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Interest groups as actors influencing the process of reforming the European Union: The Case of Poland

Interest groups play a constructive and significant role in the political system of the European Union (EU). This is particularly evident in the decision-making process, in which they actively seek to participate. Interest groups are playing a significant role in the process of reforming the European Union because they influence the decision-making process and EU policies and are thus changing EU law and the direction of its development. However, their activation at the European Union level is, to some extent, limited by exogenous factors, such as changes in voting systems that may contribute to making sublimated decisions affecting its reform processes.

Theoretical and methodological assumptions of the study

The theory of neo-functionalism, crucial from the point of view of interest groups, is useful in a broader study of this phenomenon.¹ According to Ernst Haas, the author of the theory of neo-functionalism, the key assumption of this theory is the rejection of the monolithic, the unanimous functioning of the state as an organised society. The neo-functional concept assumes the functioning of the state as a team, under which various interests represented by particular business groups interact.² Ernst Haas says that the focus of pressure groups and elites is to articulate their interests and to achieve their political goals.³

Also, an important instrument for verifying interest groups that are actively involved in the EU reform process is the institutional method – used in this study as a tool to isolate the subject of the study. According to institutional theory, terminologically, individual political

¹ B. Rosamond, *Theories of European Integration*, New York 2000, s. 50, U. Kurczewska, *Wprowadzenie*, in U. Kurczewska (ed.) *Deficyt demokracji w Unii Europejskiej*, Warszawa 2008, p. 8.

² E. B. Haas, *Beyond the Nation State. Functionalism and International Organization*, Stanford 1964, p. 37.

³ E. B. Haas Bernard Ernst, *International Integration: The European & The Universal Process*, in D. Hekhuis, C. G. McLintock, A. L. Burns (ed.), *International Stability, International Organization*, Wiley, Cambridge 1964, p. 230.

institutions, such as the European Union, create the functioning of interest groups.⁴ They influence the formation of interest groups and their functioning, their tactics, strategies and methods of influence used during their lobbying campaigns. First, the European Union is dynamic, which means that it is being transformed, not violently – rather it is undergoing reform. Second, it is a complex system in which various entities function, including interest groups, which affect institutions, including EU bodies, and vice versa. Institutions interact with interest groups operating within the system. Third, the EU system is multi-level. Fourth, the main objective of the EU and its institutions is to reach an inter-entity compromise that is a satisfactory solution for all parties involved.⁵

As part of the analysis into the EU reform process, I decided to put forward the following research hypothesis:

Interest groups, as actors actively participating in the institutional and decision-making system of the EU, have a significant impact on the reform process that is taking place, due to the ever-expanding possibilities of influence that take into account both the broadening of the competences of individual EU institutions and bodies and the policy areas of individual EU institutions. The exogenous and endogenous factors in the EU itself and its structures, which contribute significantly to the whole reform process of the EU itself, will an independent variable. These factors include: the availability of adequate funding for lobbying campaigns, access to individual EU institutions, priority areas for EU development and changes to the voting system. It is worth emphasising that the changes in the EU itself are also affecting the development and reform of particular interest groups, including Polish interest groups.

Taking into consideration the above theories and the research hypothesis, and analysing interest groups as one of the subjects of European integration from the perspective of reforming the European Union, one should ask the following research questions:

- have interest groups had and do they have a significant impact on reforming the European Union?
- has there been an increase in the importance and activity of interest groups in evolutionary terms?
- have interest groups influenced individual EU policies, thus contributing to the reform of the European Union?

⁴ R. Eising, *Grupy interesu a Unia Europejska*, in Cini M. (ed.), *Unia Europejska, organizacja i funkcjonowanie*, Warszawa 2007, p. 273.

⁵ Ibid, p. 273.

- what external factors contribute to the fact that interest groups might have an impact on the reform process of the EU?
- which EU institutions are important for interest groups in the context of reforming the European Union?

I will begin the exploratory analysis with an example of the process of the formation of interest groups and their relations with the EC/EU. The European Union in the 21st century has broadened its influence with new policies, which means that the EU is no longer just an "economic" community, as it was in 1957 as a result of the establishment of the EEC. The situation is similar with interest groups, which also no longer play an information role but constitute a strong forum for articulating interests from different socio-economic backgrounds.⁶ By analysing interest groups from the perspective of reforming the EU, I decided to sublimate the following two research areas:

- the growing importance of European and Polish interest groups in evolutionary terms;
- relations of European and Polish interest groups with EU institutions.

The growing importance and activity of interest groups in evolutionary terms

Taking into account Daniel Guéguen's division, there are four basic stages in the formation of interest groups⁷: the emergence of the European Union, where fusion lobbying was crystallised (1957-1970), the stagnation phase - diplomatic lobbying (1971-1987), the construction of the single market - strategic lobbying (1988-2005) and the EU enlargement phase: Europe of thirty nations - cross-lobbying (2006-present).

Fusion lobbying was the period of the founding fathers and the creation at that time of the European community under Franco-German auspices by 6 countries of today's EU. This stage can be characterised as a time devoted to legislative and regulatory activity, where one of the main trends was the creation of a common agricultural policy within the European Community, the implementation of common preferences in trade, and a prelude to the creation of a common market (e.g. for sugar and wheat).⁸

Diplomatic lobbying was a stage when interest groups stagnated. In this period, a change in the voting format from a qualified majority to unanimity began, which had a significant impact on the further development of the EC. Worth emphasising is that only some policy areas were developing at that time. A good example of this development is the

⁶ J.F.Czub, *Lobbying grup biznesu*, Warszawa 2012, p. 28-37.

⁷ D. Guéguen, *Lobbying Europejski*, Warsaw 2011, p. 13-16.

⁸ *Ibid*, p. 13.

implementation of the Health and Safety at Work Directive and the management of CFP common organisations. This period saw a new type of representative of interest groups – diplomats.

Strategic lobbying was the answer to the previous period of stagnation. There was a breakthrough and the development of a strong lobby in Europe really started in the 1980s. One of the key figures at the time was Jacques Delors, then President of the European Commission. It was during his time that Europe was reborn, along with the strong position and development of interest groups. It was during this period that activities aimed at building a single market (now the internal market) intensified. Thanks to the strong Franco-German relations and the new EC president mentioned above, the European Commission succeeded in reforming the functioning of European institutions. Key issues affecting EC/EU reform and the development of interest groups include the following: the reintroduction of qualified majority voting, the transfer of exclusive legislative initiative to the EC (including the drafting of legislative acts), and the introduction on 1 January 1993 of the single internal market. In 1989-1992, there was a radical change in lobbying by interest groups. The construction of the single market in the 1990s initiated a change in the location of lobbying groups, with interest groups beginning to move from Paris to Brussels. Some of the first interest groups were lobbyists representing the sugar sector in the EU. In 1988, CEFS (European Sugar Manufacturers' Committee/Fabrication de Sucre) moved its headquarters from Paris to Brussels (the Paris office was closed on 31 December 1988 and the office in Brussels opened on 2 January 1989). The main task of the new Brussels team was the rebuilding of its position in the EU and the recovery of its former, neglected influence. In those years, other important interest groups moved from Paris to Brussels. Another key organisation that played a role in the EU's reform process was the FoodDrinkEurope organisation [former Confederation of Food and Drink Industries/Confédération des Industries Agro-Alimentaires de l'UE (CIAA)]. FoodDrinkEurope worked intensively with EU institutions, and in particular with the EC, thus becoming one of the key reformers of the EU, its structures and Single Market policy. During the strategic lobbying stage within the single market, lobbyists became increasingly active. Since the 1990s, since the creation of the single market, the Uruguay Round, CAP reforms, the establishment of regional policy (now cohesion policy), and the accession of new Member States in the EU, for interest groups the process of forming the EU in Brussels, the lobbying capital, began. Interest groups started to become increasingly active in Brussels, and European capitals were no longer the centre of

articulating the interests of interest groups. Their numbers started to rise. Estimates indicated that about 15,000 lobbyists were active at the time.⁹

It should be stressed that the successive enlargements of the EU in 2004, 2007 and most recently in 2013 were a major obstacle at this stage. The large increase in the number of EU members started to force interest groups to create a new model for how these groups would function within EU structures. The main barrier to compromise and negotiate is the fact that too many countries prevent rapid communication and the reaching of consensus between EU institutions and lobby groups. As Guéguen says, there is a blurring of interests, with vague solutions reflected in EU law.¹⁰

Cross-lobbying is the next, and at the same time the latest, stage in the reform process of the EU and the functioning of interest groups within its structures. This period requires interest groups to make further changes and reform their functioning, as already highlighted in the previous stage of development. Thanks to the enlargement of the EU, new opportunities are emerging, but also a number of divergences of interests are arising, thereby affecting the pace of reaching consensus with EU institutions. Since 2013, the EU of 28 member states means that interest groups are forced to change the way they lobby to EU institutions. As Guéguen points out, in the 1990s, European industry federations acted counter reactively (i.e. they only took action in response to someone else's reaction) or used defensive methods.¹¹ This way of operating was the result of lack of vision, financial resources, or proper direction. NGOs, which have true convictions, credible and reliable arguments, large financial resources, and modern communication methods, were in the first place in terms of activation. Guéguen's statement that the process of reform and the functioning of interest groups in the EU is taking on a cross-lobbying form means that interest groups have the ability to build links between lower and higher rungs "from the manufacturer to the consumer" through interest groups.¹² Sector lobbying will become less visible and horizontal lobbying will be more evident, which means that lobbyists will become more like partners of EU institutions.

Taking into account the above changes in the methods and forms of lobbying at a European level since the 1950s, I have noted that the growing importance of interest groups is visible, particularly in the context of the EC/EU reform process. One of the key moments that affected the development of interest groups was the creation of the single market, launched in

⁹ L. Buonanno, N. Nugent, *Policies and Policy Processes of the European Union*, Houndmills, Basingstoke, Hampshire 2013, p. 70.

¹⁰ *Ibid*, p. 15-16.

¹¹ *Ibid*, p. 16.

¹² *Ibid*, p. 16.

the 1980s, and current today.¹³ This process of the crystallization of interest groups is and was dependent on many factors. The initial stages were related to the formation, stabilisation and reconstruction of Europe, especially Western Europe. It was much more difficult to determine the actual number of interest groups until the transparency register was created.

Thanks to the enlargement of the EU by new states, many organisations have recognised the opportunities the European Union has given them. The development of direct lobbying at EU level has enabled interest groups to influence not only EU decision makers but also national decision makers. This opportunity arises from EU law, which emphasises the superiority of EU law over national law, and thus European Union legislation is implemented directly in the form of a regulation or is implemented through a series of national implementing acts incorporating EU directives. As a consequence, the emphasis placed on the governments of the Member States has been to some extent facilitated by interest groups. Proof of this are the following factors highlighting the importance of the develop of lobbying in the EU arena: the increase in the competences of EU institutions, the changes introduced in the EU decision-making system since the founding of the European Community in 1957, the increasing openness of institutions and officials of EU institutions and bodies, the growth in the strength of interest groups at a European level (sublimation of leaders from individual sectors), support from the European Commission and other EU institutions for interest groups through stronger engagement in advocacy and civil society, especially from the beginning to the White Paper in 2001.¹⁴

Relations of European and Polish interest groups with EU institutions

The international organisation that is the European Union, and in particular its key institutions, has a significant impact on the interests of lobbying organisations within the EU system. EU institutions within the EU political system not only provide the opportunity to influence the decision-making process, but they also create various advisory bodies that allow interest groups to carry out broader lobbying at a European level.¹⁵ In addition, EU institutions by creating individual committees and advisory groups, delegate to them some of

¹³ S. Mazey, J. Richardson, *Interest Groups*, in: Cram L., Dinan D. Nugent N. (ed.), *Developments in the European Union*, London, 1999, p. 105

¹⁴ European Commission, *European Governance: a White Paper*, COM (2001) 428 final.

¹⁵ S. Mazey, J. Richardson, *Pluralisme ouvert ou restreint? Les groupes d'intérêt dans l'Union européenne*, in Balme R., Chabanet D., Wright V. (ed.), *L'action collective en Europe. Collective Action in Europe*, Paris 2002, p. 123-161.

their powers in the decision-making process and the implementation process.¹⁶ These bodies support diverse interest groups by: providing and securing financing related to the functioning of the organisation, providing substantive assistance or enabling access to the decision-making process, and by continuing to cooperate with interest groups in different areas.¹⁷¹⁸

Within the EU system, four features can be identified, as a management system, that affects the behaviour and functioning of interest groups striving to influence European institutions, and how these EU institutions engage interest groups in EU policy-making processes. These include, first, the fact that the EU system is a dynamic system; second, the EU system is heterogeneous in horizontal and vertical terms; third, the EU system fosters the building and establishment of consensus for all stakeholders (institutions and interest groups), and, fourth, the EU's system is unique in terms of introducing proper rules regulating lobbying in the EU.

The horizontal approach emphasises that political responsibility is distributed between European institutions and bodies, while in the vertical approach European institutions share power with EU Member States.¹⁹ This division is explicitly highlighted in the Lisbon Treaty of 2009 and is dependent on the policy phase and the area for which EU institutions have exclusivity, and for which Member States have exclusivity, and those that are shared between Member States and the EU (OJ EU 326 of 26 October 2012, Articles 2-6 TFEU). The most important EU institutions and bodies that of intense interest to lobbyists are: The European Commission (EC), the European Parliament (EP), the Council of the EU and the European Council, the Court of Justice OF THE European Union (CJEU), the European Economic and Social Committee (EESC) and the Committee of the Regions (CR).

The European Commission is an important target for interest groups. This is because of the following reasons:

- The Commission has a key role in setting the program; all conclusions and comments have to go through the commission,
- The Commission decides on introducing amendments to EU legislation,

cf.¹⁶ G. Falkner, O. Treib, M. Hartlapp, S. Leiber, *Complying with Europe EU Harmonisation and Soft Law in the Member States*, Cambridge 2005.

¹⁷ M. A. Pollack, *Representing Diffuse Interests in EC Policymaking*, "Journal of European Public Policy" 1997, Vol. 4, No. 4, p. 572-590, cf. S. Smismans, *Law, Legitimacy and European Governance: Functional Participation in Social Regulation*, Oxford 2004.

¹⁸ cf. R. Eising, *The political economy of state-business relations in Europe: interest mediation, capitalism and EU policy making*, London 2009.

¹⁹ R. Eising, S. Lehringer, *Interest Groups and the European Union*, in Perez-Solorzano Borrigan Nieves, Cini M. (ed.), *European Union Politics*, Oxford 2013, p. 185-186.

- The Commission is open to extensive cooperation with interest groups.

The Commission is a good institution to start lobbying at a European level. All political proposals "must go through the Commission and are subject to detailed institutional analysis".²⁰ This means that the European Commission is an important channel for monitoring all issues related to EU legislation and that it is the main place to influence the details of cases of concern to interest groups. The European Commission is universally recognised as an EU institution that is responsive and welcoming to formal cooperation with representatives of interest groups.

The European Parliament has fewer legislative powers and does not have as strong a position as the EC or the Council when it comes to decision-making. It should be emphasised that the EP is also an important institution for lobbying by interest groups. This situation is due to the EP's position in respect of other institutions within the EU institutional system, and because of the EP's long-standing advisory role, which is a form of indirect influence on other institutions within the system (e.g. the Commission). Furthermore, members of the European Parliament (MEPs) compared to national MPs, for example in Poland, are relatively easily available. Thanks to this, interest groups have a wide range of lobbying opportunities with MEPs.²¹ The European Parliament is seen as a "natural ally" for interest groups lobbying for the protection of consumer rights, fundamental rights (including women and children in particular) and the environment.²²

The Council and the European Council are also important institutions for interest groups. The competence of the Council (EU Council) makes it an important target for interest groups.²³ In reality, however, there are few opportunities for interest groups to influence it. The situation is similar in the case of lobbying the European Council. These institutions mainly meet behind "closed doors", which is reflected in the fact that interest groups have no direct access to them. This is due to the fundamental fact that the members of the institutions under analysis are supported by national representatives and a permanent administration in Brussels. (Committee of Permanent Representatives – COREPER, or Council Working Groups). Moreover, compared to the European Commission, the Council has less need for information presented by particular interest groups. The consequence of this situation is that,

²⁰ S. Mazey, J. Richardson, *Interest Groups*, in Cram L., Dinan D., Nugent N. (ed.), *Developments in the European Union*, London; 1999, p. 112.

²¹ I. Bache, S. George, S. Bulmer, *Politics in the European Union*, Third Edition, Oxford 2011, p. 341.

²² M. A. Pollack, *Representing Diffuse Interests in EC Policymaking*, "Journal of European Public Policy" 1997, Vol. 4, No. 4, 572-590.

²³ I. Bache, S. George, S. Bulmer, *Politics in the European Union*, Third Edition, Oxford 2011, p. 339.

therefore, the Council does not have so much need to approach and engage with interest groups. This means that the lobbying of the Council takes the form of a more indirect approach as is the case with the Commission.

Apart from the key analysed institutions, the Court of Justice of the European Union (TSUE), the European Economic and Social Committee (EESC) and the Committee of the Regions (CoR) are also lobbying targets for interest groups. The Court of Justice of the European Union (CJEU) exercises its jurisdictional role within the EU and since the entry into force of the Treaty of Lisbon it has gained broader powers in interpreting EU law. The CJEU includes the Court of Justice (CJ), the General Court and the Civil Service Tribunal. Formally, the CJEU interprets and monitors EU law and its compliance.²⁴ It is important that EU law prevails over the national law of any Member State. It is worth noting that the preliminary rulings allow national courts to refer questions concerning the interpretation of EU law to the Court. Thanks to this, interest groups can lobby domestic institutions and jurisdictions. In this case, lobbying will involve verifying compliance of national law with EU law. Another important object of interest for lobbyists is the European Economic and Social Committee (EESC), which plays an important role in key institutions affecting EU law such as: the EC, EP and the Council.

Conclusion

In conclusion, the EU reform process is a complex stage in which interest groups are actively involved, including Polish interest groups. They have a great impact on the reform process itself, but also individual EU institutions in question are having an impact on the reform of interest groups. In my research, I have tried to answer the research questions put forward, and to prove that interest groups are actively involved in the institutional and decision-making system of the EU. At the same time, through their strong activity, they have a significant impact on the development of the EU and the ongoing reform of the European Union, including EU law and its development in structural terms. This is due to the ever-expanding range of competences of individual EU institutions and bodies, the policies of the individual EU institutions and the development of the EU itself. I also tried to show that exogenous and endogenous factors in the EU itself and its structures have an impact on the development of interest groups within the EU reform process. It is worth emphasising that the changes in the EU itself are also affecting the development and reform of individual interest groups. Interest groups are thus an integral part of the EU's crucial decision-making process,

²⁴ S. Hix Simon, *The political system of the European Union*, Basingstoke 1999, p. 108.

which is not irrelevant, because their lobbying campaigns are effective in amending or creating EU law from the ground up. Consequently, since interest groups play a key role in law-making and the changes taking place within the European Union, they thereby affect the reform process. It can be assumed that the role of interest groups in the institutional system of the EU will grow and that their activation will contribute to further stages of EU reform.

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