, because the adversary not only proved to be stronger, but also used additional channels of access. In addition, Poland intended to change the existing *status quo*, which proves to be more difficult than just maintaining it (Kucharska, 2007-2008, p. 67).

Another feature of the Polish model of interest representation is the relative weakness of the national business organisations and the lack of a tradition that would create a common platform of economic interests both on the national and European levels. In this case, the KRPS was the only organisation representing the interests of Polish vodka producers and, while carrying out the campaign concerning vodka definition, it did not cooperate with partners in other countries or with other Polish business organisations, such as PKPP Lewiatan or Business Centre Club. Furthermore, it seems that the *public relations* actions carried out by the KRPS were also focused mainly on the national institutions and not the European ones. For example, information campaigns were addressed towards Polish receivers (mass media, opinion leaders, politicians), the argumentation strategy also considered mainly Polish interests and not those of the European producers. There was a lack of efficient actions for promoting the 'narrow definition' of vodka in the European opinion-making centres.

Supporters of the 'broad vodka definition' took on a completely different strategy of interest representation on the European level. Diageo, one of the major players in the spirit industry, managed to find allies outside the CEPS confederation. They organised themselves by establishing the European Vodka Alliance and a strong information campaign in favour of the broad definition. Analysing the information and the comments on the process of setting the regulation in the most prestigious European opinion-making platforms (i.e. EUobserver.com, EurActive.com, European Voice), one can notice that they only reflect the arguments supporting the EVA.

To sum up the analysis of the Spirit Drinks Regulation, it seems that the previous hypothesis that Polish interest representation in the EU is dependent on the 'national route' of access is an acceptable one. In many situations, Polish organisations are either not prepared for or they simply do not see the necessity of building a coalition inside the European co-operation network and the use of 'European route' of access. The main lobbying partners at the EU level are national institutions, mainly the Polish government and the Polish members of the European Parliament. The case of the Spirit Drinks Regulation points at the neocorporatist character of interest intermediation in Poland. The action was mainly initiated through the sector federation (KRPS) and not by firms themselves, which seem to verify the classical neocorporatist model. The KRPS was a legitimate institution for the Polish government and was seen as the main partner organisation on that issue.

Conclusions

If we want to use the conventional classifications of the systems of interest intermediation at the EU level in our analysis, we must say that many studies confirmed that the EU increasingly shows neocorporatist features, while others believe that it is moving in a pluralist direction. Some research, by contrast, contends that no patterns should be recognisable in the aggregate because the preference profiles change from one decision-making process to another. For example, one of them warned that patterns of interest intermediation might be observable for sectors, but probably not for countries or, in our case, for a supranational entity like the EU (Schneider, Finke and Baltz, 2007, p.112). However, many researchers agree that the most visible pattern of interest intermediation at the EU level is in the case of business interests. They arrive at the same conclusions in characterising the EU business interest intermediation as pluralistic, even as a form of 'elite pluralism' (Eising, 2007, p.52).

Business interests are very strong at the European Union level, they are divided not only into sectors, but are also represented by different forms of organisations: firms, EU associations (horizontal and vertical), national organisations, *ad hoc* coalitions, 'virtual platforms', etc. Taking into account the divergence of goals that business desires to achieve, the different strategies and tactics they use, the different forms of consultation and cooperation with the EU institutions, it could be stated that business is one of the main actors of European pluralism. Some researchers (Streek and Schmitter, 1994, p.203; Sroka 2004, p.211) point to business organisations heading towards a disjointed pluralism, which is characterised by the dynamic re-composition of 'parallel' problem networks.

If we examine the pattern of interest intermediation at the EU level in the categories of *policy networks* and assume that it has the character of a multipoint balance model (which is not contrary to the pluralistic type of interest mediation, but is rather its advanced version), then the representation of the interests of Polish organisations may be defined as a neocorporatistic network model, since it is characterised by the majority of formalised and stable consultations and the use of co-decision in forming sector policies. Noticeable here are the pursuits towards the protection and the standardisation of the goods exchange process, which were formed between the agendas of those holding power (mainly government) and interest groups. The analysis of the process of passing the Spirit Drinks Regulation reveals the most important elements of this type of interest mediation. It indicates the existence of a stable and quite hermetic model of aggregation of sector interests, in which the dominant position is held by the Polish government, and the monopoly for representation of interests is held by a single branch organisation, which is not cooperating with other sector or peak associations.

If the hypothesis of J.Greenwood and R.Eising (Eising, 2007, p.67), stating that national traditions of interest intermediation are crucial in shaping national patterns of business interests representation in the EU, is valid, it seems obvious that the pattern of Polish interest representation is dominated by the neocorporatist model. The national federations are supposed to be the only legitimate organisations capable of managing the lobbying and the Polish government (and other Polish institutions and delegations in the EU) still remains the main and probably the only legitimate interlocutor at the EU level. Business in Poland mainly uses its national representatives to promote its interests on different levels and important disputes are solved by federations of industry branches and/or by the government. The Polish private sector is dependent on the government representation in Brussels – this means that business associations and firms rely on the 'national route' as the only one possible. Consequently, they lack the capacity to embark on their own lobbying work without help from public institutions.

The analysis of the legislation process of the Spirit Drinks Regulation seems to confirm my hypothesis that Polish economic interests are dependent on the 'national route' of access to the EU and that national institutions are perceived as the most important interlocutors at the European level. This case provides extensive evidence of numerous factors that have an influence on the ultimate result and demonstrates that one state is not able to enforce its opinion on the whole EU. In addition,

it seems to validate certain statements about the Polish system of interest representation, where business associations are in general weak and negotiations are state-dominated. It can also show that successful representation of interests depends on the type of issue discussed (whether interest groups wish to modify the existing status quo or not) and on the capacity of coalition building, particularly at the EU level.

Evaluation of the efficiency of different lobbying strategies of pressure groups representing business in the EU is difficult and probably impossible. In each case, we deal with many variables on an arena and the situation depends on many unpredictable factors; therefore, we can not evaluate which of the routes of access (national or European) is more effective. In many other cases (such as: the REACH package, the Energy and Climate Change Package, putting tariffs on imports of frozen strawberries from China, etc.), Polish business organisations used only the 'national route' in representing interests in the EU and it seems that currently it is the most visible and the most characteristic element of the Polish interest intermediation pattern at the EU level.

Despite the lack of recourses and the relative inexperience of the lobbying game, interest groups from Poland are trying to find an active role in the European lobbying arena (Perez-Solorzano-Borragan, 2003, p.224). This search for their own space is accompanied by their acknowledged importance as agents in the transformation process that takes place in Poland.

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