



Europa



Business Support Programme

Phare Business Support Programme - SME-Excellence

Relations with decisions-making public authorities and promotion



Summary

Introduction

1.	The Community acquis on interest representation	page
	5	
2.	The decision making process at EU level	page 9
3.	The European Social Dialogue and the SMEs interest representation	page
	13	
4.	The representation of interests in the management of EU programs	page
	15	
	-Case study: the 5 th Program of Research and Development	
5.	The role of national level in the EU process of legislation	page 17
6.	The strategy of SMEs Organisation in the management of representation of interest at EU level	page 19
7.	Procedures in lobbying activity by interest groups: informal, formal, organised	page 22
8.	Schemes in lobbying activity process	page 24
9.	The impact of the globalisation process of the economy on the levels of lobbying activity	page 27
10.	The representation of interest facing the Enlargement process	page 29

Introduction

The representation of interests is a basic function of economic and social actors in a democracy. In fact through this activity European SMEs organisations, federation covering all sectors of economic and social activity, private enterprises interact with public authorities in order to influence the decisions which it concern.

The European institutions are open to the contribution of the interests groups and they believe that this openness is crucial for developing their policies. This dialogue has proved valuable to both the European institutions and the interested outside parties.

The representation of interests moreover, requires the building up of conditions, which can ensure to these functions the necessary transparency and continuity in order to benefit of all concerned. Therefore the setting up of this condition has engaged the SMEs organisations and the institutions on the organisational aspect and on the political aspect. In fact, SMEs organisations have developed a strategy of representation at European level and, because of this, have paid attention to a more effective relationship between the different level of the structures of the organisations (national, territorial, sectoral). Regarding the political aspect, SMEs organisations, have increased the quality in the political proposal and have developed alliance strategies in order to reinforce the impact of their lobbying activity.

On the other side, European institutions, have placed these relations on more formalised footing and therefore have promoted places and roles for the representation of interests (committees, periodical consultation, hearings) and the introduction of rules regulating the lobbying activity; regarding the political aspect, European institutions have set up the conditions for a more deep involvement of SMEs organisations in the legislation process (information, consultation), and more transparency in the political decision.

Moreover, the research of a more effective representation of interests is a priority for SMEs organisation attach a great importance for the simple fact that the SMEs interests defence is becoming more and more wider by effect of the important changes of Europe on the institutional, and political fields.

Within this change, the enlargement process is an important factor, which influence the representation of interest of small enterprises and craft firms both at European level and at level of the candidate countries.

This training tool therefore aims to give the basic knowledge of the “community acquis” and therefore of the existing conditions, at European level, for the representation of interest of SMEs and craft enterprises; of the process of the representation of interest that engage the SMEs organisation at European level; of main procedures and practices followed in lobbying activity.

This text includes also the web addresses of the actors involved in the decision making process at European level, and therefore of the European institutions, of the European Committees where SMEs organisation are represented, and of the European SMEs organisations. In this way the training tool want to be not just formal presentation of the conditions and of the procedures of lobbying activity of SMEs organisations, but also a practical tool for the exchange of experiences with interests groups and for managing the

relationship with the organisations and with the decision making public institutions at European level.

1. The Community acquis on interest representation

What it is possible to call the “**community acquis**” on the matter of interest representation for SME is constituted by: **a) rules; b) procedures; c) tools** which the European institutions, Commission and Parliament and other European institutions have promoted in order to favour the relationship with the representatives of interest groups and to make effective and transparent the contribution that these groups give to the implementation of the European Institutions actions.

Regarding **the rules**, the Commission has adopted the first communication on interest group the 2nd December 1992 where a distinction is made between two categories: non profit making organisations (European and inter-national associations/federations and profit making organisations (legal advisers, public relation firms and consultants). Through this Communication the Commission aimed to promote “an open and structured dialogue between the Commission and the interests groups” and to place the representation of interest in a more formalised footing in order to make it more transparent and to benefit of all concerned.

The strategy followed by the Commission is to preserve open relationship with the interests groups and so it does not impose any accreditation system or code of conduct but, rather, guarantees equal treatment for all. The Commission therefore has opted for a selfregulation policy by inviting the interests groups to adopt their own codes of conduct on the basis of the minimal criteria set out in the Annex II of the Commission.

To encourage a system of autoregulation, the Commission has invited the interest group to voluntarily prepare codes of conduct that satisfy certain minimum criteria proposed by the Commission. Several organisations of public affairs consultants have adopted one single code largely inspired by these minimum criteria. The code of conduct is visible in Internet site:

http://www.europa.eu.int/comm/secretariat_general/sgc/lobbies/approche/apercu_en.htm

This code of conduct applies to public affairs practitioners dealing with EU institutions and all the signatories to this code are all committed to abide by it. The two existing organisations where are listed the interest groups signatories of the code of conduct are: SEAP (Society of European Affairs Practitioners) and PAP (Public affairs Practitioners)

The Commission has also produced a Directory of special interest groups where these groups are listed by sectors (Agriculture, Industry, Services and General interest, and by Alphabetic list.

To complete the initiative of the Commission in disciplining the relationship with the interest group, the Commission has adopted, in September 1999 (SEC 1999- 1481), a **new code of conduct** for Commission and Departments (<http://europa.eu.int/comm/dgs/enterprise/mission.htm>) in which is drawn up a “mission statement” determining the general policy lines for respective areas of responsibility and in which is mentioned the importance of the rapport of the Commission with business community.

The code of conduct, in this regards affirms the “The Directorates Generals (DG) have an important political function as **a contact point for business** and for other stakeholders, which apart from contributing to DG knowledge, provide an essential opportunity also to explain and publicise Community policies”.

Regarding the **procedures**, which it refers to the phase where the representation of interest can take place, these procedures are common to all DG in respect to the legislative activity

and my differ regarding other Commission's initiatives, such as: programs. (this aspect will be better illustrated in the next point 3 dealing with the European legislative process).

Regarding the **tools**, that means the formal or informal, permanent or provisory, organs promoted by the Commission in implementing policies and sectoral activity, (consultative committees, specialised group, experts committees, etc.) these are various in each DG, according the respective range of competencies. (Two cases study illustrating these tools will be presented in the points 6 and 7 of this training tool).

The policy matters which the Commission promotes are distributed within the following Directorates General:

P O L I C I E S

Agriculture <http://europe.eu.int/comm/dg5/agriculture/index-eu.htm>

Competition <http://europe.eu.int/comm/dg5/coompetition/index-eu.htm>

Economic and Financial Affairs

http://europe.eu.int/comm/dg5/economy_finance/index-eu.htm

Education and Culture http://europe.eu.int/comm/dg5/education_culture/index-eu.htm

Employment and Social Affairs

http://europe.eu.int/comm/dg5/employment_social/index-eu.htm

Energy and Transport

http://europe.eu.int/comm/dg5/energy_transport/index-eu.htm

Enterprise <http://europe.eu.int/comm/dg5/enterprise/index-eu.htm>

Environment <http://europe.eu.int/comm/dg5/environment/index-eu.htm>

Health and consumer protection

http://europe.eu.int/comm/dg5/health_consumer/index-eu.htm

Information Society http://europe.eu.int/comm/dg5/information_society/index-eu.htm

Internal Market http://europe.eu.int/comm/dg5/internal_market/index-eu.htm

Joint Research Centre <http://www.grc.cec.eu.int/index.asp>

Justice and Home Affairs

http://europe.eu.int/comm/dg5/justice_home/index-eu.htm

Regional Policy http://europe.eu.int/comm/dg5/regional_policy/index-eu.htm

Research <http://europe.eu.int/comm/dg5/research/index-eu.htm>

Taxation and Customs Union

http://europe.eu.int/comm/dg5/taxation_customs/index-eu.htm

E X T E R N A L R E L A T I O N S

Development <http://europe.eu.int/comm/dg5/development/index-eu.htm>

Enlargement <http://europe.eu.int/comm/dg5/enlargement/index-eu.htm>

External Relations

http://europe.eu.int/comm/dg5/external_relations/index-eu.htm

Trade <http://europe.eu.int/comm/dg5/trade/index-eu.htm>

These Directorates General, elaborate the proposals for new legislation and programme to implement the Commission yearly program and maintain the relations with the interests group, under various formal and informal ways, in both phases of elaboration and implementation of the measures.

The aspects of the rapport of the Directorates General with the interests group will be illustrate in the parts of this training tool dedicated to the “Decision making process at EU level” and to the “Interest representations in the implementation of European programs”.

The Parliament has adopted a strategy different from the one of the Commission, In fact the European Parliament has introduced an accreditation system and therefore **has** codified in the art 9 of the Regulation and in Annex IX (<http://www.europarl.eu.int>) **a code of conduct** which regulates the rapport of the interests group with the Parliament.

The code of conduct says that the “Quaestors shall be responsible for issuing **nominative passes** valid for a maximum of one year to persons who wish to enter Parliament's premises frequently with a view to supplying information to Members within the framework of their parliamentary mandate in their own interests or those of third parties.

In return, these persons shall be required to:

- Respect the code of conduct published as an annex to the Rules of Procedure;
- Sign a register kept by the Quaestors.”

And the Annex IX specify, among other things, that the representatives of interests group have to “ state the interest or interests they represent in contacts with Members of Parliament, their staff or officials of Parliament;” and that “shall not, under any circumstances, entitle to attend meetings of Parliament or its bodies other than those declared open to the public”.

The work of the European Parliament is distributed in several Committees according to the list below:

Parliamentary committees

Foreign Affairs, Human Rights, Common Security and Defence Policy

www.europe.eu.int/committees/afet_home.htm

Budgets www.europe.eu.int/committees/budg_home.htm

Citizens' Freedoms and Rights, Justice and Home Affairs

www.europe.eu.int/committees/libe_home.htm

Economic and Monetary Affairs www.europe.eu.int/committees/econ_home.htm

Legal Affairs and the Internal Market

www.europe.eu.int/committees/juri_home.htm

Industry, External Trade, Research and Energy

www.europe.eu.int/committees/itre_home.htm

Employment and Social Affairs www.europe.eu.int/committees/empl_home.htm

Environment, Public Health and Consumer Policy

www.europe.eu.int/committees/envi_home.htm

Agriculture and Rural Development www.europe.eu.int/committees/agri_home.htm

Fisheries www.europe.eu.int/committees/pech_home.htm

Regional Policy, Transport and Tourism

www.europe.eu.int/committees/rett_home.htm

Culture, Youth, Education, the Media and Sport

www.europe.eu.int/committees/cult_home.htm

Development and Co-operation www.europe.eu.int/committees/deve_home.htm

Constitutional Affairs www.europe.eu.int/committees/afco_home.htm

Women's Rights and Equal Opportunities

www.europe.eu.int/committees/femm_home.htm

Petitions www.europe.eu.int/committees/peti_home.htm

These Committees maintain the rapport with the interest groups during the legislation process on the basis of the rules of the code of conduct of the art 9 and Annex IX of the Regulation.

The representatives of the interest group, **registered in the EU Parliament**, can promote the interest they represent at the Parliament level, in three main ways:

- a) Present the problem to the competent Committee and participate to the meetings of the Committees, opens to the public;
- b) attend the public hearings, where representatives of the professional organisations, or of interest groups are invited and present the positions in written and in oral forms;
- c) promote informal contact with the members of European parliaments (MEP)

These three ways of course are not in conflict one with the other, but these three way of actions has to be linked and co-ordinated with other initiatives which involve other institutional bodies (Commission, National representation in Brussels, etc.), which intervene in the decision process. The point of this training tools presenting of the point 10 the Procedures in the lobbying activity will analyse deeper this strategy.

European Parliament Political Intergroups

Besides the institutional tools promoted by the European Parliament for the relationships with the interest groups, it worth to mention also the activity of political forces in the EU Parliament direct to co-ordinate the relationship with interest group and SMEs representatives.

Therefore in the EU Parliaments are active formal and informal Intergroups on different matters among which there is the informal Intergroup for SMEs and Craft Firms.

This Intergroup promoted periodically meetings in the European Parliament with representatives of European SMEs organisations in order to have an exchange of view on SME and craft political priorities.

These meetings are very useful to make the members of the Intergroup, representing various political forces, aware of the priority issues and of the positions expressed on these issues by SMEs representatives.

The Intergroups have an independent way of functioning and this fact can allow the planning of the meeting by combining the exigencies of the interest group, of the members of the Intergroup according to the development phase of the legislative process and, in this way to ensure the follow up on the lobbying activity.

2. The decision making process at EU level

The presentation of the models and procedures of representation of interests at European level can not leave out of consideration the illustration of the decision making process at European level. *In fact the knowledge of the process of the formulation of the EU legislation and programs is a condition for an effective action of representation of interests. In the same time it is important to know which actors are responsible of certain decisions, which opportunities are available for the representation of interests, which are the different levels of the decision process where is opportune to intervene.*

The EU legislative process adopt several procedures according to the different form of legal acts:¹ We will analyse, for our purpose, only the procedures which are followed in this specific cases: A) Binding measures (Regulations, Directives); B) Non binding measures (Resolutions, Declarations, Actions Programs).

The major procedures to analyse, for the purpose of the initiatives of representation of interests are the followings:

- a) consultation procedure;
- b) co-operation procedure;
- c) co-decision procedure;
- d) approval procedure;
- e) simplified procedure;
- f) procedure for implementing measures.

The consultation procedure applies to important acts such as Regulation and Directives. In the consultation procedures the Commission submit the proposal of regulation to the Council and the Council make the decision. However, before any decision is taken, depending on the field concerned, various stages has to be completed, which involve other European institutions such as: the Parliament, the Economic and Social Committee (ECOSOC) www.ces.eu.int, and the Committee of the Regions, www.cor.eu.int.

The phases of consultation procedure are the following:

a) the formulation stage during which the proposal is prepared by the Commission Direction dealing with the particular field. In this stage Commission consult national experts, with ad hoc procedure, or in specially convened Committees where normally seats also representatives of the SMEs and Craft organisations, (the list of Committees where seats representatives of UEAPME it is visible in: www.ueapme.com). *In this phase are confronted the position of different actors interested (member states, interest group) in order to prepare the legislative proposal on a given matter and are seek agreements.* After this the draft drawn up by the Commission is presented to the Commission, as a whole, and approved with simply majority.

b) the consultation stage is the phase where the Council formally consult the European Parliament (in the from of the compulsory consultation or optional consultation) which,

¹ Klaus-Dieter Borchardt: "the ABC of Community law" European Commission, Luxembourg, Office for Official Publication of the European Communities, 2000, page 72

assign to the competent committee the issue. The outcome of the Committee is discussed at a plenary session of Parliament.

The opinion of the Parliament is not binding on the Council but, nevertheless, is of considerable political importance.

In some cases the Council is obliged to consult, jointly, with the European Parliament also the ECOSOC and the Committee of the Regions. The sending of the proposal to the Council concludes the procedure of consultation. Like that of the Parliament, the opinion of the ECOSOC and the Committee of the Regions are not binding on the Council.

c) *Enactment stage* during which the Commission, put once more, before the Council the proposal, eventually modified after the results of the consultation phase. In the Council the proposal is discussed by the Committee of Permanent Representatives of the member States (COREPER) which, through specialised working groups, prepare the final proposal, and present it, as an “A item” if it is ready to be adopted, in the agenda of the next Council meeting where it will be adopted without further debate; or as a “B item” for further discussion in the Council.

d) *publication* The final text, signed by the President of the Council, is published in all 11 official languages in the Official Journal.

Co-operation procedure largely follows the same phases of the consultation procedure. The difference is that this procedure introduces *a second reading* by Parliament and Council into legislative process.

First reading: the Commission sends the proposal, in the same time, to the Council and the Parliament and other Committees, in order to allow the latter to send to the Council its opinion before the adoption of the decision by the Council. In this phase also the ECOSOC and the Committee of the Regions can be consulted.

On the basis of the opinion received the Council adopts, by a qualified majority, a “common position”.

Second reading: the Parliament receives the common position of the Council. If the Parliament accepts the common position then the Council can adopt it. If the Parliament rejects it, then the Council can approve the common position by unanimity. If the Parliament proposes amendments and the Commission accepts them, the Council can decide by qualified majority; if the Commission does not accept them, then the adoption by the Council requires unanimous vote. In any case the Council may still exercise a veto rejecting the amendments of the Parliament and the Commission and block the legislation in question.

Co-decision procedure

This procedure, which became the most important procedure in the legislative process, is conceived as a more advanced process in respect to the co-operation procedure because it introduces the conciliation procedure and a third reading for the approval of the proposal. With this procedure the Treaty of Amsterdam put the Council and the Parliament to the same level. In fact, in the framework of this procedure the Council can not adopt the “common position” if the “conciliation procedure” does not bring any result. Therefore it is important to reach an agreement between the Council and the Parliament. Under this procedure are included a large number of issues such as: the implementation of the single

market, vocational training, research, social policy, regional funds, environment protection, consumer protection, freedom of establishment etc.

First reading: the Commission sends the proposal to the Council, to the Parliament, to ECOSOC and Committee of the Regions. The Parliament and the consulted Committees read the proposal and send not their position to the Council.

If the Parliament do not make amendments, or if the Council accept the amendment proposed by the Parliament, the proposal can be approved at this stage of the procedure.

Second reading: the Council adopt, by a qualified majority, a “common position” on the basis of the opinion received by the Parliament and the consulted Committees. This common position is send to Parliament for its second reading.

The Parliament at this stage has three choices to make in three months of time: 1) to approve the common positions or gives no response within three months; 2) reject whit absolute majority the common position. In this case the process is stopped and the Council can not call for the Conciliation Committee; 3) to propose amendments and, in this case the Council, can approve the proposal including all the changes proposed by the Parliament, or, if the Council reject some of the amendments or the unanimity is not reached for the approval, the Presidents of the Council and the Parliaments convene, within six weeks, a “*Conciliation Committee*” composed by 15 representatives each from the Council and the Parliament to reach an agreement.

Third reading: during this phase the Council and the Parliament have 6 weeks of time, to adopt, (the Council with qualified majority, and the Parliament with absolute majority of the expressed votes) the proposal of the Conciliation. If the Conciliation Committee will not be able to reach an agreement and to present a proposal, then the legislative process is considered concluded.

Approval procedure

The approval procedure is the procedure whereby a legal instrument can only be adopted with prior approval of the European Parliament. The role of the Parliament in this procedure is restricted to accepting or rejecting the legal instrument submitted. Non amendments can be proposed on the act received by the Parliament. In fact the provisions submitted to the Parliament under this procedure are for example: accession of new member states, conclusion of agreements with non-member countries, appointment of the President of the Commission and the members of the Commission.

Simplified procedure

The simplified procedure is the procedure adopted when is not necessary to initiate a legislative process. Therefore this procedure is followed in the case of the adoption of *non-mandatory instruments*, such as: recommendations, communications, opinions issued by the Commission or the Council. This procedure therefore has a large use by the Commission in adoption measures in economic and industrial matters.

Procedure for implementing measures

This procedure is the procedure under which the Commission implements the Council decisions. The Commission can implement the measures related to decision taken by the Council, following one of the three Committee procedures:

- a) *Advisory Committee procedure*, under which the Commission present to the Advisory Committee, **composed by representatives of member states**, the draft of the measures to be taken and the Committee gives its opinion within the limit set by the Commission. The Commission is expected, even if is not obliged, to take the fullest possible account of the position of the Committee. This procedure has been applied to the implementation of the Single market.
- b) *Management Committee procedure*, under which the Commission consult the Committee before adopting its planned measures. If the act has been adopted through the co-decision procedure, the Commission has to involve Parliament in the draft implementing measure. If the Parliament sent out a resolution against the measure then the Commission has to draft a new proposal for the Committee and continue the procedure. This procedure is used for the implementation of common policies or programs with serious budgetary implication.
- c) *Legislation Committee procedure*, under which the Commission presents for the approval basic provisions: example measures to protect health and safety etc. The difference between this procedure and the Management Committee procedure is that if the Legislative Committee reject the proposal, the Commission must propose it for a Council decision and notify them to the Parliament. The Council must decide on the Commission proposal within three months, taking into account the Parliament position, by qualified majority.

The knowledge of the legislation process at European level is of a paramount importance for the representation of interest, because, according to the procedure adopted for the concerned measures, has to be decided the lobbying strategy.

As we have seen each procedure involves the institutional actors in different role and the decision weight of each is different during the decision making process. Therefore it is important for the representative of the interests groups to define a plan of action, the alliance and the communication strategy, accordingly to the different phases of the process.

3. The European Social Dialogue and the SMEs interest representation

The European Social Dialogue is an important field of initiative for the representation of interest of SMEs and Craft enterprises. UEAPME, has conduct a strong initiative, on the legal and on the political basis, in order to guarantee the participation of SMEs and Craft Firms in the European Interprofessional Social Dialogue. This action is an exemplar case of successful lobbying activity.

The structure and the functioning of the Social Dialogue have been firstly regulated by the Social protocol of the Maastricht Treaty and now by the art. 137, 138 an 139 of the Amsterdam Treaty. The European organisations, which participate in the Social Dialogue, are only the organisations listed in the annex III of the Commission Decision (COM (96) 448 final of 18.09.1996.

The Social Dialogue is structuralizing in two areas: the first is the area of *Dialogue and Negotiation* and the second is the area of *Concertation*.

In the first area take place: a) the Interprofessional Social Dialogue where participate as representatives of private enterprises, the European organisations UNICE-UEAPME, as representative of public enterprises the European organisation CEEP; and as representatives of workers ETUC; b) the Sectoral Social Dialogue, where take part sectoral organisation mentioned in the list.

In the second area works the “Standing Committee on Employment” where seat UNICE-UEAPME and selected national sectoral organisations, as representatives of private enterprises, CEEP, and, as representatives of the workers: ETUC and selected number national Unions.

The European Social Dialogue is developed according two procedures: *1 consultation; 2 negotiation*.

The procedure of consultations, has two phases:

- 1st phase, the Commission sends the proposal to the Social Partners with an overview of the Commission on the implementation of specific issue of the Social Agenda. The Social Partners have 6 weeks to consult the members and to replay;
- 2nd phase, the Commission after having examined the positions of the Social Partners, send a new proposal to them for the decision. In this phase the Social partners have two choices: a) to agree with the proposal of the Commission, and in this case the Commission will implement it; b) to start a joint action (recommendation, or other type of joint initiative, or negotiation).

In the case the Social Partners decide to start a joint action and communicate it to the Commission with a joint letter, the Commission suspend its initiative for a period of 9 months, to allow the Social Partners to implement the joint action, or the negotiation.

The agreement reached by the Social Partners is presented to the Commission, which check the representatively of the partners before to send it to the Council and to the European Parliament. The agreement can not be modified by the Parliament and the Council can only accept it or reject it.

The agreement reached until now by the Social Partners is the following:

1. year 1996: agreement on parental leave: Council Directive 96/34/CE of 3 June 1996, OJ L145/4 of 15.06.1996;
2. year 1998: agreement on part-time work: Council Directive 97/8/CE of 15 December 1997 JO L 14/9 of 20.01.1998;
3. year 1999: agreement on fixed term contract: Council Directive 1999/70/CE of 28 June 1999, OJ 178/43 of 10.07.1999

Actually the Social Partners are conducting the negotiation on temporary work, which complete the “trilogy” of atypical works.

The approved Directives have to be implemented by the member states within two years, or by legislation procedure or by national social partner’s agreement.

The Social Dialogue, as it can be seen, represent an important field of the social policy and the economic policy for the representation of the interests. This role is increased by effect of the starting of so called processes of Luxembourg 20-21 Nov 1997, of Cardiff 15-16 June 1998 and of Cologne 3-4 June 1999 and by effect of the Council of Lisbon 20-21 June 2000 which has introduced the practice of “open co-ordination”.

Social Partners in fact participate to the meetings with the Heads of State and Governments, on invitation of the EU Presidency; two times a year, to meetings with the EU Council of Ministers of Economy and Finance; to meetings of EU Social Affairs Ministers and in the framework of the Social Dialogue and to the Social Dialogue Committee working Groups on a) Macro-economics; b) Employment; c) Training. (See Ueapme Memorandum in Ueapme web site).

4. The representation of interests in the management of EU programs

The management phase of the European programs presents a wide range of conditions where the interest group can act in order that the programs are implemented in effective way.

In this paragraph it will be presented, the management procedure of the “5th Program for Research and Development”.

- Case study related to the 5th Program of Research and Development²

The first proposals for the programme are made internally, by the competent Direction of the Commission. The contact of the Commission with the scientific world through their involvement in the previous programme implementation gives the perception of the issues, which are known to be of interest to the scientific community.

Furthermore, into the more formal stage, the Commission produces communications to the Council, which are discussion documents. This communication is of public domain and is intended to be scrutinised by the public and to be an occasion for making comments. At this stage, the Commission institutionalise these consultations, through formal committees and informal consultations, list of at least 6 different bodies at European and national are involved in preparation and implementation of the Framework Programme and they come in three different kinds.

At European level

First the Programme Committees. Every specific programme under the Framework Programme has a Programme Committee and on each Programme Committee sits representatives of the member states and the states associated to the programme. In this case also the candidate countries.

This is one way where the interest representation comes through directly in the implementation of the Framework Programme.

Second, the Scientific and Technical Research Committee (CREST) This is an advisory body, where the member states are represented, but not the candidate countries, which assists both the Council and the Commission, in their tasks of formulating the research and technological development policy. It is composed of responsible for RTD policy of the member states, and of Commission representatives and it plays more a role above all the Framework Programmes. So, these two bodies are the bodies where the member states interact with the programme.

Third: an Expert Advisory Group (EAG). This body is composed of people in their personal capacity: advisers. There is one for each key action. The EAG defines the guidelines for the work programme, the technical and the economic objectives, and make comment on the results of what comes out of the projects in view to reorient the next work programme.

So, this is really at the working level and, the candidate countries have been invited to nominate representatives, which have been appointed. So, this is another way where the candidate countries, at the expert level interact again directly with the programme.

Forth: the European Research Forum (EAR) . EAR is a new consultative body (the successors in a way to IRDAC and ESTA, previous bodies which have now been abolished) of maximum 60 persons and it includes the chairmen of the Expert Advisory Groups. It is composed of 2 chambers: an Industrial chamber and an Academic

² See proceedings of the training seminar organised by SBRA and Eurochambre in Brussels 14-16 December 2000

chamber. So, the interest groups have a direct way to intervene in the management of the programme.

The members of the European Research Forum are not yet appointed. The group is set up, but no members have been appointed. When the Commission will next appoint members, it will not appoint 60 members from the member states, but it will keep a certain number from the candidate countries. So, that is also a way where interest group you come in.

Fifth: European Organisations representing, at high level, the interest of SMEs and craft firms including UEAPME, and branch organisations like EARTO (European body of contract research organisations) or CEFIC for chemistry and the Rector's Conference and other groups of interested organisations. Consultation with these organisation take place in formal, periodically and in informal way during the preparation phase of the program and during the co-operation procedure take the approval of the program by the Council. Commission also addresses these organisations in order to stimulate them to promote partnership with organisations of candidate countries and take these candidate countries' scientists into the proposals to participate in the actions of the programs (inverse lobbying).

At national level

First: the National Contact Point systems (NCP) which are part of the overall National Contact Point systems network. The setting up of the NCO is essentially a national responsibility and also the candidate countries have been invited to set up the NCP. The Commission, of course, has committed itself to work with and through these National Contact Points in a specific way. Overall guidelines have been agreed on how they are going to interact to give information and assistance to prospective participants and by networking. Networking among them, is an important function to get an added value and really be able to help people to get into the right consortia for the right projects.

Second: the liaison offices. The liaison offices are also a national responsibility. The Commission has committed itself to work with them (giving them information, assisting them etc.) like it works with anybody who shows interest in R&D programmes, who wants to help their country and their scientists to be successful. The liaison office is yet another channel to the scientists to be in touch with Commission.

These are the channels to be mentioned where, at the level of the Commission and national administration, the SMEs organisations can influence the decision making process in order to represent the interest of small business and craft in the matter. It has not been mentioned the initiative towards the European Parliament and other consultative bodies such as the ECOSOC and the Committee of the Regions which also intervene in the process of approval of the program.

And also in the implementation phase, there is very clear and regulated interest expression, both by Programme Committees and by Expert Advisory Groups.

5. The role of national level in the EU process of legislation

The European process of legislation is a process, which, as it has been seen analysing the different procedures, assigns an important role to initiative of member states. This role is exercised in to main phase of the decision making process:

- a) The ascending phase
- b) The descending phase

The co-ordination of the lobbying activity between the European and national level is of a paramount importance to make effective the representation of interests. This aspects regarding since now the organisation of candidates countries.

The ascending phase, is more and more the crucial phase for the lobbying activity of the interest group of the EU countries after the experience of the production of the legislation for the implementation of the single market and the launch of the process of Cardiff Luxembourg and the last one in the Lisbon Council () of the process of “open co-ordination” of the policies of the member states in the monetary, economic and social fields.

In this perspective the representatives of the interest group have demanded national institutions, (this is the case of Italy) in order to be able to express in a more affective way their interests it is important:

1) to set up at national level stable and transparent conditions for the exercise of the expression of interests such as a “Table of co-ordination of the legislation process” where seats representatives of the national institutions and representatives of the economics and social actors, under the co-ordination of the national responsible of the Department of European policy in order:

a) to get in advance the information and the documentation on the issue in the agenda of the different Council meetings;

b) to research, in this phase of the process a common positions, between the actor participating to the “Table” on the topics of the legislative agenda;

2) to co-ordinate the lobbying initiative at national level with the phases foreseen at European level in order

a) to have a continuos follow up of the legislative process;

b) to confront, within the members of the different states of the EU, the positions and to co-ordinate the lobbying initiative, at level of different member states state and to contribute to the reach an agreement at level of different European institutions, Parliament, ECOSOC, Regions Committee, Council.

The Department of European policy together with the Ministry of Foreign Affairs in order to improve the quality of the Italian contribution in the ascending phase of the legislative process have lunched, a national Session, at Comitato Nazionale Economia e Lavoro (CNEL www.cnel.it) during which, on the basis of the legislative programme which the Commission issue at the beginning of each year, are co-ordinated:

a) the positions of representatives of interest group present on the matters of the legislative programme

b) the initiatives of the representatives of different Ministry to be expressed towards the Community institutions

The descending phase of the legislation process involves the interest group in the moment of the transposition of the European rules in the national legislation.

This is a phase where the activity of the interest groups is still important. In fact the transposition of the legislation is made through different decisions (legislative, administrative, and regulatory) and has an impact on the existing legislation, which can affect the economics and social conditions.

Therefore also in this phase, the representation of interest has to be expressed at national and regional level.

This phase has great importance for the interests group of the candidate countries. In fact the transfer of the Community acquis in this countries put the interest group in the front line. The experience of the interest group in lobbying activity of the EU countries shows concrete practices to take into consideration in order to ensure that the transposition of the Community acquis is made taking into account the represented interest, among which, those of small business and craft firms. The point 11 of this training tool analyse this aspect.

6. The strategy of SMEs Organisation in the implementation of representation of interest at EU level

The impact of the European integration process and of the development of European policies, on interests groups, and therefore on the small business associations has produced some clear tendencies in small business association behaviour, in order to play a better role in this new situation.³

The European organisation of SMEs and craft firms in fact, has:

- a) reinforced their internal structure, qualified their competencies and their management;
- b) reinforced the membership, in two directions: first completing and extending the representation in all European countries, and in the countries of Central and Eastern Europe; second unifying the representation of the organisations active in EU countries in the same European organisation;
- c) reducing, from 11 to 6, (see Tab. 1) the number of European organisations by the promotion a merger process between them, (EUROPME merged with UEAPME in 1999) and by result of a selection process.
- d) promote their role in the European Social Dialogue.

The result of this process, which has been concluded at the end of nineties, is remarkable in the increasing of the representation of interests of the Organisations representing small business. The proof of this result is in the production of position papers on European issues regarding SMEs and craft, the participation in European Committee (see annex), the participation in all meetings related to macroeconomic policies, employment and social policies.

Table 1 List of the most representatives European Association of SMEs

1. CCACC Comité de coordinations des Associations de Cooperative de la CEE
2. CEDI Confédération Européenne des Indépendants
3. EUROCHAMBRES Union Européenne des Chambres de Commerce
4. EUROCOMMERCE Commerce Européen
5. UEAPME, Union Européenne de l'Artisanat et des PME
6. UNICE, Union Européenne de l'Industrie et des Employeurs d'Europe.

The main tendency shown by the national small business organisation facing the Europeisation process has been **the increase of international representation**. It is possible to notice that SMEs association and chamber of Commerce, in the middle of 1980s, have reinforced their relationship with supranational bodies in different ways:

³ See for more detail: Lanzalaco-Gualmini "Global order and local collective action" in Greenwood-Jacek "Organised business and new global order" London, Macmillan, 2000).

- a) opening own representatives offices in Brussels or indirectly through domicile c/o other organisations, to enlarge their lobbying activity, to offer new services to the members mainly in the information field
- c) unifying their representation in the same European body in order to support the reinforcement of these organisations;
- d) increasing the participation in the life of the European organisation in order to qualify the political proposal on the SMEs issues
- e) promoting or adhering to Sectoral European organisations in order to open new representation fields for SMEs and craft, in the high level decision making process.

This increase of the horizontal and sectoral representation is a tendency, which is quite general to all the most representative professional organisation of the EU member states. The European Public Affairs Directory of 2001⁴) register 1.297 European Trade and Professional Association, which represent specific trade, industrial or professional sectors at European level, and 708 Interest Groups, organisations representing a wide range of interests, such as environment, education, health sector, consumer safety etc.

In Europe this behaviour of the SMEs association to increase the lobbying activity at international level, specifically at European level, and the offer of services has been reinforced by the development of the political activity of the European Institutions on small business matters, by the development of the European Regional Policy in the 1990s and by the implementation of European programs which required the transnational partnership of the national, regional and local SMEs associations.

As consequence of this process of Europeization of the Professional and Trade organisations it is possible to register a change in the role and functions of lobbying, between the national and the territorial bodies.

In fact, also by effect of the increase of the role of Regions at institutional level, regional bodies also have acted in order:

- a) to have direct representation at European level;
- b) to increase the demand of international representation towards the national bodies of the Organisations such as the setting up of new bodies, in the organisation at national level, where the local structures could participate in the decision making process at European level.

In this contest the lobbying activity of the local structures has been influenced by the new strategy of the national association on internationalisation. The aspect of this influence it is possible to see it in the following behaviours: a) the local structures of the small business associations in many cases have opened also own offices in Brussels, b) or domicile with established economic bodies, c) buying international services (information,

⁴ (Landmark Eleventh edition, www.contacteu.com)

assistance in the participation to European programs, etc.) from national SMEs associations.

It is possible to notice that in the period between middle of 1980s and 1990 the local small business association seeks the support of the local authorities to promote their lobbying activity on international level, and to establish their international links. This is the case of small business association of Bergamo, which had support from the Ministry of Industry to open in 1988 a representative office in Brussels

The globalisation process therefore has pushed not only the national but also the local small business association to implement representation strategies for their European and international representation, in order to offer European services to the enterprises; to research international or extra-regional partnership, in many cases with the support of the associations at national level, in other cases directly, but in the same time, has pushed the local small business association to introduce change in conducting the lobbying at local level.

7. Procedures in lobbying activity of interest group: informal, formal, organised

Analysing the conditions and experiences of the lobbying, it is possible to individuate the characteristics of *three prevalent procedures* according to which is conducted the lobbying activity by the representative of small business and craft firms.

We can call the first one an “*informal procedure*” the second an “*organised procedure*”; and we can call the third one a “*concerted procedure*”.

The informal procedure is the procedure according to which, the lobbying activity is conducted **continually**, *according to the specific needs, which emerged in the representative groups*.

This procedure is conducted prevalently on an individual basis by a single association, on the basis of relationship build up between the representatives of SMEs and the representatives concerned institutions, and the political forces.

What characterises the informal procedure is also the nature of the issues, which are at the center of the lobbying activity. These issues are prevalently related to the specific need of the groups concerned or to a specific strategy of the organisation on single issues relating to the European Policy.

The informal procedure of lobbying requires, mainly, the following actions:

- a) a building up of a wide range of relationships of the association with the institutional bodies through a strategy of promotion of the organisation, in order to have the knowledge of the work in the agenda of the institutions and to guarantee the information exchange;
- a) the promotion of periodical contacts of the responsible of the associations with representatives of institutions and political forces, in order to keep them up date with the positions of the association;
- b) the presentation to the institutions, political forces and other organisations of the positions paper produced by the association on SME's priority issues;
- c) presentation to the media of the positions on key issues.

The informal procedure, requires, on the general framework, a positive relationship between the political representative and the SMEs representatives, based on the recognition of the prevalent role that the small business play in the economy. (in many EU countries there is the Minister of Small business). Therefore meetings with institutions and political forces, are periodic, and not necessarily related to a solution of a problem. These conditions allow the political or the government representative to be aware of the SMEs expectations. SMEs and MP meets regularly also in an informal way, in some cases are organised, periodically, breakfast meeting during which the interchange of information, views or the submission of proposals give efficient conditions to the exercise of the lobbying activity.

The *organised practice* is the practice where the lobbying activity is based *on committees and the consultation activity of the institutions*. These committees are promoted by the institutions, in many cases, on request of the SMEs organisations, in order to accompany their initiative in the field of small business, with the consultation of the SMEs organisations.

The issues of the organised lobbying are related to horizontal or sectoral issues in which the interest group is active, such as legislation, regulations.

The practice of committees is very diffused at European, national and regional level in all regions of the EU countries. This practice stabilises the procedure of defence of interests by the SMEs organisations in giving matters. In the committees the lobbying activity is expressed through advises, working papers, which contribute in the making decision process of the institutions. Through the organised procedure it is guaranteed to the SMEs organisation *the information* on the policies in different fields of SMEs interest. The lobbying activity uses the consultation and the advice procedures to reach its goals.

In the organised practice the lobbying can take the advantage *by the promotion of interest convergence* of other organisation attending the committees on a given matter.

In this model we can include the practices of the *hearings*, that institutions promote in the occasion of the preparation of decisions on important and general issues

The *concerted practice* is the practice based on tripartite relationship between the institutions, entrepreneurs and Unions. The specific aims of the concerted practice are related to macroeconomic matters, Social Dialogue matters, general national issues, and regional development process.

This practice is implemented in many EU countries, among which Italy, facing growth and employment problems. According to this practice government and Social partners negotiate agreements, in economic and social field, which engage them in the conduct of the respective competencies. In Italy the first agreement has been signed according to this practice in 1993.

At European level, the Social Dialogue is conducted, with large reference to this practice but has some specificity (the Commission only promote the Social Dialogue but is not part in the agreement) discipline by the Social protocol annex to the Maastricht Treaty.

In this framework the Social partners can decide or not to start negotiations on the issues proposed by the Commission or can decide to exercise the initiative power in negotiating issues related with the Social agenda of the Commission.

At regional level the practice is followed in countries where the regions have a role in planning the regional development, and includes all the regions participating in the implementation of the European regional policies. In this case local government promote the condition to allow the representative of SMEs to meet and discuss with the regional government representatives, and the representatives of the Union, in order to promote the regional development, to define the framework of this development, to decide the contents of the SMEs policy in it, and the role of social partners in the implementation of the actions.

The concerted practice has been introduced at the beginning of the 90s and has been influenced, on the one hand, by the research to make more and more effective the European regional policies, and on the other and, to substitute the intervention of the central government in the development of less favourite areas with a practice which could be more appropriate to valorise the endogenous resource for the local development.

8. Schemes in lobbying activity process.

As in the legislation process also in the lobbying activity we can distinguish an “*ascending process*” and a “*descending process*”. Both processes are conducted according to the “informal practice” and the “organised practice” mentioned before. The concerted practice has a proper dynamics since the government in this case takes the initiative.

The ascending process is the process where the small business representatives *take the initiative* towards the government bodies or the political representatives in order to propose the launch of a new action in favour of SMEs or to modify the existing conditions. This process is based *in a proactive* role of the SMEs associations in lobbying activity.

The descending process is the process where the institutions, at different level, consultate the SMEs association to verify their position regarding a new policy or a new program in favour of SMEs, or to collect their need or proposal regarding specific issues. This process characterises the role of the SMEs association as reactive *role* in the lobbying activity. But also in the reactive role is important to take initiative and to construct the support to the proposal by the other groups.

The two processes *are not separated but work or in parallel or in interactive way* in the lobbying activity, (but in both processes there are phases which influence differently the result of the lobbying activity).

These phases can be classified, in a schematic way, as follows: a) the preparation phases of lobbying; b) the defence of the proposal, c) the implementation of the results d) the verification phase.

The preparation phase, which is related to the collections of all the elements, which can allow the SMEs organisation to present the proposal to the institutions.

This preparation has to be very accurate because the proposal has not only to put in evidence the need of SMEs but also to present all the reasons, which justify a decision by the authorities. It is important in fact that the proposal is well documented and is presented in a way which can give the necessary transparency to the lobbying initiative.

In this phase is also decided the strategy to get the political support to the proposal. The Commission, and in general the institution at all level, are confronted with so much advises, all the time, that it pays to formulate the positions clearly.

The defence of the proposal is the lobbying phase during which is researched the possible support on the proposal by the other organisations or other local actors. It is important to get together with others, which have the same interest, at the highest possible level. The more associations speak with one voice, the better can be heard.

This is the crucial phase of the lobbying because it is the phase where the possible consensus has to be built up on the proposal and the strategy has to be implemented to achieve the political support to reinforce the proposal presented by SMEs associations to the competent authority.

The implementation phase is the phase where the decision taken by the institutional authorities, as result of the lobbying activity, has to be properly implemented and this is not always the case. The period of implementation of a decision is still a period during

which the opposition to the decision can be active. This requires a continuous initiative in the lobbying activity.

The verification phase is necessary also in the lobbying activity in order to analyse with all the actors involved the possible implication of the result of the lobbying on other aspects of the SMEs interest and to consolidate the relationship for further initiatives.

The role of SMEs organisations in the lobbying activity is the stronger if the organisations present the following aspects:

- a) the weight of the representation of the SMEs organisations and its structures;
- b) the capacity of relationship with similar structures;
- c) the capacity to link the defence of interest to the general interest of the society and of the economy;
- d) the capacity to mobilise the category of represented interests;
- e) the relationship with the media.

The representation of the SMEs organisation is generally confirmed by the participation of the SMEs representatives in the institutional bodies dealing with economic and social matters.

The representation of SMEs organisations can benefit also of the membership that the national organisation has with organisations at European level and of the membership that regional organisations has with national organisation.

The other important aspect in the lobbying action is the relationship with similar structures, (other SMEs organisation etc.) which represent the conditions to create a large front in the lobbying activity. *This capacity is based on the autonomy of the SMEs organisation from the political representatives and on the genuine character of SMEs representation.*

The SMEs issue is of central interest of the society. This interest is reinforced by a lobbying activity, which do not neglect to put in evidence the importance of **the relationship between the issue of the lobbying and the general interest**.

Therefore it is important, in carrying on the lobbying activity, to set up a large interest representation front. The large front ensures the compliance of the interest of the issue on which the lobbying is concentrate with the general interest. The large front of the representation will have also a positive effect on the decision of the institutions.

The relationship with the media is a factor, which assumes more and more relevance in our society based in the communication. The information campaign trough the media on the issue that is defended by the SMEs organisation is an evident and important aspect of the lobbying strategy.

The relationship between the social partners represents a point of paramount importance for the success of the action for the promotion of local development. In fact the convergence of actors on local development goals, requires a system of relationship between the partners *based on model of trust and co-operation, instead of a model based on conflict*. The issues involved in the local development are included in a process that

requires confidence, co-operation and share of the same aims between the actors involved in the process.⁵

9. The impact of the globalisation process of the economy on the levels of lobbying activity

It has been seen in the previous paragraph that the globalisation process has pushed for *a re-orientation of the relationship between the central and local structure within the same association, in order to have more role in the lobbying activity, to have more support from the national structure in tackling the globalisation exigencies and to have more autonomy in the participation at the local development programs.*

This analysis and this debate have pushed the organisation like of CNA in Italy (www.cna.it), to change of the organisation's statutes on the basis of more federative system approach which could better specified the role of the different levels of the organisation and reinforce the global initiative.

This change has been decided on the basis of an organisation's scheme which *“assigns to the local structures the maximum of utility for the associated enterprise and to favour the maximum effect of the representation”*. In this scheme the national organisations have the maximum of the representation and the minimum degree of utility on the services field”⁶

The analysis and the debate on the challenges of the organised representation of interest exceed the level of the single association and has been extended, in the same time, to the relationship between the small business associations and the other representation's bodies in pursuing lobbying activities (Chamber of commerce, public bodies).

Regarding the relationship in the promotion of interest representation between the small business associations, Chamber of Commerce and other institutional bodies dealing with small business matters, the proposal of CNA is to *“research the integration more than the distinction”, between all subject.*

CNA proposed *a network strategy between the small business association and the other subjects in order to activate an useful process of exchange and utility, of the expertise, services, lobbying, between the central structures and the local structures”*⁷

These elements, shows that there is the political awareness of the small business association to avoid “attrition between and within the association” that research showed

⁵ For the analysis of the role of the partnership in local development see: CNEL: Rapporto sulla concertazione locale, Roma 1999.

⁶ For more details see proceedings of the Conference CNA-Unioncamere, CNA-Documenta, 3/2000, page 14.

⁷ Proceedings of the Conference CNA-Unioncamere, CNA-Documenta, 3/2000, page 14.

*having characterised the reaction of small business association to the globalisation process.*⁸

This awareness acknowledges the necessity to reinforce the role of small business and craft association in the concerted action promoted by the governments in the management of the economy with the aim to get the consensus of the social actors.

The new role of the regions and local territory in the process of the globalisation which is oriented to the valorisation of local resources and competencies to approach new markets and to promote the economy of the region give preminency to the concerted approach of lobbying at local level.

This characterises the lobbying activity at local level as the forefront level where the choices of local development are taken. Is this level that has to defend the choices in the negotiation at regional level, which means that the local association has to involve the regional level of the association in lobbying the regional authorities.

⁸ L.Lanzalaco: Global Order and Local and Collective Action, in Greenwood and Jazeck: Organised business and..Macmillan 1999, pag 188

11. The representation of interest facing the Enlargement process.

The process of enlargement of the EU to 12 countries of the Central and Eastern Europe and the Baltic area, has an impact on the representation of interests of SMEs in this process both a) at level of the SMEs organisations of these countries and b) at the level of the European organisation.

At the level of the candidate countries the impact of the enlargement will concern these main aspects:

1. The relationship between the public and private bodies dealing with small business matters and the small business organisations to create the conditions to participate to the process of the implementation of the Accession agreement : (place forms and tools for the representation of interests)
2. The relationship with European, national and local SMEs organisation, and with the contact points promoted by the Commission in the candidate countries, for the participation of the enterprises and the competent bodies to the European programmes which are open to these countries; (expertise, partnership).
3. The relationship of SMEs organisations with their members and the competent bodies in their country to deal with the matter of representations and of the offer of services for the preparation of the small enterprises of these countries on the “community acquis”. (information, assistance)
4. The relationship between all active SMEs representatives in the respective countries and with the SMEs representatives of all the candidate countries to deal with common problem; (communication, networking)
5. The relationship with European organisation, European institutions and with the national representation in Brussels, to enhance the europeisation initiative (communication, participation to meetings)

At European level

At this level the Enlargement process has an impact on the representation of interest in terms:

1. organisation of the representation of the association of these countries in European SMEs and Craft organisations (membership,) in order to favour their representation of interests;
2. initiative of European SMEs organisations towards the association of the candidate countries, in order to help the process of their europeisation, and towards their associated members (see the UEAPME projects: SMEs Excellence and SMECA) (technical assistance, partnership).

What makes this impact more strong is the time of the accession process, and the existing conditions in the candidate countries in rapport to the above mentioned points.

Therefore, making effective the representation of interests, should be considered the top priority within the priorities of all SMEs and craft representatives of the candidate

countries since is the basic condition to deal with the changes and to make effective for small enterprise the benefits of EU membership.