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BAHÇEŞEHİR ÜNİVERSİTESİ

**EFFECTIVENESS OF LOBBYING ON EU
INSTITUTIONS: IN A COMPARATIVE PERSPECTIVE
TO EUROPEAN COMMISSION, EUROPEAN
PARLIAMENT AND COUNCIL OF MINISTERS**

Master Thesis

ZEYNEP ERKAN

İSTANBUL, 2008

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SOCIAL SCIENCES INSTITUTE

MASTER IN EUROPEAN AND INTERNATIONAL STUDIES

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ABSTRACT
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After 1970s, with the introduction of the ‘globalization’ concept, every firm had to become global in order to be included in the globalization game and to be regarded as an interactive player of that game. The relationship between global economy and politics starts with the pressure of multinational cooperations over politics to push it to become more multinational. As a continuation of Washington DC, lobbying occurred in Brussels in order to establish this pressure. European private sector wanted to represent their interest in certain institutions and would like to be effective on the decision making process.

All the attention of interest groups is attracted by Brussels with the Single European Act and Maastricht Treaty. Therefore, all firms and associations acted very generous at trying all lobbying techniques and pushed as much as they can. Then there is a shift of lobbying from national capitals to Brussels, as lobbying nationally wouldn’t be so meaningful anymore. After multi national cooperations pushed the national governments, politics started to change in Europe. The main reason for the European Commission, European Parliament or the Council of Ministers to get in touch with the interest groups is to receive information about a certain subject. At this point the faster the interest group supplies this precise information, the more accessibility of that group occurs to that institution. So it is basically based on supply & demand relationship. The relationship is totally reciprocal; the information is supplied by the interest group, and in return they get accessibility to them.

Lobbying activity depends mainly on three criteria of the interest group; the size of the interest group, economic strategy of the group, and the domestic environment in Brussels. All these considerations made lobbying more complex and turned it to become more popular and attractive. As a result, the EU institutions are accessible to interest groups, and interest groups are effective on the European Commission, European Parliament, and Council of Ministers with their lobbying techniques. Individual features, prior personal experience of the lobbyist, subject, accessibility of the officials are crucial elements in lobbying.

Therefore in Chapter I and II, the thesis analyzes definition, history, criticism and reasons of lobbying. Chapter III deals with accessibility between interest groups and institutions. By taking account of a prior research on financial sector, in Chapter IV, V and VI the European Commission, European Parliament and Council of Ministers are examined. In Chapter VII, there is the comparison between all these three institutions in terms of accessibility. Finally in the interviews part, six interviews were made in Brussels from different sectors. The method guiding to analyze effectiveness of lobbying is the comparative perspective based on prior research results and information supplied by interviews.

Key Words: Accessibility to EU institutions, Integration of European Politics, Information provided by interest groups.

ÖZET

LOBİCİLİĞİN AVRUPA KOMİSYONU, AVRUPA PARLAMENTOSU VE AVRUPA KONSEYİNE KARŞILAŞTIRMALI BAKIŞ AÇISIYLA AB KURUMLARI ÜZERİNDEKİ ETKİSİ:

Erkan, Zeynep

AVRUPA ve ULUSLARARASI ÇALIŞMALAR YÜKSEK LİSANS PROGRAMI

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1970'lerden sonra, globalizasyon kavramının gelişi ile beraber, her şirket bu globalizasyon oyununda yer alabilmek ve bu oyunun aktif bir oyuncusu olarak sayılabilmek için global hale gelmek zorunda kaldı. Global ekonomi ile siyasetin arasındaki ilişki, çok uluslu şirketlerin siyaset üzerinde onu daha çok uluslu bir hale getirebilmek için yaptığı baskıyla başladı. Washington DC'nin devamı olarak lobcilik, Brüksel'de bu baskıyı kurabilmek için ortaya çıkmıştır. Avrupa özel sektörü, çıkarını belli kurumlarda temsil etmek ve karar alma mekanizması üzerinde etkili olmak istemiştir.

Brüksel, çıkar gruplarının bütün dikkatini Avrupa Tek Senedi ve Maastricht Anlaşmalarıyla çekmiştir. Bu yüzden, bütün şirketler ve kuruluşlar tüm lobcilik tekniklerini denemede ve baskı yapmada çok cömert davranmışlardır. Daha sonra ulusal bazda artık çok da anlamlı olmayacağından lobcilik, ülke başkentlerinden Brüksele kaymıştır. Çok uluslu şirketler ulusal hükümetlerine baskı yapmaya başladıktan sonra siyaset Avrupa'da değişmeye başlamıştır. Avrupa Komisyonu, Avrupa Parlamentosu yada Avrupa Konseyinin çıkar grupları ile iletişim kurmasının ana nedeni belli bir konu hakkında onlardan bilgi almaktır. Bu noktada, bu net bilgiyi daha hızlı sağlayan grubun o kuruma ulaşabilirliği ortaya çıkar. Bu yüzden ilişki basit olarak arz talep üzerine kuruludur. İlişki tamamen karşılıklıdır; çıkar grubu bilgiyi sağlar, ve karşılığında kurumlara erişebilirlik elde eder.

Lobicilik faaliyeti esas olarak çıkar grubunun sahip olduğu üç kritere bağlıdır; çıkar grubunun büyüklüğü, grubun ekonomik stratejisi, ve Brükseldeki lokal çevre. Bütün bu düşünceler lobciliği daha kompleks hale getirir ve onun daha popüler ve çekici olmasını sağlar. Sonuç olarak, AB kurumları çıkar grupları için erişilebilirdir, ve bu gruplar lobcilik teknikleri ile Avrupa Komisyonu, Avrupa Parlamentosu ve Avrupa Konseyi üzerinde etkilidir. Lobi yapan kişinin bireysel özellikleri, önceki kişisel deneyimleri, konu, ve görevlilerin erişilebilirliği lobcilikte önemli noktalardır.

Bu yüzden I. ve II. Bölümde tez, lobciliğin tanımını, tarihini, kritiğini, ve nedenlerini tahlil etmiştir. III. Bölümde çıkar grupları ile kurumlar arasındaki erişilebilirliğe değinilmiştir. Finansal sektör üzerine yapılan bir araştırmayı göz önünde bulundurarak, IV., V. ve VI. Bölümlerde Avrupa Komisyonu, Avrupa Parlamentosu ve Avrupa Konseyi ele alınmıştır. VII. Bölümde, erişebilirlik bazında bütün bu üç kurum arasında mukayese yapılmıştır. Son olarak, ekteki röportaj kısmında, Brükselde değişik sektörlerden kişilerle yapılmış 6 röportaj bulunmaktadır. Lobciliğin etkisini analiz etmek için kullanılan method önceki araştırma sonuçlarına ve röportajlarla sağlanan bilgiye dayalı karşılaştırmalı perspektif yöntemidir.

Anahtar Kelimeler: AB Kurumlarına erişebilirlik, Avrupa siyasetinin entegrasyonu, Çıkar grupları tarafından sağlanan bilgi

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1. I N T R O D U C T I O N

At first sight, lobbying became so interesting to me due to the prior books that I have read, I quite had an idea that lobbying in United States is so much professionalized. But I really didn't have so much opinion for the European Union. So I wanted to see the picture for the EU. That was the reason that I chose this subject.

But after choosing the subject of lobbying, I dealt with some books, and it got more and more interesting. And I couldn't believe that many researchers took this issue, and wrote about it. So I thought that there should be some reality in this lobbying because it is so popular recently. How to handle lobbying and focus on a certain perspective were still confusing. The lobbying techniques, strategies all other subtitles quite stayed subjective and abstract for me. So I really would like to learn if lobbying is really effective on the outcome or not. And the only way to see this, is by looking at the relationship of lobbies with the EU institutions: the Commission, the Parliament and the Council. So by this study, it was thought that an opinion of lobbying would be maintained.

So in this work, the chapters were divided due to the titles that I saw as very important to be underlined. You will see a general look at the lobbying concept in Chapter 1-2. Definition, history, criticism, and reasons of lobbying were dealt. In the Chapter 3, the comparison of the three institutions from the accessibility point of view was discussed. Do interest groups access to them and how? And how does the organizational feature of a lobby group affect its activity in Brussels? In the Chapters 4-5-6 the Commission, Parliament and Council were held in the aspect of their reciprocal relationship with the lobby groups. Referring to a prior research on the financial sector, this relationship is tried to be understood. The accessibility was the subject because effectiveness comes

only if there is accessibility at that point. In Chapter 7, there is the comparison of the three institutions . But, the most important one for me is the interview part, where real practitioners were interviewed, and that was the most interesting part of my study. I would like to thank to all 6 people who let me to make an interview with them.

I learned so much about this issue of lobbying and the relationship between them and European Union institutions. And being in Brussels, at the last month of this period of writing this thesis, put real light to my work.

1.1. WHAT IS LOBBYING ?

In a basic understanding lobbying is done to get some desired results, and people who are lobbying have some aims, and they would like to reach their certain goals. The address of the lobbyist has mostly been the government officials during the history. We can say that lobbying can be done by private companies and organizations or by public groups or sometimes by coalitions of both private and public groups. When there is cooperation between private and public groups, this is often to advise public by the private consultants in order to make them to take action to influence their representatives who are currently responsible in one of the bodies of the European Union. The lobbyists can be staff of consultancy groups, or of some public relation section of the companies, but they generally work at the offices of the interest group or of multinational companies in Brussels.

1.2. LOBBYING AS A CONCEPT :

1.2.1. In A Brief Definition:

Lobbying is a very mixture of experience, knowledge, human skills that goes very far from mathematical analyses. Therefore we need to keep these elements also in mind when we want to define and question the concept of lobbying. It is not purely a mathematical equation that means you will get the same results due to the proportion of what you give as an input. Personally I think that lobbying mostly depends so much on individual features, prior personal experience of the lobbyist, also on the conditions like the subject or accessibility of the government officials.

Interest groups play a central role in the policy making process in all democratic political systems, where private organizations represent civil society against the interests of the state. Civil society at the European level is highly developed. Brussels in this sense is like Washington.¹ So this developed civil society would like its interest and opinion to be represented in national level, but more important than that in European level. The way that goes to this aim passes through lobbying which is the general term for making pressure to political authority and using different strategies and channels for that.

1.2.2 The Concept and Development of Interest Representation:

Interest representation is tried to be done by companies, non-governmental organizations, unions. Some of the events that we have seen in the near past years can be evidences for the fact that lobbyists are effective on some political decisions. For example, in the end-of-life vehicle directive case (2000/53/EC), German environmental

¹ The political system of the European Union, by Simon Hix, p 188

manager is highly influenced by the manager of Volkswagen via German chancellor Gerhard Schröder. The result is the blocking of final Council decision. Secondly, the lorry drivers protested in everywhere in Europe and also in Brussels. They did this against the rise in oil price and also on gasoline price in 2001. A third example can be the unsatisfied labeling of modification in the genetics of food²

When we see the increase in the number of these kinds of examples, many authorities took this lobbying issue into consideration. So many books, articles, many researches have been done, in order to find answers to how this lobbying and interest representation affects the going on politics and institutions. But these authors and researchers not only dealt interest representation in national level, but also on European and global level due to the increase of European integration and interconnectedness in the world. The main titles which were underlined by these authorities are who lobbies whom, reasons and methods of this lobbying, structure and organization of these lobbies³. But the result of these lobbying actions is the most important and crucial for these studies: The question should be: Who and how to lobby to reach a desired result on a certain subject?

It is claimed that a new group was born which reached to a very further point than a department in private companies or national associations. Many offices were opened in Brussels only for the aim this lobbying. So these people are more professionalized and became very experts similar to the existence of lobbying in United States for much longer decades. Private actors delegate lobbying to lobbying agents.⁴

‘This complex system of European-level interest articulation and intermediation has evolved through an interaction between the growing demand for participation by non

² EU lobbying, by Irina Michalowitz, p 17

³ Ibid

⁴ EU lobbying, by Irina Michalowitz, p 18

*state actors in the European Union decision process, and the supply of formal and informal channels of representation by supra national government officials. The goals of these actors have remained stable; for interest groups policy outcomes close to their interests; and for EU governmental actors, more power in the EU decision making process. However the strategies of the actors have evolved in response to the changing 'structures of opportunities' in Europe in the last two decades'*⁵ So we see the continuous pressure of interest groups, but their tactical means and ways changed during time. This is because of the increase of the competition between these groups all the time. So every group tried to find new ways or try to develop their existing methods. All these efforts made lobbying become much more popular, attractive and as a profession. And that is why Brussels attract all these groups especially in the last almost 20 years

1.2.3. The History of Lobbying:

The word 'lobbying' comes from Britain. The area in front of debating chamber of the House of Commons is called as 'lobby'. In this lobby, people and members meet; public tries to influence the parliamentarians' decisions on a certain subject. So people started this process in Britain due to the aim of influencing the decision making process to achieve their own aims, and making pressure to the right people for that.

Today in parallel to its history, this concept of lobbying went in the same understanding. The main reason for lobbying to be exercised is to influence the decision making process in certain levels of the governments or political institutions. It is done for certain interests by any pressure groups.

⁵ The political system of the European Union, ch 7, by Simon Hix ,p 204

There is a dramatic increase of lobbying offices including individuals or groups who are trying to effect decision making process in Brussels. There is this jump starting from end of 1980s. Until 1980's it is known that number of interest group offices in Brussels wouldn't exceed 550-600. And they say that it is at least tripled until the end of 1990s.

Here is a table which shows the picture of 10 years ago:

Chart 1.2.3.1 Number of Lobbying offices

Individual companies	561
European Interest Associations	314
Private lobbyists (e.g. political consultants, public affairs and law firms)	302
Miscellaneous interest groups (mostly public interest)	147
International organizations and non-EU state bodies	101
National interest associations	93
Regions	80
Chambers of commerce	47
Individual trade unions	21
Think-tanks	12
T O T A L	1678

*European Public Affairs directory, 1995*⁶

⁶ The political system of the European Union, ch 7, by Simon Hix, p192

The interesting thing that we see in this picture is that, there are 300 private lobby offices which were set up apart from the individual companies or European interest associations. Individual companies serve to their own company benefits. European interest associations try to serve a European interest on that certain subject, but most of the time there is the clash or consensus of national interests are seen in under this type of association. This also explains why the numbers of national interest associations are that low⁷. Because we also see that national associations are not as strong and effective as they were before. So that is why they would like to represent their interest in a European association, and trying to convince other member country representatives under this umbrella. We can give consumer groups association as an example. They prefer to be represented under this European consumer association rather than their national one. German Lander governments (under the title of European regions, US groups (under the title of non-EU state bodies), and International labor organization⁸

The same picture exists for the firms also. According to a survey among 200 business groups in Brussels in 1996, less than 5 people work in most of them, and they only have a budget of 100.000 Euro annually.⁹ So if the firm is not a giant, they prefer to cooperate with the others, either in a European association or externally.

1.3 A CRITICISM TO LOBBYING :

THE DIFFERENCES BETWEEN THE FINANCIAL RESOURCES OF INTEREST GROUPS

Lobbying is always criticized that it gives harm to democracy because not all of the groups who want to make influence have to same chance for that. This is mainly due to

⁷ Ibid

⁸ Ibid

⁹ The political system of the European Union, ch 7, by Simon Hix, p193

the financial resources of that group. Multinational cooperations, big industry firms, very powerful organizations of them such as (UNICE) Union of Industrial and Employers Confederation (It is now named as Business Europe) , (ERT) European Roundtable of Industrialists, or (AMCHAM-EU) the EU committee of the American Chamber of Commerce have very large budgets in order to use all lobbying techniques. They have a wider network, as they have very powerful and big members, and they have been dealing with these issues for longer years. This criticism puts lobbying in a very difficult situation, that this situation is claimed to cause elitism, so is against democracy. European institutions are also accused of being more accessible to these financially very strong bodies and organizations. But unemployed, socially disintegrated or excluded groups, (SMEs) Small and Medium sized Entrepreneurs –not in a confederation but alone- or subnational and local authorities are claimed to have less chance to make their voice heard, and to influence the decision making process in Brussels.

Counter argument for this debate is about the openness of the channels to everyone. The European Union institutional system is accessible and open to all groups. So that unrepresented parts of the society would have the chance to be represented by other groups than multinational cooperations or big industrial firms. Non-governmental and non-state organizations would be there to make the unheard voice of those groups to be heard, so the functioning of the democracy will definitely continue.

It is argued that different interest groups should try to be effective on European decision making, the competition between them is something positive for European democracy, because everyone will have the chance to be represented within the system. But the entrance to the new groups who want to enter to this competition shouldn't be closed,

that is the only important key here. But the subject about the financial resource differences between groups is as important and crucial as this openness of the European institutions. Because this openness doesn't that much matter if there are huge gaps between the interest groups. For example, if one consumer group is very weak against an industry organization on the table, it doesn't make so much sense to defend the chair that consumer group owns there. If the say of all groups would count on the general picture should at least be well heard, then we can talk that this mechanism is working. Otherwise the accessibility of the European institutions would only stay in theory.

Some very positive thinkers about lobbying say that all these lobbying traffic in Brussels would facilitate the European integration. Although I quite have a positive approach to lobbying, this kind of an understanding is not so relevant. Because it is quite apparent that not only in this lobbying concept in Brussels but also in many countries, some big companies or industrial groups affect the government officials considerably much more than civil society or non-governmental organizations in many cases. So I don't think that it would be so realistic to go that further that all groups can have equal chance and effect on European institutions. But what we can underline here is the openness the European Union mechanism to all groups; this is really crucial and necessary. But the possibility of equal chance and means to be effective for these different groups is highly debatable. But as mentioned, it is not the fault of lobbying scene in Brussels, it is a common problem of the world. The picture is often about that who has more power has more say.

2. WHY IS THIS LOBBYING FOR?

(Economic Relations in Europe)

2.1 THE EFFECT OF GLOBAL ECONOMY ON EUROPEAN ECONOMY :

Here I would like to mention that European economy is highly affected by globalization and it is an inseparable, very crucial and inevitably necessary part of the global economy. If we would like to look and examine the concept of lobbying in the European Union, we need to first try to understand what is going on in Europe both in economics and in politics. Understanding how things work out in Europe is really the first step to be taken. If not, our assumptions can lead us to very wrong or secondary directions. So we should try to know how economy works and is affected in European borders, and then figure out the connections and ties of this practicing economy with public and politics. This will be the best to do in order to reach to a relevant understanding of what lobby is for.

“Europe is an industry based society and Europe is dead if its industries are not competitive by which I mean able to hold their own at the high end of world wide trade and technology, participating as first division players. Industries can not achieve their potential unless public policies are supportive. General claim is legitimate; if narrow interests block the policies, then we will all pay the cost. European standard of living is now totally dominated by global competition, global trade, global flows of capital and technology. And none of these can be handled in any sensible way by any nation state. Hence European dimension is crucial for industry and it is vital to get it

right. So industry seeks to generate pressure for the right policies at the European level. There is a straight line going from European economics to European politics. Industry has a certain legitimacy at the European level. Society needs the wealth that the industry creates, and the individual companies that make up industry are directly accountable to customers, employees, shareholders, bankers and to political and social pressures of every shape and size. Such direct accountability is curiously absent from Europe's political institutions. When industry talks to political leaders at the European level, it is their legitimacy that presents a problem. Of course politicians are entitled to disagree with industry and reject our ideas. But are they then in a position to accept the costs and shoulder the responsibility for the negative consequences? The European institutions are not yet in such a position, which is what the 1966 IGC should be about. Influence and responsibility are slipping away from the national level and have not yet assumed a very solid shape at the European level. This is part of the reason why decision-making in Europe today is so extraordinarily slow and inadequate as our American and East-Asian friends keep reminding us. But the European level is certainly where it is going. Certainly industry would be better able to do its job, if it had a strong political authority with which to conduct its dialogue, an authority which would take its decisions, right or wrong and answer to the electorate for them. Meanwhile, perhaps for many years to come, industry will deal with the current situation as best it can. We

learn, perhaps very slowly, how to communicate and explain and contribute to policy making. What matters is that we do keep on learning.’’¹⁰

European economy mainly shapes European way of life. European industry, capital and multinational cooperations give opportunities to European citizens to find a job, and to continue their living. This is the basic point of our issue. Then it is so natural for these groups to ask for being interactive with the European Union institutions because they are the main providers of the system. Of course, their effectiveness is up to a certain level, but it is always beneficial for the European institutions to hear their voice, and take their opinions into consideration during the process of European decision-making. Doing so is both beneficial for the continuation of the system and for more integration between private sector, public, and government institutions as well as cross sectional integration in terms of more Europeanization.

2.2 INEVITABLY INTERACTIVE BROTHERS : European economy and European politics

‘This logical explanation of how things are going on in Europe, leads us to a very important point, which shows the inevitable interaction between economics and politics. It is totally obligatory and extremely necessary for European politics to be shaped by the European economy and so to be interactive with it.’¹¹

¹⁰ Helen Wallace, Participation and policy making in the European Union, Introductory foreword, p xxii

¹¹ Simon Hix, The political system of the European Union , pp 189-190

'Public and private interests in Europe have faced a transformation in economic and political institutions since the 1960s. First the globalization of the economy -through the expansion of cross-border trade and capital movements- has challenged the traditional patterns of capital-labor relations in Europe. The removal of tariff barriers and the resultant globalization of product markets, has forced individual firms who compete in international markets to pursue new competitive strategies. Freed from restraints on capital mobility, these strategies have included cross border relocation, merger, joint ventures, specialization and diversification. As a result, companies have had to become multi-national to survive.

This has produced new relationships between economic and governmental actors; multi national firms are less interested in securing 'national' defense of their products and markets than transnational policies that allow them greater freedom to increase productivity. Instead of lobbying politicians for 'national protection', therefore companies are increasingly interested in lobbying politicians and regulators to secure neo-liberal and deregulatory policies. From an individual firm's point of view, the rewards from national corporatist bargaining with governmental and labor actors, and even membership of 'national' peak associations of business, have receded as the benefits of private action have increased. As we showed above, in the last ten years individual companies in Europe have become less interested in national policy processes and national

*business associations, and more interested in approaching market regulators privately and directly, whether at the regional, national, European or international levels and even in other national systems.'*¹²

As very clearly mentioned above, we should insistently look at the roots of the relationship between European economy and politics. In that way, we will only be able to see the framework in a right understanding. So we see the transformation starting from 1960s in world economy as well as European economy as a result. The oil crisis in 1970s make the whole world to remember once more that the world is all interdependent, and some major decisions or events in some part of the world would much or less affect the whole world consequently. After 1980s we see the speeding up of this transformation, it became more apparent and effective in the whole world starting from United States of America. The second place for this was of course Europe especially in Great Britain with Thatcherism. This globalization inevitably forced the existing companies to become multinational.

All these developments naturally urged the politics to be adjusted according to that. These new multinational featured firms of course would ask for a multinational concept of politics. The existing barriers of the countries lost their importance, and they wouldn't mean some much in the means of economics for these firms. So politics should accordingly remove barriers, at least integrate much more with the other countries. This is the meant new relationship between European economy and politics.

¹² Simon Hix, *The political system of the European Union*, p 204

2.3 A GENERAL SHIFT FROM NATIONAL LEVEL LOBBYING TO EUROPEAN LEVEL LOBBYING : From national capitals to Brussels

“The opportunity structure for social and economic interests in Europe has also transformed through the accumulation and concentration of market regulation functions at the European level: most notably in the Commission. Firms are not interested in the large public spending priorities, such as health, education and welfare which are still controlled by national governments. What they are interested in, and why they began to be interested in politics at the domestic level in Europe in the first few decades of the postwar period, are rules governing the production, distribution and exchange of goods, products and services in the market place. Multinational corporations were quick to realize that centralizations of market regulation in the EU institutions would significantly reduce transactions costs for business in Europe. Individual companies were consequently some of the most vocal proponents of the single market, and since the establishment of the single market the position of Brussels at the center of multinational lobbying strategies has been confirmed.”¹³

Due to the change in the relationship between two, the aims for the European firms changed accordingly. They are not so much involved in national policies when compared to before, as most of the regulations; directives are done in Brussels as a natural result of the European market integration, the national say of the countries

¹³ Simon Hix, *The political system of the European Union*, p 205

become not as important as 20 years before. (As we mainly take Single European Act in 1986 as a very cornerstone development). So they are no more interested to lobby their national politicians in their parliaments at the capital cities, but they would like to influence their national delegations in Brussels. We see a general shift in lobbying from national to European level. So lobbying mechanism quite shifted from capitals of the member states to Brussels which is regarded as the capital of Europe. They would search for also cooperating with other sectoral or cross sectoral firms at a point that their benefits overlap. They don't care about the national elements of the system, but deal with who is regulating the system, regional, national, European and international level. Then after this step, they target them and make pressure and lobby in order to effect the decision making process. They can also exist within a confederation, an organization or a union, or collaborate and lobby together with the same or cross sectoral firms to reach on a certain goal.

'However, with a single political center regulating the European market, the cost of mobilization of non-business interests has also reduced. Instead of trying to prevent industry-wide cost-cutting in several European states by a coordinated transnational plan of action, public interests can go straight to Brussels to campaign for their causes. For example, against the deregulatory policies of the British conservative governments in the 1980s, the British trade union movement became one of the strongest financial sponsors and political backers of the activities of the European Trade Union Confederation (ETUC). Similarly it is much cheaper for

environmental and consumer groups to defend their interests in Brussels than in every national capital.

*As a result, driven by economic globalization, private companies have abandoned national interest intermediation in favor of direct action at the European level to promote market liberalization. Driven by political Europeanization, diffuse interests have discovered Brussels as a new political center in the pursuit of European-wide social interests, as an adjunct and sometimes substitute for national structures of interest intermediation.'*¹⁴

The shift of lobbying would most probably accelerate to continue with the European Constitution. It is definitely be more effective to open an office in Brussels and try to make contacts at the European level. Because the lobbying activities that you do in your country might not be so effective on the European Union decision making process in Brussels.

2.4. DUE TO THE EFFECT OF EUROPEAN INTEGRATION ON PEOPLE'S LIVES, WHAT ABOUT THE PUBLIC OPINION ABOUT THE EUROPEAN UNION ?

We should maybe see how the European integration and which steps affected European interest and European economy in the whole continent.

Simon Hix, makes a conclusion about the framework of Mathew Gabel, (Interests and integration 1998a) that when people know that they would have more income with the EU integration and with the polices of Single market, (free movement of goods, capital,

¹⁴ Simon Hix, The political system of the European Union , p 205

and services and Common Agricultural Policy) they would apparently support the EU system.

‘According to this framework, Single market and CAP bring more income to the following social groups:

-to employers / directors , more capital to invest

-to professionals and skilled workers , more marketable skills

in the Single market

-to white-collar employees, a greater likelihood of employment

in the private rather than public sector

-to farmers, greater benefits from CAP

-to manual workers, better wage protection, as a result of trade union organization and collective bargaining or minimum wage and other social legislation, and hence a comparative disadvantage in the competition to attract cross- border investment.

As a result, we should expect that as incomes rise, support for the EU should rise, for all social groups except manual workers.’’¹⁵

But in reality of course, this was not the exact outcome. Public gave less support to European integration than expected. Political elites support European Union more than the public in almost all member states. The reasons why there is this difference between political elites and public in terms of support to European integration is highly variable. And it is a subject of a different work. But what I would like to mention here is that while things are going on in Brussels, public hasn't been aware of this ongoing. This

¹⁵ Simon Hix, *The political system of the European Union* pp 206- 207

created a distance between public mass through the whole 27 member states –the proportion varies from one state to another- and Brussels.

‘In sum, independent of pro- and anti-European positions, EU citizens are divided over what EU should do. Social groups with shared interests might lobby for an EU competence in a particular area: for example, highly paid white collar employees and highly skilled workers are likely to ally with employers/directors and professionals to promote economic integration. But once this has occurred, this pro-European alliance will divide into left and right positions: with the left supporting social and environmental regulation of the single market, and the right supporting deregulatory policies’¹⁶

There are many debates and many prescriptions for what should be done in order to close the gap between European citizens and Brussels (in terms of European institutions, national authorities, interest groups, federations, unions). This is a very different subject to be handled out of this work, but what is to be underlined here is that public mass are not very well in the same line with all mechanisms working in Brussels for European integration.

¹⁶ Ibid

3. A FEW NOTES BEFORE LOOKING AT THE INSTITUTIONS:

3.1 WHAT CHANGED FROM 1980s TO 1990s ?

‘Without corresponding interest from European decision makers, new interest group strategies would have been ineffectual and short lived. The fact that all forms of EU lobbying have increased suggests that the demand for representation was met with a concomitant supply of access to the policy process by political actors in the EU institutions’¹⁷

European Economic and Social Committee was the formal place for since the Treaty of Rome. Representatives of variety of social groups, organizations were included under this body. These first attempts in the Treaty of Rome were in order to include representatives of different parts of the societies in the decision making process of the European Union. The role and mission of European Economic and Social Committee was totally consulting. Health and safety at work, environmental policy, consumer protection and social policy took all interest groups attention to Brussels, and these didn't happen before early 1990s. Single European Act and Maastricht Treaty took all the attention of interest groups to Brussels. So early 1990s was the time that many of these various groups which were represented under European Economic and Social Committee for many decades, started to compete with business groups in Brussels.

¹⁷ Simon Hix, The political system of the European Union p 206

:Chart 3.1.1 Where do firms go to influence the EU policy process in 1997?¹⁸

<u>Channel</u>	<u>1984</u>	<u>1994</u>
European Commission	16 %	23 %
National Association	33 %	23 %
European Association	15 %	20 %
National Government	17 %	13 %
Regional Government	5 %	4 %
Private lobbyist	3 %	4 %
European MEP	2 %	4 %
European Parliament	2 %	4 %
National MP	5 %	3 %
Other	2 %	3 %

This is a survey of 300 firms, dealing with how these firms spend their money, in order to be effective on European decision making process, and on institutions. The comment on this table is as follows: *‘By mid-1990s firms were allocating approximately equal resources to European and national associations. More significantly, however individual firms have dramatically increased private contacts with the Commission, either in addition to or deliberately bypassing the European level associations. More over when asked to determine*

¹⁸ Ibid p 195

which of these strategies produced the highest pay-offs, approaching Commission directly was the clear winner. Rather, private consultants tend to be used to provide specialist information and monitoring services as a supplement rather than a substitute for direct political action by individual firms. In other words, the interests of business and the owners of capital are powerfully represented in the EU policy process. The regulation of the market at the European level is a strong incentive for firms to spend valuable resources to ensure that policy outcomes do not harm their interests. The open access of these interests to the Commission, and the multiplicity of actors involved suggest a pluralists system.’¹⁹

So in this presented picture, we will be able to see only one conclusion. Lobbying is inevitable in Brussels in terms of private sector to reflect and represent their interest in certain institutions, and in the Commission at first. That’s why all firms and associations see this benefitable way and be all generous in all lobbying techniques and pushing as much as they can. Because they are very well aware that, there is light at the end of the tunnel. Of course depending on their financial resources and size of the organization or the company, the results may differ and also from one subject to another.

‘In the EU, national governments are not the only substate executives of the EU system; as representatives of the collective interests of their constituents, governments are also the peak associations of the European nation-states. And it is for this latter reason that national administrations play such a central role at every level of the EU policy process; a means of legitimizing the EU system.’²⁰ So the effect of national

¹⁹ Ibid pp 194-195

²⁰ Ibid 203

governments will continue to be at the heart of the EU decision making system. It is both better for national governments and the European Union. Because this interaction and involvement should never disappear or decrease for the good sake of the European system. In this way national governments would be all comfortable, as they have a very effective say in the system, on the other hand the European Institutions will be all comfortable as their one of the main goals of including all interests and opinions of the member states would have been achieved by this way.

‘The society of the European Union is primarily divided along cultural rather than socioeconomic lines: into the different nation states of Europe. The elites of these national segments – national governments, national public administrations, and representatives from national interest groups – are the main participants in the EU policy process. In this sense, the national administrations in the EU incorporate the views of national interest groups before coming to the EU bargaining table. These elites are able to present and defend their perceived ‘national interests’ above all other types of political conflict at the European level. This facilitates the calculation of winners and losers of policy proposals along national rather than transnational/socioeconomic lines. The need to secure cross-class support in national elections ensures that national governments defend the interests of all their constituents over interests in other member states that may be closer ideologically. For example a French socialist government would defend French business interests against

*the interest of the working class in another member state. The result is an EU policy process with the primary intention of accommodating all national interests rather than all transnational ones.*²¹

The European Union has a very unique system that both nation states and the European Union benefit at the same time. It is the nation states' benefit to be involved in the European Union because they can not catch the same level of social, economic and political development outside of the European Union. So although they many times complain about this system, it is to their benefit to maintain the continuation of the system for their countries. The European Union also has the benefit in keeping the existence and autonomy of the national groups.

The very important example we can give at the very first time is the pressure of individual companies, groups, unions, and national associations on the Single European Act in 1986. Although there were some oppositions, many of the industrialists, companies, private firms were in favor of free movement of and capital, exchange of goods within Europe, so they would like to remove remaining barriers. And they thought that they would profit more if such a law passes. Neofunctionalist theory argues that, before governments and national authorities, business interest in the means of industrial firms and national or international companies were readier for market integration, so multinational companies in Europe made so much pressure on their national governments and the Commission to establish a more integration and create a Single European market. We can say that the effect of Thatcherism and Reaganism are so relevant on this wish of European industry, as these two leaders saw the solution in

²¹ Simon Hix, *The political system of the European Union* pp 202-203

the concept of a more global economy in order to get rid of the troubles of the 1970s crisis.

After this general picture about the passage from 1970s to 1980s, we need to also examine this passage in the means of the European institutions. We will mainly look at the relationship between the Commission, the Parliament and the Council of Ministers and different organizational forms of interest groups especially in the terms accessibility in the next chapters.

3.2. LOOKING AT THE ACCESSIBILITY OF THE INTEREST GROUPS TO THE EU INSTITUTIONS:

Mr. Pieter Bouwen made a research about this comparison. It is named as ‘A Comparative Study of Business Lobbying in the European Parliament, the European Commission and the Council of Ministers’, and mainly concerns the accession of different for of lobby groups to three institutions. I took it as a key resource while I was trying to make the comparison. Because the resources for this topic are very rare (in terms of comparison and including all three institutions). We can find many articles about the accessibility of the Commission, but not much about the Parliament and the Council. This research looks at which have more or less accessibility to the European institutions. And many writers took these lobbying strategies and techniques issue into consideration but what they put on the table are so subjective, and the picture is not that clear. That is why I would like to take this research into account and rely on those examples. It deals with the empirical investigations about financial sector in the European Union. The author has made 21 interviews with business groups and 42

interviews with EU officials and politicians. And additional other 63 semi-structured interviews were done with officials and politicians not only in the Commission but in three EU institutions: The Commission, The Parliament, and the Council.

3.2.1 What do interest groups supply to the EU Institutions? And what do they get in return?

The author has looked at past researches and books about this subject. What he found out is that they used exchange theories between the interest groups and institutions, and *'the interaction of private and public organizations can be conceptualized as a series of inter-organizational exchanges.'* As a result of all these theories he concludes: *'In the context of EU decision-making process, private and public actors become interdependent because they need resources from each other.'* But what can be the resources that are exchanged between interest groups and the European institutions? It is simply the **accessibility** that the interest groups demand from the institutions, and institutions demand such things from the interest groups:

- 1) **Expert knowledge:** The expertise and technical know-how required from the private sector to understand the market. Example: the technical expertise provided by Barclays Bank to help EU officials and politicians to understand the particularities of the capital adequacy rules for commercial banks. As we clearly can have an opinion due to this example, It is sometimes necessary for EU authorities to consult or cooperate to private sector in especially the field of experts on certain subjects.

- 2) **Information about the European Encompassing Interest:** In this research it refers to the aggregated needs and interests of a sector in the EU internal market. Example: the information provided by the European banking federation on the interests of its members with regard to the capital adequacy rules for commercial banks.
- 3) **Information about the Domestic Encompassing Interest (IDEI):** It refers to the aggregated needs and interests of a sector in the domestic market. Example: the information provided by the Belgian Bankers Association on the interests of its members with regard to the capital adequacy rules for commercial banks.²²

It is also mentioned that if an interest doesn't belong to one firm or an individual company, it is then more encompassing. In other words *'an interest is more encompassing when more interest parties have to take place. For example a national trade association is an encompassing interest because it is specialized in bundling the needs and interests of its member companies.'*²³ When this aggregation is at national sectors, then it is called the Domestic Encompassing Interest. If it is aggregated at the European sectors, then it is the European Encompassing interest. The representatives or consultants or lobbyists of these groups are from either national or European due to level of where the aggregation is achieved. Here, when the accessibility and need for an interest group is decided due to the need of the institution for that certain subject.

When one of the above three is simultaneously provided by the interest group to the institution, at that point the accessibility of that interest group starts. When the

²² Pieter Bouwen, A Comparative Study of Business Lobbying, p8

²³ Ibid

institution demands those three information, the faster the supply from the interest groups is the more accessibility of that group occurs to that institution. And also the more this exact information is provided, the more that interest group has the accessibility. So there are 2 crucial elements: time and use of information. So in summary, the interest groups supply those above three kinds of information to the institutions, and in return they get accessibility to them.

Here we have to mention that the capability to produce the information changes from one interest group to another. Not all interest groups are similarly able to provide information that is demanded by the European institution. This research refers to the reason of organizational differences between interest groups. But I think additionally, the financial power of that interest group also contributes that.

Chart 3.2.1.1 Organization forms of business interest representation:

	<u>Individual action</u>	<u>Collective action</u>	<u>Third party</u>
<u>National level</u>	Individual national action	National association	National consultant
<u>European level</u>	Individual EU action	European association	Brussels consultant

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²⁴ Pieter Bouwen, A Comparative Study of Business Lobbying, p 10

3.2.2 The three variables that determine the lobbying activity of an organization:

Three variables decide the lobbying activities of these associations: First one is **size**. If they have enough resources and opportunities they can individually take action and try to influence the decision making process in that institution. But if actors are small, they have to be dependent on the collective action and strategy. Their lobbying at an individual wouldn't count much. Second variable refers to **economic strategy**. The strategies differ from national actors to multinational cooperations. The **domestic institutional environment** is pointed as the third variable, that affects the firms lobbying in Brussels. *'A close working relationship between state administrative elites and private interests at the national level might create a hierarchical interaction that undermines the incentives of private interests for direct European level action.'*²⁵

The speed and flexibility of the information supplied by the organization depends so much on the layers that are involved in the process, firm-national association-European association. If there are more layers in the process, the slower and less flexible will be the supply of the information. If the decision making process is complex within the organization, efficiency decreases due to that. When this internal decision making of the organization is more complex, the provided information will be that slower and less flexible. A hierarchally structured organizational form like a firm is likely to be more efficient than a decentralized, democratically organized form like an association.

²⁵ Ibid

3.2.3 Speed and Flexibility of the Information

So let's analyze how speed and flexibility affect the information that would be provided by the organization.

1. Individual firms (at the national or EU level) : When the firm is large, it is naturally better at providing expert knowledge than a smaller firm, because it is more specialized. But it should also be hierarchically organized. So the information will be more efficient. A firm can have regional, national or European strategies. At the level of their national strategies to some extent; workers, managers and shareholders can be included in the decision of firms' interest. And they can provide information at the level of Domestic Encompassing Interest. But one firm can't provide that much of an aggregated interest information. More firms should come together. It is a similar picture at the European level also. When there is one firm, it is difficult to talk about European Encompassing Interest there.
2. Associations: expert knowledge is better provided by individual firms, because in associations there is wide range of subjects so they are not so much specialized on each subject. It is commonly regarded by European institutions that Trade associations officials are industrial civil servants. There are many multi levels in associations so they most of the time are distant to practice and reality. Their departmental divisions for EU level, national and firm level are also reasons for associations to miss the ongoing.

The difference between an association and a European association: European associations should try to find common interests between their member organizations on certain subjects. They aggregate the different interests of their

members, and try to formulate a European perspective on that subject and by this way they provide information to the EU institutions. But here, the crucial issue is to find a common point between these associations under the umbrella of European association. Pieter Bouwen argues that this decision making is really complex. On the other hand national associations from different sectors meet and form a national association. They are able to provide qualified information about the Domestic Encompassing Interest.

3. Consultants (at the national or EU level): It is mentioned that as consultants don't represent their own interest, they are not very good information producers except the Expert knowledge. 'In Brussels, specialized consultants are exceptional however.'²⁶

So at organizational patterns, the features and concern of these organizations are all discussed in previous chapters. Therefore, we have the opinion about how the information is supplied in these interest groups.

Now it is time to look at how and why the EU institutions demand this information from these interest groups. This need from the institution occurs during their different role in the legislative process, and as the legislative working of the EU institutions differ from one another, we should deal with all three separately in order to understand in which stage of their legislative process they demand information from the interest groups. '*The formal powers of each institution in the EU legislative process and the timing of their intervention in the process determine to a large extent the institutions' demand for information*'²⁷

²⁶ Pieter Bouwen, A Comparative Study of Business Lobbying, p 12

²⁷ Pieter Bouwen, A Comparative Study of Business Lobbying, p 13

4. THE EUROPEAN COMMISSION :

The reason for the Commission to be the first choice of all the interest groups is quite simple: The Commission has the monopoly for the legislation process. So all the groups would like influence and get the result during the law is drafted. That is why the Commission takes most of the care and attention of interest groups and lobbies. The earlier they can be effective on the decision making process the more they have the chance to be successful to reach their goals. Therefore, they would like to contact during the earliest stage. During this legislation process all national representatives are included in the process. And in these groups, we also see the representatives of business groups. It is mentioned by Simon Hix that the Commission gives access to private interest groups during getting specific information and expertise from them because it is an extremely small bureaucracy with a single market of 450 million people in 27 countries.

‘Not surprisingly officials often lack the necessary detailed expertise and knowledge of sectoral practices and problems.’ The Commission has even sought to formalize this process. As a guide to Commission staff, the Commission has drawn up directories listing all known national and European-level interest groups by policy area as part of a ‘procedural ambition’ to maximize Commission consultation with European civil society. In addition where the Commission identifies that a European level group is missing, it attempts to create and sustain one. The Commission has also adopted the British practice of publishing ‘Green Papers’ -preliminary legislative proposals- as a means of opening up the debate about the EU policy to a wider

audience. The Commission refers to this overall strategy as an ‘open and structured dialogue with special interest groups’²⁸

The main thing is the lack of enough knowledge of the Commission about the application of that certain subject in the member states as the national delegations definitely know this better, so the meeting who is chaired by the Commission official has to include the national and business representatives in order to gather more information about the possible outcomes of certain legislation.

‘At the agenda setting stage, Commission has a formal monopoly on the legislative initiative in most areas of social and economic policy. However, in practice the Commission develops policy proposals in cooperation with representatives from national administrations. At a formal level this operates through a network of working groups comprised of national civil servants and chaired by a Commission official. At an informal level the Commission is highly understaffed and relies on national officials and representatives from national constituencies- such as national peak associations of business or professional groups – to supply knowledge and information about existing national policy regimes and interests. Furthermore the Commission itself is a multinational bureaucracy with senior officials linked to specific national constituencies and national interest groups. The result is an ongoing bargaining process between the Commission and the representatives of state and non-state national interests. At this stage, the Commission aims to discover policy ideas that

²⁸ Simon Hix, *The political system of the European Union* p 206

*accommodate as many national preferences as possible in the hope that excluded interests can be incorporated at a later stage, in the formal legislative bargaining stage in the Committee of Permanent Representatives and the Council.’*²⁹

So there are many apparent differences between the formal written concept of the Commission meetings, and the informal applications of that. Here, we see the way how lobbying works in the European Commission. The channels and means mentioned above by Simon Hix for the lobbying mechanism that finds a place itself to make pressure on the Commission. As also mentioned, this bargaining process between the Commission and the national state groups are so commonly existing in these meetings. So at first the Commission listens to all national –including state and non-state such as business groups- groups. By this way, it gathers the information and contemporary applications of that existing law on that certain subjects, either it is a purely national legislated law, or a European law. So all experiences and situations of 27 member states are mentioned in front of the Commission officials. After this, it is time for bargaining between all states which is a very tough road. The aim of the Commission here is try to include as many nation states approval as possible.

‘The same process of national incorporation exists at the implementation and adjudication stage. European directives need to be transposed into law through national instruments, which give a specific role to national administrations to implement EU law. In terms of the incorporation of the interests, moreover, this specifically allows different national legal and administrative traditions to be

²⁹ Ibid 201

reconciled with EU action. Furthermore the implementation process is overseen by a network of supervisory and regulatory Committees, the 'comitology' system, and these committees are composed of national civil servants, chaired by Commission officials. Again the aim is the widest possible accommodation of national interests in the pursuit of common EU goals. No single national group can be seen to be the 'winner' of EU policies, at the expense of other national groups. Such arrangements for the joint administration of policies by central and subsystem representatives are widely used in culturally-segmented political systems, especially in policy areas that undermine the identity of the cultural group, such as education policy'³⁰

The second bargaining and compromising happens when the European directives and laws are tried to be reshaped by national officials. Here, there is the issue of different understanding of implementation depending on the traditions of that member states. So when member states overcome the approval on a certain subject, it is not finished. The second task of implementation comes. This second step is done through the comitologies which are supervisory and regulatory committees, composed of national authorities. These meeting are chaired by the Commission official. It would be maybe harder at this second level to have a compromise, because it is a more technical and detailed.

³⁰ Simon Hix, *The political system of the European Union* p 202

4.1. THE RELATIONSHIP BETWEEN THE COMMISSION AND SOME INTEREST GROUPS:

In order to see a broader picture, we need to maybe look at the relationship between some groups and the Commission.

Some of the most important of them are Union of Industrial and Employer's Confederation (UNICE), European Trade Union Confederation (ETUC), European Office of Consumer Unions (BEUC), Consumers Contact Committee (CCC), the European Environment Bureau (EEB).

4.1.1 'The Union of Industrial and Employer's Confederation (UNICE) (now it is named as Business Europe)'s officials have meetings everyday with the Commission staff, it also gives submissions to Commission working groups. But they are only statements of business interests designed to alienate as few member organizations as possible'

4.1.2 The European Trade Union Federation which was established in 1972. In time it gained so much power, and had a say on the table, it was seen as the partner of UNICE (Union of Industrial and Employer's Confederation).

4.1.3 European Trade Union Confederation (ETUC): 'In 1984, Commission President Jacques Delors announced that no new social policy initiatives would be forthcoming without the prior approval of both sides of industry as represented by (UNICE) Union of Industrial and Employers' Confederation and (ETUC) European Trade Union Confederation. In the early years of this social dialogue little progress was made since UNICE insisted that its members would not

be bound by any agreement is reached by ETUC. However, persistent Commission's sympathy for the ETUC cause ensured that the social dialogue did not dissolve. Delors launched the Commission's strategy for a European social policy at an ETUC meeting in May 1988, and the Commission supported the ETUC proposal for a European Social Charter, which was signed in 1989 by all the members except Britain. As a result of further Commission pressure, in 1990 the social dialogue produced three joint proposals which the Commission duly proposed as legislation' ³¹

4.1.4. Relations in Social Policy area: We see a peak of this social dialogue with Maastricht Treaty because the social dialogue is institutionalized while the Commission is working in the social policy arena. All member states except Britain became totally responsible of all competences in social policy in Maastricht Social Agreement. *'Under the rules of social agreement, the Commission is statutorily obliged to consult both business and labor before submitting proposals for social policy legislation. In addition to this, a member state may request that business and labor seek to reach an agreement on the implementation of directives adopted under the Social Agreement. And if business and labor reach a collective agreement on a particular policy issue, this can serve as a direct substitute for European legislation.'*³²

4.1.5 Consumer Groups: A second similar example can be given about the case of environmental and consumer groups. The development of their effectiveness and existence in Brussels is much

³¹ Simon Hix, *The political system of the European Union* p 196

³² Simon Hix, *The political system of the European Union* pp 196-197

or less the same as we didn't see so many offices of these groups before 1990s. After 1990 there is also a peak in the presence of these offices. *'By 1990s, public interests played a very central role in many EU policy debates. As with the labor movement, the key change was the activist role of the Commission. For example the main European level consumer association, the European Office of Consumer Unions (BEUC) receives 750.000 Euros a year from the Commission. Also the Commission has breathed a new life into the institutional mechanism for incorporating consumer interests in the EU policy process. The Consumers Contact Committee (CCC) was set up in 1961, but was plagued by a lack of commitment on the side of the Commission and the rival interests of the various European level consumer associations. However, in 1995 the Commission transformed its own Consumer Policy Service into a proper Directorate-General and reorganized the CCC into the Consumers' Committee. The CC has a much more streamlined structure with a small number of representatives (one from each of the five European level consumer associations), and is chaired by a Commission official. The result is a system that will increase the effectiveness of consumer representation in Brussels, and improve the speed and the quality of information about consumer interests supplied to the Commission'*³³

4.1.6.Environmental Groups: *'Similarly the Commission is the main core funder of environmental groups (Webster, 1998) For example,*

³³ Simon Hix, The political system of the European Union p 197

*the main European level environment association, the European Environment Bureau (EEB) received over 400.000 Euros from DGXI (environment) in 1995. The EEB has also privileged access to the Director-General of DGXI, has been an observer in several meetings of the Environment Council, and was even a member of the Commission's delegation to the 1992 Earth Summit in Rio de Janeiro. The same story can be told of numerous public interest groups. The commission also spent a total of 7 million Euros on the funding of public interest groups in 1994.'*³⁴

'The process whereby state officials proactively choose partners creates a distinction between 'insider' and 'outsider' groups. ETUC, BEUC, EBB and Migrants Forum are clearly insiders in the EU policy processes: numerous other social interests remain excluded. Nevertheless, this has provoked the mobilization of domestic groups and resources against policies emanating from Brussels by using tools of contentious collective action. This is particularly the case when the same groups from different member states feel that their interests are not represented by the formal structures either of national representation, via the governments in the Council or of transnational representation via the European Parliament or European associations' links to the Commission. For example farmers from several member states have often taken to the streets of Brussels to protest against the reform of the Common Agricultural Policy or other

³⁴ Ibid

farming issues often against the explicit mandate of COPA, their European Association. And numerous other groups have protested in recent years on the streets of Brussels or outside the European Parliament, from bikers protesting against limits on motorbike engine sizes to animal rights campaigners protesting against the live transport of animals. However the Europeanization of social conflicts through non-formal channels of representation is dependent upon the level of pan-European politicization of an issue as well as the resources of the group concerned. As a result compared to the growing involvement of insider groups such as ETUC, the record and ability of outsider groups to mobilize in Brussels is highly variable.’³⁵

4.1.7 Sub-state authorities in Brussels: This title includes municipalities, local governmental units, all state or government units. The offices of these groups are similar to the others, as they started to be widely opened after Single European Act and Maastricht Treaty. *‘The 1988 reform of the structural funds led to the conscious outflanking of national governments by the Commission and the regions. On the one hand, the Commission consciously sought the involvement of interests in the initiation, adoption and implementation of regional policy. On the other hand regional interests made the most of their opportunity to bypass national governments, many of whom were governed by parties of opposing political hues or were cutting back on national regional spending. Partnership between the*

³⁵ Ibid 198

Commission and regional level of government became the central guiding principle in this policy area. Regional bodies are now invited to submit funding proposals directly to the Commission and funds were then given directly to regional authorities without passing through central government treasuries. In addition regional bodies were responsible for implementing their specific framework programs monitored by Commission officials. The formal role of regions in EU policy making was further institutionalized by the creation of Committee of the Regions (COR) by the Maastricht Treaty (Hooghe 1995). The COR replaced the Consultative Council of Regional and Local Authorities (CCLRA) that was set up by the Commission in 1988 as part of the new regional policy regime. In COR we see direct representatives of regional and local governments of all the EU member states. The Maastricht Treaty specified that COR had the right to be consulted not only in the adoption and implementation of EU regional policies but also in all policy areas that have implications for European economic and social cohesion. This includes all EU policies that effect the level of economic and social disparities in Europe, such as the Common Agricultural Policy and the Common Transport Policy'.³⁶

³⁶ Simon Hix, *The political system of the European Union* pp 198-199-200

Chart 4.1.7.1 Regions and localities with offices in Brussels

Substate offices in Brussels

United Kingdom	29
France	20
Germany	18
Belgium	13
Spain	12
Austria	11
Denmark	9
Italy	9
Sweden	6
Netherlands	4
Finland	3
Ireland	2
Portugal	1

(It was calculated from Greenwood 1997 by Simox Hix)

So we see that the Commission highly supports and funds representation of the regions. Marks, Nielsen, Ray and Salk mention commonly that *‘The greater the overlap between the competences of subnational and supranational government, the more likely that a subnational government will be represented in Brussels’*. *‘In other words regions tend to establish offices in Brussels not because of the competences of the EU, but rather because of their own competences vis-à-vis national governments. As a result*

subnational governments with the broadest range of policy competences all have offices in Brussels. And some of them force their national governments to formally include them in their delegations in the Council when the agenda touches on subnational competences. But still regions play a minor role compared to the ETUC in the social policy area.'

4.2.THE ACCESSIBILITY OF THE COMMISSION:

*'The commission is considered the most supranational institution in the EU decision-making process. It is trying to push member states to accept policies that go beyond a purely intergovernmental consensus based on the lowest common denominator.'*³⁷ To maintain this common European Interest, very naturally the Commission needs European Encompassing Interest Information in order to be aware of the European interest.

*'The Commission's sole right of legislative initiative is based on Article 149(1) of the EEC Treaty. As the agenda-setter, the Commission has the formal right to initiate legislation and thus is responsible for the drafting of the legislative proposals.'*³⁸ This drafting is the first step of the legislation, and this procedure needs a lot of Expert information, this is totally necessary for the Commission's work. So at this moment the Commission is quite dependent on Expert's information from the resources outside of itself.

On the other hand, Domestic Encompassing Interest is not important at this early drafting stage of the Commission because the Commission mainly tries to deal with common European interest. Therefore besides the expert knowledge, European

³⁷ Pieter Bouwen, A Comparative Study of Business Lobbying, p14

³⁸ Ibid, p15

Encompassing Interest is crucial at this point. But in the later steps like in the amendment of the proposal and during the trials for the compromise in the Council of Ministers and the Parliament, then the preferences of a member state would be important, so then there occurs the need for the Domestic Encompassing Interest.

4.3.EVALUATING THE ACCESSIBILITY IN THE FINANCIAL SECTOR EXAMPLE

We should look at the functioning of the European Commission. Various Directorates-General aims at providing specialized technical and administrative know how in various policy sectors. (Nugent 2001,p135) He targets the Internal market DG because it is seen as the legislative address for the EU financial sector. Therefore he handles this DG, and try to see the access of different organizational forms to the officials of the Commission in this DG. And *'non-comitology consultative committees are identified as the most important access point for private interests.'*³⁹

Interest groups and individual firms are allowed to participate directly in the committees in the Commission. *'Non-comitology consultative committees are not established for each legislative initiative, it would be wrong to study only officials that participate in these committees. Since officials not sitting on these committees can also be important lobbying targets in the DG, all officials directly involved in the Commission's legislative activities are studied in this paper.'*⁴⁰

The author interviewed 22 officials out of the 29 in the internal market DG which lasted 51 minutes on average. These interviews were semi structured as similar to what has

³⁹ Ibid, p 24

⁴⁰ Ibid pp 24-25

been done in the interviews with the European Parliament officials. The author concludes that there is again a relationship between the type of the organization and their level of access to the European Commission.

The results are as such: The European associations has the highest accessibility to the European Commission, he founds this result as interesting, *‘European Federations are often considered to be internally divided, poorly resourced and unable to respond quickly to Commission requests for information. They are also criticized for their cumbersome internal decision-making machinery.’*⁴¹ ‘The European (con-)federations have been formally recognized as preferential interlocutors of the European Commission in the Communication on ‘‘An open and structured dialogue between the Commission and special interest groups’’ (93/C63/02)’⁴²

So secondly accessible organization is the individual companies. And he also mentions that there is not a big difference between European association and individual company. Thirdly, it is national associations, and lastly the consultants.

Chart 4.3.1 The accessibility to the European Commission

Ranking	The type of the organization
1	European association
2	Individual firm
3	National association
4	Consultants

⁴¹ Ibid p 26

⁴² Ibid

5. THE EUROPEAN PARLIAMENT

Migrants Forum representing EU citizens who live in other member states and third-country national who are resident in the EU was established by a grant from the European Parliament.

'The European Parliament has pursued a similar strategy to the Commission. Although not responsible for policy initiation, the Parliament requires detailed policy expertise to be able to scrutinize the behavior of the Commission and compete with the Council in the legislative process. Whereas the Council has national public administrations to supply information, individual MEPs have limited research budget. Consequently in the process of writing reports and proposals for EP resolutions, rapporteurs seek out key interest groups to canvass their views. Indeed some EP reports have even been written by representatives from European interest associations. Not surprisingly, then, in a recent survey of MEPs relations with interest groups Kohler-Koch (1997) found that MEPs value 'gaining expert knowledge' as the primary purpose for meeting a lobbyist rather than 'nationality', 'relating to constituency', 'personal acquaintance' or 'political allegiance'. The result is a myriad of lobbyists lining the corridors of the Palais de Europe during the EP plenary sessions in Strasbourg and the Espace Leopold during EP committees meetings in Brussels.

Nevertheless, the primary motivation behind the supply of representation on the part of the Commission and the Parliament is

the ongoing power game in the EU legislative process (cf. Cram, 1998) In other words, information and expertise matter, but only as a way of increasing the chances of securing what Commission Officials and MEPs want from the EU legislative process. Interest groups possess what Greenwood (1997, pp 18-23) calls a set of 'bargaining chips' that they offer actors in the EU political process. In addition to information and expertise, these include the ability to influence the national member organizations of a European association and the ability to help in the implementation of policy. Both these can be used by the Commission and the Parliament to undermine the opposition to a proposal in the Council. For example the German government would be reluctant to oppose a legislative initiative if the Commission or the Parliament can demonstrate that the key German interest groups support the initiative, and are willing to facilitate the transposition of the policy into national practice.'

Whereas the mobilization of national loyalties and interests strengthens the position of national governments in the Council, the mobilization and incorporation of transnational interests strengthens the hand of the supranational institutions. As a result, the institutional structure of the EU system provides and incentive for the Commission and the Parliament to supply negotiating space and resources to groups that represent transnational socioeconomic constituencies,

*which includes the labor movement, environmentalists and consumers as well as individual companies and business organizations.*⁴³

5.1 THE ACCESSIBILITY OF THE PARLIAMENT

Lets briefly summarize the European Parliament's role in the decision making process; it has both supranational and intergovernmental characteristics, after 1979, as the direct elections started for the EP, it gained power and became effective in the decision making process. We see the codesicion with Council of ministers in many crucial subjects of decision making process. (Corbett et al. 1995, p220 ; Westlake 1994: p144). *'In such an codesicion instance, it is the European Parliaments' task to make amendments to the proposed legislation and to take decisions.'*⁴⁴

At the stage that European Parliament sees the draft, it has already prepared a very detailed and technical proposal. So not that much of an expert knowledge is needed at this stage of the European Parliament. *'The amount of technical market expertise needed to amend and take decisions is much lower in the European Parliament. The Parliament particularly needs information that allows it to assess the legislative proposals made by the European Commission. As directly elected supranational assembly, it is the Parliament's task to evaluate the legislative proposals from a European perspective.* (Kochler-Koch 1997; p12)⁴⁵. Therefore it is mentioned that, to make this assessment, the European Parliament should have the information about European Encompassing Interest information which refers to the aggregation of the European private companies' interests (as mentioned above). So as the European

⁴³ Simon Hix, The political system of the European Union pp 206-207

⁴⁴ Pieter Bouwen, A Comparative Study of Business Lobbying, p 14

⁴⁵ Ibid

Parliament has supranational elements, it should have the information about different sectors in Europe, and evaluate the Commissions' proposal in this understanding.

When we are trying to understand the legislative ongoing in the European Parliament, we should also consider the situation of the elected MEPs. They are elected nationally, so they are thought to have strong relations of the people who elected them in their countries. They would like to be re-elected as many of the parliamentarians do, so they would like to keep their strong ties with the electorates, and prefer to be aware of what they think or want, so that is why they are interested in the Domestic Encompassing Interest which is the aggregation of the national private companies interests, or public opinion, as mentioned above.

5.2 EVALUATING THE ACCESSIBILITY IN THE FINANCIAL SECTOR EXAMPLE

The legislation procedure in the European Parliament: We need to look at the legislative branches within the institutions: In the Parliament there is the plenary session, the specialized committees, the committee secretariats, the hearings, the college of quaestors and the intergroups. The specialized committee system is seen as the most open part of the Parliament to the interest groups according to a very specialized research made for the Parliament legislation because it is regarded as the most important accession point. Again as we see the consideration in this example about the Parliament, in order to measure lobbying, the points of accession and effectiveness of this point in that institution is tried to be measured in the researches. *'The plenary session has the final say on legislation, but most of the Parliament's legislative work takes place in its*

*specialized committees.*⁴⁶ Committees handle all of the legislative proposals, so all legislative work is done in the committee sessions.

Pieter Bouwen looks at the Committee on Economic and Monetary affairs (CEMA) in his research because this committee deals with the financial services subjects according to Article 51 (2) of the EC Treaty). So he takes this 45 members of CEMA as the relevant population, therefore he invited all the members to his semi-structured interview. The author managed to make 27 interviews with them with an average of 40 minutes, between June 2000 and February 2001. All these 27 MEPs were asked to mention their ranking between organizational forms as which one is their first, second, third, or last choice. The results are as follows:

12 of the MEPs chose to contact European associations at first level, 9 of them preferred to contact national associations at first, and only 4 of them preferred individual companies at first instance. Therefore as MEPs first choice is mainly the European associations, we can conclude that European associations have the most access to the European Parliament about the financial sector. He then made a second comparative between the second choices of these MEPs. And according to all the results, he concludes that to the European Parliament; European associations have the highest degree of access. Secondly national associations, thirdly individual firms, and lastly the consultants. The mathematical difference of access between European association and national association is not high, so he mentions that *‘European and national associations have a similar degree of access to the European Parliament MEPs clearly prefer to talk to lobbyists from representative organizations irrespective of the level of interest aggregation (national / European).*⁴⁷

⁴⁶ Ibid p22

⁴⁷ Ibid p24

Chart 5.1. The accessibility to the European Parliament:

Ranking	The type of the organization
1	European association
2	Individual firm
3	National association
4	Consultants

6. THE COUNCIL OF MINISTERS:

6.1 THE ACCESSIBILITY OF THE COUNCIL

*'The Council is the most intergovernmental institution in the EU legislative procedure. It is the forum for reconciling the distinctive purposes and powers of the member states. The influence of national interests prevails in the Council and it is therefore crucial for the Member States to identify their national and domestic interest.'*⁴⁸ So that is why automatically Domestic Encompassing Interest become very crucial for the Council of European Union. So we can also say that the Council tries to find balance points between intergovernmentalism and supranationalism, and the Secretariat and Presidency transforms all those opinions coming from Domestic Encompassing Interest through member states from intergovernmental to supranational situation.⁴⁹ Therefore, the Council deals with firstly the Domestic Encompassing Interest, then secondly European Encompassing Interest

*'The Council shares its legislative powers increasingly with the European Parliament. In the Common Foreign Security Policy and JHA, the Council doesn't have to share its legislative powers with the European Parliament, and its decisions are not subject to interpretation by the European Court of Justice.'*⁵⁰ The Council tries to amend and to reach a common decision between all or majority of the member states.⁵¹ There are four legislative procedures in the Council: consultation- assent- cooperation and codecision. The Council can be effective to shape the final shape of the proposal but the amount depends on which of these 4 are used. See 5. Similarly to the European Parliament, the Council doesn't need so much to the Expert knowledge as the proposal is very

⁴⁸ Pieter Bouwen, A Comparative Study of Business Lobbying, p 15

⁴⁹ Ibid p16

⁵⁰ Ibid

⁵¹ Ibid

technically detailed by the Commission before coming in front of the Council. So in order to make a comment, Council needs other kinds of information that would also facilitate the bargaining process of the member states.

6.2 EVALUATING THE ACCESSIBILITY IN THE FINANCIAL SECTOR

EXAMPLE

The author looks at only the two sectoral formations of the Council: the Internal market council and the Council of economics and Finance Ministers (ECOFIN) because only these units deal with European financial sector which is the subject for the authors' research. In the Council, member states negotiate, but the decisions are taken in that country by the ministers. So the target of the lobbying should be these national cabinets. But he mentions that there is a strong interaction between the permanent representatives of the member states and the cabinets in the national capital. This of course is relevantly correlated with these officials' experiences in legislation in the Council and their knowledge in that subject. As the member states delegated their authority to the EU permanent representatives, they need to control them. In order to do this control, member states developed certain mechanisms. For example they monitor their permanent representatives by regular exchange of information, the participation of national experts in the Council working groups, and the so-called EU coordinating units.⁵² He took 22 financial attachés who are responsible for financial issues and working in Member States representatives. He saw these attaches as the point for the interest groups who would like to contact with. Because they are fully aware of their

⁵² Ibid p27

national capitals opinions and most of them worked in their national government on these subjects before. On average of 72 minutes, he interviewed 15 attachés who represent the 15 member states (as the EU was composed of 15 states in 2001)

According to the mathematical results, the conclusion of the author is as follows: The attaches firstly chose national associations to contact and get information. Secondly it is the individual firms who are national champions. If the firms are not national champions, then they have the least access to the Council among other 3 organization types. Thirdly it is the European associations, and lastly the consultants.

The accessibility to the Council of Ministers:

Chart 6.1

Ranking	The type of the organization
1	National association
2	Individual firm
3	European association
4	Consultants

7. THE COMPARISON

7.1 ABOUT THE EMPIRICAL EVIDENCE; EU FINANCIAL SERVICES SECTOR:

Pieter Bouwen chose this sector to test his hypothesis because since 1998, the Commission prepared so many legislations about this sector, so it directly refers to the interaction between commission officials and financial sector interest groups. He mainly concentrates on the question of why different organizational forms have relative access to the EU institutions. So he approached to different organizational forms, he concerned with private rather than public organizations. Therefore, he made a series of 63 semi-structured interviews which include both structured and open questions. He himself made all the interviews alone in order to get rid of the interview-effect and to minimize the misinterpretation of the questions. These interviews with officials and politicians lasted for 54 hours and 25 minutes.

*'When taking the populations, the samples and different response rates into account, I would argue that the results of the empirical investigation in the three institutions are representative of the situation in the EU financial services sector. The officials and politicians were asked to during the interviews to provide information about their contacts with private interests in the context of legislative lobbying. They were invited to establish a ranking of their contacts with the different forms of business interest representation. The interviewees had to indicate with which of the four organizational forms they have had contacts, taking the usefulness and the regularity of the contacts into account.'*⁵³ So it is so much representing the truth as the officials were directly asked to point out their contacts, and rankings of the groups that they interact with. He

⁵³ Ibid p 20

could conclude about the organizational patterns due to the officials' choices because they were asked to make a ranking between all four organizational forms during the interview.

7.2 WHICH EU INSTITUTION REQUIRES WHAT KIND OF INFORMATION?

We see that;

For the Commission, Expert knowledge is the most important resource. Secondly the Commission uses the European Encompassing interest and then finally the Domestic Encompassing Interest.

For the Council; Domestic Encompassing Interest is the most important one. Secondly it is the European Encompassing Interest, and thirdly the expert knowledge.

For the Parliament; the European Encompassing Interest is the most important source. Then, it is the Domestic Encompassing Interest, and thirdly the Expert Knowledge.

These are the ranking of the different information titles that the institutions would need during their legislative procedures. And the private actors who **supply these information simultaneously** to the Commission, would have the most access to the institutions. The ranking between the type of the information that would be required by the institutions differs as we have mentioned. But all three institutions would definitely need all three kinds of information, but the ranking of importance among them differ. Apparently the picture is as follows: when this most important and crucial information is supplied by the interest group, then that group has the most accessibility for that institution. *'The private actors who can provide the highest quantity and quality of the*

*critical information in the most efficient way will therefore enjoy the highest degree of access to the EU institutions.*⁵⁴

7.3. THE ACCESSIBILITY OF THE GROUPS TO THE EU INSTITUTIONS:

We reach the below conclusion based on the importance of the information due to the financial sector research:

The access to the European Parliament: European associations have the most access. Secondly the national association, then thirdly the Individual firm.

The access to the European Commission: Individual firm would have the most excess, then the European association would have the second access, and thirdly the national association

The access to the Council of Ministers: National association would access firstly, then the European association, then lastly the individual firm.

This conclusion came so simply, if we should repeat, we took those into consideration:

- a) First: the types of organizations (individual firm, national association, European association)
- b) Second: which type of the information comes from which organization. (Expert Knowledge, Domestic Encompassing Interest, European Encompassing Interest)
- c) Third: which institution needs which information (ranking)
- d) Fourth: which interest group has accessibility to which EU institution

⁵⁴ Ibid

The results in terms of organization comparison in accessibility is as follows:

INDIVIDUAL FIRMS: have the most accessibility to the European Commission, secondly to the Council, than thirdly to the European Parliament. He mentions that the kind of the firms that access to the Commission are different from the ones that access to the Council. In other words; the non-national firms mostly access to the Commission because it needs the expert knowledge, and they are the national champions who access to the Council because it needs the information for the Domestic Encompassing Interest.

NATIONAL ASSOCIATIONS: have the most accessibility to the Council because it needs the information for the Domestic Encompassing Interest, secondly to the Parliament, thirdly to the Commission

EUROPEAN ASSOCIATIONS: have the most accessibility to the European Commission, secondly to the Parliament, then thirdly to the Council. The author finds the access by the European associations to the Commission interesting, because he thinks that he underestimated the need of the Commission for the information of European Encompassing Interest.

CONSULTANTS: For all three institutions, the accessibility of the consultants is very low.

This research is very useful in terms of setting the needs for the institutions. What kind of information do the institutions need? And which kind of organizational form supplies that kind of information? Pieter Bouwen mentions that he made an explicit link between the organizational characteristics of private interest representation and the capacity of this representation to provide information and consequently gain access to the EU institutions.

He adds that interest groups can manage to gain access to the institutions and so the decision making process in the EU if they take their organizational form during their interest representation into consideration both at their country and in Brussels, because certain organizational forms can access easier than the others to a certain institution. When they change their organization form, they also change their channels for lobbying. But what we saw in this research is the organizational links between interest groups and the institutions. There is exchange of information. This private interest consultation is discussed in the European Commission's White Paper on Governance (Brussels, 25.7.2002, COM 2001, 428 final). He suggests also taking interdependence between private and public into consideration. He argues that his research on the financial sector would also be very useful to have an insight also on the lobbying on other sectors as well. For example firms are affected by these findings, and they maybe reconsider their size, their position in that sector, and their strategies.

Pieter Bouwen mentions that this access concept is effective on the organizational formation of interest groups. (Olson 1965, Wilson 18973, Moe 1980). Interest groups would like to reorganize themselves according to the capacity of a certain organization to provide which relevant information that a certain institution asks for. So interest groups reshape themselves fitting to provide the information in the fastest and most qualified way. He adds that the reason for the concept of collective action is the need for the private interest to provide more efficient and faster information to them. In return, private interests have the opportunity to gain access to the EU institutions.

8. C O N C L U S I O N :

The first thing maybe to be mentioned is how much I am surprised. I was expecting a big professionalized world but I was not expecting this much in Brussels. Reading from books and articles fit with the reality and went very further. Brussels is really so much developed with all kinds of groups and lobbies. The interviews contributed so much to my work. Because I quite observed the practice of what I read.

So I would like to summarize step by step: As a natural consequence of globalization every firm had to become global in order to compete. Multi national cooperations pushed their governments for multinationalization of politics. The lobbies in Brussels are a very natural consequence of the relationship between European economy and global economy. Because private sector want to represent their interest in certain institutions and would like to be effective on the decision making process. And I think this is a very natural right of them, because they are the main providers of the system in Europe especially in terms of european standard of living. It is also argued that this interaction between the groups and institutions would increase the level of European integration. Single European Act and Maastricht Treaty took all the attention of interest groups to Brussels. That's why all firms and associations see this benefitable way and be all generous in all lobbying techniques and pushing as much as they can. So we see shift in lobbying which is from national capitals to Brussels. The picture is very basically about that everybody is trying to convince the other.

When the information is (Expert knowledge, domestic encompassing interest, European encompassing interest) simultaneously provided by the interest group to the European institution (The Commission, The Parliament or the Council), at that point the accessibility of that interest group starts. The faster the interest group supplies this precise information, the more accessibility of that group occurs to that institution. So

there are 2 crucial elements: time and use of information. The interest groups supply those above three kinds of information to the institutions, and in return they get accessibility to them

On the other hand there are other factors that affect this relationship between a certain lobby group and the institutions. Lobbying activities of the groups depend on firstly on their size. If they have enough resources and opportunities they can individually take action and try to influence the decision making process in that institution. But if actors are small, they have to be dependent on the collective action and strategy. Secondly their economic strategy. That the strategies differ from national actors to multinational cooperations. Thirdly domestic environment in Brussels. This is because of the increase of the competition between these groups all the time. So every group tried to find new ways or try to develop their existing methods. All these efforts made lobbying become much more popular, attractive and a profession.

So Is lobbying really effective?

Absolutely **YES**. And it is further more effective than expected. Institutions are accessible to interest groups (to which degree and to which kinds of groups are all discussed in the Chapters in detail). And when they access, they start to be effective on the institutions. I found the answer during all this work, and I am quite satisfied with the validity of the answer. More than that, lobbying is a very mixture of experience, knowledge, human skills that goes very far from mathematical analyses. Personally I think that lobbying mostly depends so much on individual features, prior personal experience of the lobbyist, also on the conditions like the subject or accessibility of the government officials. And I found lobbying much more complex than I imagined.

I learned so much during all these researches, readings, and interviews. As I a last sentence; I wish that in this study I was able to reflect all the relevant knowledge that I learned during this period.

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E K L E R

T H E I N T E R V I E W S :

a) Mrs Burçak INEL , Deputy Secretary General , FESE (Federation of European Securities Exchanges)

ZE: My first question is what is your opinion about the effectiveness of lobbying on certain institutions?

Mrs Burçak Inel: Maybe before answering the question, we should look at how a lobbyist needs to differentiate depending on the institutions. But before that I just want to clarify the terminology. Basically in Brussels, you will see trade associations, which are federations or associations, which represent a sector or a segment of a sector or something like that. This is the interest group, but it is a trade association that is the general term. A trade association normally has members across Europe obviously also in Brussels. Their members might be associations themselves, or their members might also be directly companies. I would make a distinction between that kind of an entity, and a consulting firm. A consulting firm is something entirely different, they represent interest differently, they might have several clients and they represent a client at the level of EU so vis a vis the EU institution, but they always accompany the client maybe if they set up a meeting they go to the institution or through out the year they keep the client informed of what is happening. In fact their primary role is information, keeping people updated on what is happening that might affect their interest. These consulting firms might be big or small, big varieties. But they are different from trade associations because unlike a trade association they don't have a permanent interest, they don't have a permanent group of interest that they are representing. They are representing clients. Clients which might use also other messages for influencing EU institutions. That is like the first point I would say. So this is the difference between consulting firms and trade associations. That difference is relevant to the lobbying done

Maybe I just say a few words about where I work because it is a very typical trade association. There are a lot of federations of this kind in Brussels. It is a federation of European Securities Exchanges which represent all the exchanges from Europe. So

their members are actually companies. I used to work in the European Banking Federation where in fact the members that they represent, the interest of the organizations they represent basically are other associations. That has also impact on the kind of lobbying that you can do. Because if you really want to think about what a federation does in Brussels, there are two different but related functions that they carry up. So that is your starting point. The first thing that they do is that they bring together institutions which actually obviously come from the same sector, and it is normal of course, they would have similar interest. But bringing them together and helping them identify their common interest at the EU level. This is important because something like that doesn't happen on its own, it is not like at any given moment in Europe, if you just give a call to 25 main exchanges in Europe and you ask them without any preparation without having any meetings beforehand, without having them talk to one another. If you just ask them different from that issue 'what do you think?' It is not that they are saying exactly the same thing because they all come from different market structures, different backgrounds. In the case of companies; they might have different companies, different company visions, and strategies. In the case of associations, each national association might actually operate in a different setting. So when we are doing EU policy here and when the sector needs to react to that, the very first step is actually to bring those institutions together so that they actually know what is in their common interest. That is the very first thing. And if you don't know that or if you don't do it well, then indeed they are not really going to need that much to lobby on. And in that sense I would make that distinction that I was talking about before between the consulting firm doing lobbying and the trade association doing lobbying. Because a trade association by definition brings together those institutions on a permanent basis, there is a structure, there are committees etc, so people know each other and they are familiar with each other psychically and there are strong elements of consensus building. There is identification of interest. Where as a consulting firm essentially works for one or two companies in the same sector and it is in fact under a contractual obligation, not to necessarily divulge the interest of one to the other and those kind of isolated lobbying on their behalf. A trade association does a unified lobbying on the basis of the interest of the whole sector. So a trade association like mine then has to devote a lot of time to first of all finding out what is happening in Brussels, what new

legislation might be coming and what the Commission has in mind or what the regulatory agencies have in mind, and then influencing the process. That basically brings us to the second big role to be carried out which is to influence the legislative process. That is of course the biggest *raison d'être*. But one can not be separated from the other. In other words, if you don't actually allow your members to understand what is happening and then to talk about it among themselves to actually identify a common interest setting aside differences that they definitely will also have, then you can't actually have a clear position on which to lobby. And this is also very classic weakness of associations if they are not really run well, which is that the more people you bring together, the more people that you represent, the more institutions that you represent, the more difficult it is that you have something very clear to say. Because obviously if you have only 5 different companies working in the same sector, but if you bring 50 or something, each one of them will say something different. It is very much like that in the trade association, the more they are and the more different their market structures are and in Europe especially we have a lot of different market structures for every sector. If a federation works well for any sector, what will happen is, it will bring together its members on a regular basis, and help them identify their common interest so that they can set aside their differences, and there will always be differences because of the kind of market structures we have in Europe. So this is how a normal average European trade association works.

ZE: So which of the three EU institutions is more accessible?

Mrs Burçak Inel: Here you have lobby groups but in fact again one has to be really more precise, if we take the example of a trade association. Who is more accessible to a trade association based in Brussels? The very first one is the Commission. I am sure you guessed that already. And why is that? Because obviously the Commission is the guardian of the treaty representing the EU interest. The trade association by definition also represents the combination of different national interests. Therefore the European interest. So our main counterpart is that. The second and also important counterpart is

the European Parliament. That also is relatively accessible. There are various reasons for that, one reason is that a lot of European Parliamentarians working in rather technical fields do not have the technical expertise and actually they appreciate the technical expertise. So they very often get help, get ideas suggestions for the amendments etc but all of this happens in a very transparent way and that is another reason why actually the Parliament is so accessible. Because the Parliament very openly solicits the use on what it is going to do and tries to open and justify what it is doing. Amendment process is very also open. The only thing of course when you are dealing with the European Parliamentarian, they are representing the European interest. However of course coming from a certain jurisdiction. A German MEP is obviously going to be more interested in what the German sector wants. That is normal. So what a typical trade association would do is when they are trying to lobby European Parliamentarians, they will try to take their member from that jurisdiction with them to a meeting or somehow maybe they will forward the position to their members who will lobby the parliamentarians. But the very active parliamentarians, in each committee there are couple of people who are very active, and also the people who are the rapporteurs, very key people influencing how a legislative proposal is going to process. Those people are actually quite interested in hearing the feedback from the whole industry, they are very much targeted by the whole industry, and they don't just listen to one person from one country. But there are a lot of variations as well, for example there are some dossiers you see to MEPs, exactly the same thing, maybe someone gave it to them, they didn't even realize that even though they are maybe from some different parties but they were being given exactly the same thing, the same amendment etc. MEPs differ among themselves in terms of how much expertise they have, how active they are, how active their countries are, and as a result how actively they engage in the committee procedures.

ZE: So for the Council, is it rather limited?

Mrs Burçak Inel: Yes. Why is that? Because obviously they are more representing their country. You can see the logic. The Commission represents the interest of Europe interpreted by the Commission of course. The Parliament also represents the interest of

Europe on the basis of elected officials. Then there are the governments. The Governments do have to basically counterbalance the others by catching those proposals that will really affect their own interest. Lets say something might look great at the European level, might really really harm to the Greek shipping industry. If so, arguably it is important for Greece in the appropriate Council meeting to express that view. It doesn't mean that you have to win out of others, it means that you need kind of balance. That means that by definition lobbying the Council means lobbying your own government. So if you are a European Trade Association you can again do, what I just described the Parliament, but you can try to influence the various meetings that in the different levels that the Council people will have, at the financial attaché level then at the ambassador level, then it goes to Ecofin for my sector, but other Council bodies for the other sectors. So for each of the meeting that you target well before that they have that meeting, you would try and distribute your position whether that will be a letter or memorandum maybe through your members to those Council people who will represent the different governments. They will have a lot of political deals among themselves even if something is not necessarily good for a certain government, that the government might be persuaded to do that, in exchange for something else. And actually the more high level the discussion gets, the more what they horse trading you see. So for all that, you need to be kind of close to the game as well.

ZE: After talking about this accessibility to all three institutions, would you please mention which institution is more beneficial for a consultancy firm, a group, a trade association to lobby?

Mrs Burçak Inel: I think you can't ask that question because it depends on where you are in the process. If you are talking about legislation, legislative proposals, obviously at the very very beginning you need to lobby the Commission. And then once the proposal is adopted, you need to lobby the Parliament and the Council. In terms of practice, I have been spending most of my time lobbying the Parliament of course, at the co-decision level. But some of our biggest achievements happened because of the

intervention of one or two governments. So you can't really simplify it by saying which one is most beneficial, it is not mutually exclusive, and it also depends on the stage in the process. There is something else that you need to be aware of which is that in Europe things have become much more transparent over time in terms of legislative process. Maybe years ago they might have actually proposed legislation without consultation and it would be sitting somewhere in a drawer and then they would just pick it up and then suddenly it would be adopted as a proposal. It is not like that anymore. Because of the various structured consultation process that they have, it means that a very big part of lobbying is reacting to well structured consultations with credible convincing arguments. So it is not about meeting someone at a cocktail party, and whispering something to their ears

ZE: Especially can we say this for the last 20 years because of the Single European Act, and Maastricht etc.?

Mrs Burçak Inel: I don't know, but for sure in the financial sector which is apparently in the forefront of it. Within the internal market, the financial sector is in the forefront in terms of consultation and openness and transparency since 2000. Definitely you see a very big difference. I think the impetus was basically when they launched Euro, they realized that they will have a lot more legislation to pass in order Euro to bring some benefits. When they realized that they also saw that the package of laws that they have in front of them was so big that couldn't be done without the industry expertise. Because it was not anymore a few laws or something, it was really a very big package in the financial sector. In order to do it well, they had to actually open up the process and make it a bit more efficient but also open. So when you use the word accessible, for me accessible means in addition to what I have said before, you could also evaluate whether the institution is actually transparent. If you ask that question, it is very clear who is transparent and who is not. The Commission is very transparent by now, not just in the financial sector but overall because of the policies that would have passed. The Parliament is rather transparent. The Council is not at all transparent. In our sector and in a couple of other sectors as well, there is also the additional player that you need to

take into account, and that is a regulatory agency. So in our case, in the financial sector there are 3 such committees, one of them basically each one of them brings together the regulators from each country. So in financial sector Securities Market Regulators are in one committee, banking supervisors are in another committee and insurance people are in another committee. And when I say a committee, it is just like the Turkish SPK. Obviously each member state of the EU has such an institution. But obviously in a situation where the basic law in Europe is harmonized, you can not just have these regulators sitting in their own corners in each member state and not talk to one another. You actually have to bring them together in a way that is quite actually similar to the way that Trade Association works. So they get together and discuss on a structured basis in a certain frequency, the way that they are going to implement and supervise the EU law. So they don't of course talk about anything national. In fact by now everything is most of what we are dealing with industrial is really EU law. Of course EU law that is transposed, sometimes have to be transposed depending on the instrument but those regulators then have to do some more things. They have to sometimes issue what is called guidance, it means that agreements that make with one another in terms of how they are going to implement or interpret EU law. And those activities are also structured under the EU umbrella. Although this is not a term very used but I would call them like an 'EU Regulatory Agency'. Their basic model is decentralized. So don't think of them as a centralized agency with a President and everything together in a very top down way. No, they are quite decentralized still however they are for all practical purposes European agencies. You also by the way have to lobby them that is why I was talking about them. Because the things that they do although they are not at the level of law, they are not binding, nonetheless they have a real impact on the day to day experience of the people in the sector. The people who are regulating the banks, exchanges, different types of banks, insurance companies etc. How the EU law affects them is not just on the basis of what it says in the law which is ok what primary occupations are. You have to change the law, you have to improve it so is actually a good law for your sector. But in addition how it is actually implemented on the ground, and that goes through the regulatory agency that I was talking about. So that is why you have to go to their consultations you have to submit papers and your request to there. In our sector, in financial sector, there is one in Paris, one in London and one in Germany. The insurance

one is in Germany, banking supervisor is in London, and the securities regulator which I am also dealing with is in Paris.

ZE: I would like to ask if you could give some examples that became so famous lobbying examples that everybody in Brussels know. But you are the example maybe because you got the award ‘Lobbyist of the year’ in 2003.

Mrs Burcak Inel: The campaign was from 2001 to 2003. It was a campaign lead by a coalition of financial sector lobbying organizations. It was a campaign at the level of the EU. Because it concerned a legislative proposal that had been introduced by the European Commission., and that had just been submitted to the European Parliament and to the Council for the usual codesicion procedure. It was proposed in May 2001. From that time to the summer of 2003, we were engaged in this campaign. I was the coordinator for the campaign. The organization I was working for, was the European Banking Federation, and it had a major interest in this legislation. It required a coordination among wider group of organizations. Because that legislation concerned banks, exchanges, companies. In each of these categories there were also different types of actors, different types of banks, different types of insurers etc. Probably it was ever the biggest coalition in the financial sector. It is unusual that this kind of coalitions get built. Because the interest of different market segments do not all converge. There are differences among their interests. As a result each association will act separately to some extent. But when the subject matter requires it, -because maybe it is a piece of legislation that really goes against the interests of all of them- then you see these coalitions built. The substance of it was essentially the European Commission’s effort to establish common framework for all companies accessing capital market in Europe. It was the rules, procedures and content of disclosure that would apply to companies that would issue any kind of instrument either doing a public offer or being admitted to trading on exchange in Europe. For that, there had to be a common procedure, a common authorization, a common content for the disclosure. There were various elements of the directives that actually did not really fit the market. In its drafting stage, it would need a lot of input from the market in order for it to be aligned with market practice. For example, there were entire segments of instruments that the directives neglected; bonds were not really taken into account in the directive. Procedures were

not really market friendly; some basic fundamental architectural questions in the proposal were not competitive. They would need too much bureaucracy; they would prevent companies from coming to the market quickly. They would just add to the cost of raising capital without really achieving the main purpose of unifying the market, which was its objective. We dealt with the campaign starting with a small group of banks and associations, and progressively building it up, expanding in terms of associations that were represented in it. We also increased our own understanding of the impact of the proposal. We came up with statistics, numbers, figures, showing what the impact of legislation would be on the market. We tried to demonstrate our point, the validity of our arguments with evidence. We invited experts from all over Europe to come and meet with the European Commission with the Parliamentarians. We issued a lot of position letters signed by all of these different associations. We tried to coordinate. So we would have one basic position in terms of the relevant arguments at that stage of the process. Then we would ask all the members of the coalition to translate those arguments into their own languages. So at any given moment, if there is an important meeting like national governments would discuss the issue, then each of the parties around the table would have received a briefing similar. With Commission, we had a rather difficult relationship, because it was their proposal that we were criticizing. On the other hand, it was increasingly friendly and constructive because I think very quickly the Commission recognized that it was also in their interest to align the proposal with market practice and input. They also very quickly acknowledged that in the process leading the proposal they haven't used market input. They started opening their doors to us, meeting us regularly, inviting us to come in the different divisions of the proposal. With the Parliament from the beginning we had a very constructive relationship. Because from the beginning it was of course not the Parliament's proposal and it had a more purely European perspective on the subject than the member states. The parliament was extremely instrumental in improving the draft. Because it took on board almost entirety of our proposals for amendment in its first and second reading. Essentially we wrote the entire directive. The member states of course took different lines. Some member states were against the position of the coalition and some were in favor. We worked generally with the member states that were sympathetic to our concerns. But we tried not to ignore the other member states either. So we tried to

maintain some sort of a link in particular during the presidency of some of them. Because some of them did have a strong view on it during that period they also had the presidency. So we met with the presidency several times. One of the key moments in the whole process, which in fact led this award being given to me, was on the eve of the most important Ecofin discussion on the subject. So on the eve of the Ecofin meeting when the Council was going to reach a political agreement on the directive proposal. We put together a very strong letter that was signed by fourteen associations through Europe and submitted. So that particular letter, and some of the figures that validated our point. As a result, very unexpectedly the Council decision completely changed. It was because of the letter we sent just before the Council discussion. Those member states that are aligned with us were able to use the letter, and during the meeting they took the letter and 'look, the whole European industry is saying that this proposal is going to be bad for us. We have to do something about it, we have to change the elements of the proposal.' It was a very amazing situation because we were all watching the Council debate. At some point they turned off the cameras. Apparently it was so heated that they couldn't afford the public to see what they were discussing. So the political agreement that they reached that day was very different from the original discussion in one very specific element that was very important to prevent the bureaucracy. Because of that a completely new chapter on this dossier was opened. Because the campaign didn't finish, it lasted until the last stage. Everything was much easier and we were able to achieve our ultimate objective. Many months after that, one of the publications of Euro money that follows the financial sector and had followed the campaign as well, nominated me for this award. I was very happy. I also wanted them to realize that I was the coordinator for a coalition. I stressed that the coalition made it happen. Fortunately for me, I got the award. What is more interesting is that, that was the first year that magazine started awarding. From that year onwards, every year they chose the lobbyist of the year. We got to see different dossiers that were processing across the Atlantic also because it is a publication both in London and New York. And the winner of the award is always from the financial sector. The financial sector produces various occasions for the industry to intervene and defend itself.

ZE: Thank you very much for this interview.

**b) Dr. Bahadir Kaleagasi , TUSIAD - Turkish Industrialists' & Business
Association**

**Representative to the EU and BUSINESSEUROPE- Confederation of European
Business - / Brussels**

ZE: My first question is among the EU institutions which officials are more accessible for lobbying?

Mr. Bahadir Kaleagasi: It depends on individuals, it depends on issues, it depends on the degree of conflict involved with the given issue, so there isn't single institution which can be more open. There are so many factors which define the openness. Most of them are subjective, therefore I can not give a category in general. In the past, what I have been doing, mostly the Commission and the Parliament were more open compared to the Council. But this is just a case among thousands others. Theoretically, the Council is less open than the others. The Parliament is open, the degree of competence involved is not that high. The Commission is usually open, but if there is a controversial moment or issue it can get closed very rapidly where as the Parliament even for on most controversial issue, would not be completely closed. Although Commission can be more open in general, it can get closed completely. Whereas the Parliament is less open but it can never get closed completely.

ZE: Lobbying which institution is more beneficial in this sense?

Mr. Bahadir Kaleagasi: It doesn't matter. What matters is the outcome. Whoever has an influence on the outcome, is beneficial to be lobbied. So if the final decision is to be taken by the Council of Ministers, it is the Council of Ministers especially to be lobbied. If the draft is prepared by the Commission, at that moment and at that stage, it is better to lobby the Commission and the Parliament.

ZE: What is Turkey doing, TUSIAD doing in terms of lobbying here?

Mr. Bahadir Kaleagasi: We are not yet lobbying because we are not yet member of the European Union. Lobby means influencing the decision making process mainly through money or votes. Money means being a tax payer for the system. This is the

essence of the democracy. So this civil society is organized through lobbies in order to make the political system more accountable on the way that the political system spends the money of the tax payers. The higher moment is of course the elections so the lobbying is also a stage in which the electoral process is involved to. Beyond this, there are some other elements of lobbying like being a reliable source of analysis and information, social contacts and relations, and emphasizing the areas of convergence of interest. TUSIAD is member of Confederation of European Business (Business Europe) institution in which we are having access to all other political system, political establishments of the EU countries. Because we go to them as a member of Business Europe and together with counterpart organizations. It is an important access for us. And there is this convergence of interests to be stressed. Why? Because first of all, in TUSIAD's membership there are companies which are also the companies of other countries. So when we are in Germany, German companies which are member of TUSIAD; or in Sweden or UK or in Spain. They are there with us, they are members to make sure that politicians to their own countries get the right signals but also our counterpart organizations who say to their own politicians that Turkey is an important country for them, better to be member of the European Union. So you can say whatever you want to the Prime Minister of a European Union country but when he hears the same from his own constituencies, his own companies, of course there is a more impact then. But we go and say that independently and try to exchange views and what we could propose is not for the sake of our own interest but we are really trying to really create a play ground which is common, and if we are reliable source of information and if our social relations are well organized in networks and if material convergence of interest is tangible enough, all together these 3 elements can have an impact on them.

ZE: Do you think that Turkey will be a member in the near future?

Mr. Bahadır Kalegasi: Yes, in 2014. If the conditions meet for Turkey and for the European Union and nothing happens on the contrary in the global scene. So there are elements in the equation: Turkey should be ready, EU should be ready. Then there is the enlargement for Turkey. If one of these elements is missing, there won't be enlargement for Turkey

c) The interview with Mr. Bruno BOISSIERE , Director of the Bureau of CIFE in Brussels, Former Deputy in the European Parliament

ZE: How do lobby groups access to European Commission, European Parliament and the Council of Ministers according to your experiences?

Mr. Bruno Boissière: There are many lobbies of many kinds in Brussels; some are European lobbies, some are national lobbies, some are even local, regional, global whatever. Not all of them but most of them try to lobby on the institutions. I am more aware of the lobbying on the European Parliament as a former member and almost daily correspondent to the Parliament, and I think that it is very very open, and the lobbying is very active within the European Parliament for sure. Of course there are, I am sure, in the three institutions regulations on the lobbying because it should not be completely free, but whatever the rules are, I am sure that there are many ways to bypass the rules at least within the European Parliament, Because the European Parliament in many fields is one of the two institutions to codecide on the legislations. For the lobbying, they take their chance to influence the rapporteur on a specific issue, so the route of the plenary, so that there is a majority in favor of their interest. I guess you have looked at the rules concerning the access of lobbies concerning the access of the European Parliament, I guess that this in on the web site, it was even more open and less transparent in the past, I mean that some MEPs were direct platforms for lobbies. For instance, when the party builds its list for the European elections, which is why to have a list representing the population as it is, with men and women, but also with people representing the agriculture, economy, culture etc. So behind the MEPs there are lobbies. It is fair. According to me the MEPs should not defend specific sectorial areas, but they should defend the common interest, and the common European interest not so much the national or individual interest of some people. But there had been problems with some MEPs, who directly employed people of the lobbies in their offices as assistants. It has happened many times, and therefore they have issued rules to try to avoid this at least to make it transparent. So MEP has to declare who would be employed and whether there is lobby behind it. So of course even with the rules, there are ways of doing it without saying or indirect way. I know that it exists in different

fields, should there be lobbies with economic interest, or lobbies with ideal interests. I just noticed this week, that somebody in the office of one MEP declared to be a coordinator of a working group in the EPP on the Pan European Europe. And the president is this MEP, is employed at the office of the President of Pan Europa. So one of his assistant found a job. Of course it is impossible to know the situation in offices of each of the 732 MEPs. But I am sure that there are people representing the agricultural lobbies because they come from this sector, they are direct linked or family linked etc. So it exists.

ZE: But is he a former MEP or still an MEP?

Mr. Bruno Boissière: Still MEP.

Mr. Bruno Boissière: I would add something which I know quite well. These are the intergroups. The intergroups are not the official structure of the European Parliament. The only two groupings which are acknowledged by the European Parliament are the European political groups and the specialized committees on different issues. But in addition to that there is an informal grouping of MEPs which are the intergroups. In the past there were hundreds of own declared intergroups, the Parliament saw that it should put some order, so they have issued rules such as every intergroup to be recognized as an official intergroup, should be supported and should have the signature of three presidents of three political groups minimum. And so now there are 16 or more intergroups and quite often these intergroups are a link between the external lobbies and the Parliament. For instance, I am involved in the federalist intergroup. It is true that this intergroup is a great interest for the union of European federalist, the young federalist. So they consider that they are through in to the European Parliament but also they are intergroups dealing with wine or industry of shoes etc. Very clearly these are platforms, forums or discussions between official lobbies and MEPs. Only by looking at the intergroups case by case or one by one you would see clearly what I am talking about. And besides this there is the daily lobbying when there is a report or hot report. But I remember when I was a member, I was rapporteur on the Committee of the Regions and I had a very specific view on that will be called the Committee of the

Regions has been established. My report was to influence the way it should be elected, not appointed. According to me, they should represent the regions more than the cities or the provinces or departments. That was my view. I know that there were two lobbies in this sector; one was considering itself strong and influential. So they didn't care about influencing me and maybe they checked in advanced that I was in favor of their ideas. So they didn't act to lobby me because I was defending. I am not sure about this. Because this lobby was 'Assemblée des Régions de l'Europe' But as they are very political because they got the President of the Bavaria, Catalonia etc. So they are very strong. Bavaria or Catalonia represent more than Luxembourg. So they consider themselves strong, they don't need to loose time (I exaggerate) with the rapporteur. And maybe they knew, I am not sure if they knew or not, that I am defending their views. But there was another lobby which had the opposite view, which is the ECR (Municipalities and Regions of Europe). They were defending mainly the cities and departments, cantons and districts but not the regions. Regions are the other organization although they have the word the region in their names. They lobbied in the corridors and even during the votes in the committees or during the votes in the plenary they go and lock the doors of MEPs and say that 'Be careful, you should go and vote because there is a danger of this'. This happened. Except the Secretary General of a lobby goes to the offices probably to the MEPs who they know to say that 'Don't miss this very crucial amendment, you have to vote in favor or you have to vote against etc'. The MEPs are busy with so many things that sometimes they are not so aware, and this has happened.

ZE: I was going to ask if lobbying is effective or not but what you have said is that there is no question that they are so effective.

Mr. Bruno Boissière According to me, I think that on the long term they are efficient. But if you are an MEP with a very convinced and determined political will, you will not be influenced by lobbies. That was my case, my view. Of course, I could have a meeting with them, they could have tried to influence, I will not change my opinion. But quite honestly, I am sure that with such a number of MEPs, some MEPs do not care so much about their own work at the European Parliament or they have no idea, and they let it to

the lobbies. Because they don't come to Brussels so often, they don't care that much, and this kind of MEPs are more inclined to follow ideas that are suggested by the others when they are not very motivated.

ZE: So do you think that the Commission has apparently most efficiency for the interest groups to lobby?

Mr. Bruno Boissière: I don't know so much how it works at the Commission, I am sure that there are clear rules. I know that people also criticized some Commissioners so at the top of the Commission for instance in the current Commission, there are Commissioners who directly come from lobbies or economic sectors. -This is a critical view that I say here- why should the Commissioner on competition be member of the board –but not anymore- but when she was appointed she was the member of the board of many big companies in Europe. Why should Maritime Affairs, the Navy be in the hands of the Commissioner for Malta? Why give the international commerce to a British? We know that Great Britain is more inclined to the Common Wealth and is more looking at the United States? So I mean by electing these, you play with the independency of the Commission. Of course, they come from these sectors, and they are directly linked with these sectors. The commission becomes less independent. For instance if Agriculture for France has always been important, I think that to have an independent Europe, you should never give the position of Commissioner of Agriculture or Directorate General to a French which has often been the case. For fisheries, you should give Fisheries –this had happened- to Austrian. People would say 'why should an Austrian have an interest in fishing?' But he or she will have a more independent view.

In the Council it is not very easy to access, but it is through national channels, because it's where the national interests are represented. If it is a regulatory dimension, lobbying goes through permanent representation of the Council. Most delegation is in the European Commission, so more independence in the European Commission. European Parliament is different because they are elected from their regions. But European Commission should remain neutral.

ZE: Would you like to add anything, Mr. Boissiere?

Mr. Bruno Boissière: Only once in my career when I was a MEP, I was invited by the ambassador for an issue that was on the Enlargement. There was a kind of a will of the MEPs of different groups including myself to resist to enlargement, saying that we have to deepen first. So we were invited to lunch by the French Ambassador. I went to that dinner and at least 4 of the 5 MEPs had nice lunch at the personal residence of the Ambassador. And we said that it was nice, but we won't change our mind.

ZE: Are you still against the Enlargement?

Mr. Bruno Boissière: I voted against Austria, I think I said I would up stained for one country. It depends under which condition. But I am not in favor of enlargement if it is just to enlarge. So my question is first what are we doing together? And I am sure that for instance UK is not in for the same reasons. And why shouldn't we consider Switzerland, I want Switzerland to be a member of the EU. They don't seem to be interested but. These all things need to be rediscussed and refund. And my answer about Turkey is if the Turkish people – and I don't care about the Turkish government- they want to join, want to transform to European federation, I am in favor, but not if they want to be one of the powerful member states with unanimity and be a supporter of NATO but not of the European Defense etc. My problem is not the religion, is not the geography, is not the size of the population. What do we want to do together? And maybe Turkey wants better Europe than the British or Danish or etc.

ZE: Thank you so much for the interview.

d) The interview with Mr. John JOLLIFFE, Associate Director / Interel PR & PA

ZE: Are the European institutions accessible to talk for the firms or the consultancy groups?

Mr. John Jolliffe: So the short answer is generally 'yes' actually. It varies. The commission is very accessible, they really have to be, because they initiate the legislation based on signals which they detect from different national governments and also from the market, what industry thinks as well. So the Commission is very accessible, it has to be, because they are the focus of all the attention at first because they initiate the legislation, so the first point of lobbying contact is often the Commission. And they have to be very accessible as I said. Even before a formal piece of legislation is proposed, they are often obliged to hold public consultations as well, so both formally and in practice the Commission is fairly accessible. And they need to be that politically to show they are not in favor of particular groups, to show that they have consulted widely. Their legitimacy depends on the fact that they are seen to be consulting with different groups.

ZE: For the European Parliament and for the Council of Ministers, Would you make similar comments or which way?

Mr. John Jolliffe: I would say that in the Parliament accessibility there is not really a problem, the Parliamentarians there, they exist to represent the interests of the public. So they again in principle, are absolutely there to listen. The difficulty there is perhaps the lower level of expertise compared to the Commission. You have people in the Commission who will be dedicated to particular policy area, who spend months and years working on a particular issue and formulate legislation and send it out. It will then come to the Parliament of generalists where a large number of MEPs would not necessarily have the technical expertise to comment on a particular dossier. And where they are influenced by a few better informed individuals. So it is not a question of accessibility in the Parliament but maybe a question of specific knowledge.

ZE: that is the difference between the Commission and the Parliament

Mr. John Jolliffe: It is one of the differences. Especially on particular complex legislation relating to my area information technology, it can be quite problematic. And on the Council, that is rather more difficult to lobby because a national position is formulated in the capital. And then the representatives come to Brussels to do the discussions. The opportunity for lobbying and inputting into the discussion in Brussels are relatively limited. You can speak to the national representations here, but the real decision maker is always in the capital.

ZE: Which one is more beneficial to access, the Commission apparently?

Mr. John Jolliffe: No, it depends on the timing or the stage in the lobbying process, you will need to speak to different people at different times. Because legislation starts with the Commission, then it goes to the Parliament and the Council. So there would be different institutions that will be the focus of your attention at different times. But it is true to say that the Commission is probably a focus all the way through

ZE: Can you give some specific examples, generally known in Brussels that lobbying really worth and had success?

Mr. John Jolliffe: I think that every issue is lobbied by somebody, so somebody is always successful, and somebody is always losing. There was a specific discussion where lobbying failed. It is very rare that legislation is initiated and then they fail to reach any kind of conclusion. One such debate was the debate over software patterns, the patentability of computer implemented inventions where the Commission made a proposal, then in the end there was no agreement between Council and Parliament so the legislation failed. And there was no new legislation. That was the case where there was too much lobbying, too much confusion. And nobody conceived clearly the way through. I give a negative example because there was lots of money, time and energy

spent on lobbying this issue with all three institutions. And none of it helped to produce a consensus that everyone could live with. That is relatively rare. It was July 2005.

ZE: Some academicians and some researchers say that lobbying centers shifted from national capitals to Brussels. Do you agree with this?

Mr. John Jolliffe: Yes, I think it is probably true. I think there was a time when some companies could rely on speaking to their national governments to represent that position in Brussels and have a reasonable chance of having the outcome they wanted. But the nature of lobbying in Brussels, the number of people involved means that you have to play a much more inclusive game and speak to many many more people and speak to the right people at the right time. Timing is everything as well. So it is not sufficient to rely on your national government to support your position because you are a national champion as a company.

ZE: Or a European maybe, a multinational?

Mr. John Jolliffe: Yes, I think there is...national lobbying is of use at sometimes. If you can demonstrate support for your position because you have demonstrated support of a particular government or governments that can help at times

ZE: Would you like to comment any other thing on lobbying?

Mr. John Jolliffe: I think it is a challenging and rewarding line of work. Actually I have never had two days which are the same. Everyday throws up different challenges, different questions. A lobbyist is required to be a fairly varied person, great ability to understand and synthesise, great communication, political sensitivity, so you have to have various things. Ideal lobbyist is a very varied character, very versatile character.

ZE: Would you like to present Interel a bit, please?

Mr. John Jolliffe: Interel is a strategic European Communications company. Because we as well as lobbying we do other things as well. We do corporate communication which is outside of the political sphere. We do simple public relations as well which is business to business or business to consumer marketing. So we do a variety of things, and the European public affairs practice is just one important component of them. But the different areas of our businesses, the different expertises, often help and overlap. Because if you are doing European public affairs then it helps to have understanding of marketing and PR, because you are not simply delivering position papers, you are trying to mobilize a number of different people to influence and to support your position. Lobbying can become very formulaic, if you don't stop and think about why and how you are doing things. So this is one thing that we are trying to do, is to be creative and think of new ways of addressing similar problems

ZE: Thank you so much Sir for giving a part of your very busy time to this interview.

e) Prof. Dr. Mathias Jopp, Institut für Europäische Politik, Berlin

ZE: Which of the EU's institutions is more accessible for lobbying?

Prof. Mathias Jopp: At any time the Parliament. It is easier to identify the parliamentarians, who sympathize with Turkish interests. The Turks know very well who are the parliamentarians who are supporting their interests and who are against them. Sometimes you need to lobby more difficult parliamentarians who are skeptical. However some of the new member states representatives, for example Polish MEPs, are very much in favor of Turkish accession under the condition that there is support for the accession of Ukraine too. So they try to combine the two cases, but in general they are in favor of enlargement. New member states and their MEPs, who have just made the experience of joining the Union, are more in favor of enlargement than most of the 'old' member states and their deputies. In the European Commission, first of all it is the desk

officers who are responsible for Turkey and then the head of the department and the Director General in the DG Relex (External Relations) and of course the Commissioner and the Director General (Enlargement). Whenever one can one should also try to get as close as possible to the President of the Commission and its staff. So, also the Commission is very accessible. You just simply need to write a letter or to call and ask for an appointment. Tusiad, for example, as an industrial association, is also doing this, too.

In the Council Secretariat things are much more different, and difficult. You have 9 DGs in the Council who are in part mirroring the DGs of the Commission. But the Commission has in total 25-26 DGs. The President himself is not having a DG. In the Council things are less accessible. And it is important to establish some contact to Solana. Because he is not only the High Representative for the CFSP, but also the Head of the Secretariat. He is the Secretary General. Most of all the Secretary General's job is to support the Council and in particular the Presidency. Hence it is always important to contact the act in Presidency, too, which is in principle accessible, but overloaded with commitments, dates etc. So you must look ahead who will take over the Presidency the next time and afterwards. That is also what the Turkish Permanent Representative very well knows and does. And if Abdullah Gul or others are coming, they are prepared for the official visit and know who to present the Turkish case.

ZE: Why do you think that lobbying has become more important in the last 20 years in Brussels?

Prof. Mathias Jopp: The more member states there are, the more you must lobby at the relevant institutions and the relevant people in Brussels. The whole configuration of interest has become much more difficult. Not only because of the increased number of member states, but also because of the spread of competences of the and the widening of policy areas. There was no foreign policy, no defense policy, no security policy 20 years ago in the Union. There was no cohesion policy 35 years ago in the European Union. 30 years ago there was no trade policy. And 40 years ago, there was no Customs Union. There was no Home and Justice Affairs, there were no action plans for fighting organized crime. There were no action plans on energy policy. The more there will be

accumulated in terms of policies and policy areas in Brussels, the more lobbying will occur.

ZE: What are your personal experiences? What did you do for lobbying?

Prof. Mathias Jopp: I did lobbying in the Commission and the Parliament. The most difficult job is keeping close contact with relevant people in the Commission who rotate every five years into another position. So you have to start again to build up trust and confidence after such a period of time. But it is a bureaucracy. And bureaucracies have traditions and mostly the new person in charge of our file is proceeding the same way. Sometimes there arrive difficulties and we try to do our best to make clear to the newcomer that we are very open to any suggestion coming from his or her side in order to take this into account in our future projects. In the Parliament the problem comes once a well established Parliamentarian is leaving the European Parliament. That is more difficult in the Parliament than it is in the Commission. We now try constantly to inform new members of the Parliament about our institute. I make personal interviews with them and we are sending them our publications. Mostly we are approaching German MEPs, but of course we send publications also to the Dutch, we send it to the Luxemburgers, to some British or French MEPs especially those from areas close to the German border. We are also sending our English publications to a number of selected MEPs, notably our internet publication EU-27 watch.

ZE: Thank you very much for offering your time for this interview, Mr. Jopp

f) Ms. Diana Vanhoebroek, Liaison Agency Flanders Europe / Brussels

ZE: My first question is, would you please tell about what you do here and your organization?

Ms. Diana Vanhoebroek: Our organization is called Liaison Agency Flanders Europe. For several years, the European institutions are located in Brussels. The Flemish government or Government of Flanders thought that there was no problem because they are also located in Brussels. So Flanders doesn't need a specific agency to influence the European decision making process or to keep track with what is going on in Europe. Now, we have come to the conclusion that this presumption was wrong. We see now that all the member states or regions have specific offices here in Brussels who do nothing else than lobbying for their own interest. There where Flanders doesn't have an agency like that. Therefore, Liaison Agency Flanders Europe (vleva) was established. The specific thing about the agency is the fact that it is a public private partnership. As a PPP, vleva acts as an interface between the Authorities of Flanders, the Flemish provinces and cities and Flemish civil society/Flemish community-based organizations (f.e. the organization that represents the cooperations, that represents agricultural organizations etc). The agency exists about a year. The first year was the starting up year: finding a location, explicating our mission and vision, how are we going to work etc. Now we have come to a point where we will become really operational.

ZE: So which institution is more accessible; the Commission, the Parliament or the Council for your point of view?

Ms. Diana Vanhoebroek Concerning the European Parliament, at least we are going to try to keep very good contact with our own members of European Parliament and their assistants. Through those contacts, we are also going to try to get access to the other members of the European Parliament, always from the point of view: which member of Parliament is specifically interested in which kind of dossier/item. Of course, I think our main target group will be the European Commission-officers and the cabinet of the European Commissioners. We are now trying to get a view on which officials are Flemish, are coming from Flanders. Because that is a very important network for us,

and at this moment, we don't have a view of which people of Flanders are working there. Then we are going to bring them together to let them know that we now have a Liaison Agency Flanders Europe. The EC-officials can give us relevant information concerning a dossier, in an early stage of the decision making process. This information can be transferred to Flemish authorities and organisations

I think it is also important for us that through those Flemish officials we can get access to other officials that are working on particular dossiers.

At this point in time, I can't really tell which institution is more accessible, because we still lack the necessary practical experience. But what we can see is that we have already succeeded in gathering some Flemish European Commission officials. For members of Parliament it is more difficult, of course it is normal because their agenda is much more busy than the one of the officials of the European Commission.

ZE: And which one is more beneficial to approach?

Ms. Diana Vanhoebroek: I think it really depends on in which stage of the decision making process you are situated. When it is at the very beginning, I think that trying to influence European Commission is more beneficial. If there were the codesicion procedure, you also have to point your arrows towards the MEPs.

ZE: Can you give more examples about your actions here?

Ms. Diana Vanhoebroek: There is one concrete dossier that one of my colleagues has been working on: the Galileo project where our liaison officer, responsible for competition, has gathered some European Commission officials in order to get a very clear view on Galileo, what is going on there or how we can influence.

Next week our managing director has invited the Flemish members of European Parliament in order to talk about the European Institute for Research. So that is also a concrete initiative towards the members of the European Parliament that now has been taken.

ZE: Thank you very much for this interview.