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Coalitions: vital, necessary or useless?

Many commentators agree: there can be no successful lobbying campaign without creating a coalition of interests, however practical experience demonstrates the opposite. On the contrary, reflecting on lobbying strategies proves the usefulness of horizontal coalitions involving producers, consumers and environmentalists, across the whole spectrum of the value chain. But there are no two ways about it: coalitions are not possible without leadership. To put it bluntly: enter into a coalition only if you are its initiator, its conceiver and its leader!

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This article, taken from Daniel Guéguen's next book, "European Lobbying," forthcoming in November 2006, questions a number of preconceived notions.

Studies on lobbying all contain a chapter on coalitions, as if it were a compulsory tool to lead a successful lobbying campaign. Chapter 15 of Michel Clamen's latest "Lobbying manual" is entirely dedicated to coalitions. What does he tell us?

"Power often depends on numbers, and one has to play as part of a team. Influencing decisions alone is rarely imaginable. Allies are crucial to increase representativeness. Appearing united makes it possible to speak in the name of shared interests, and, by extention, in the name of the general interest (...). This phenomenon is epitomised in Brussels."

I do not agree with the position that representativeness, the scope of represented interests, is more important than credibility, the ability to convince.

In reality, the enlargement of the European Union de facto undermines classical coalitions: the deepening gap between the 25 Member States inevitably leads to weak, inefficient and vague consensus.

Furthermore, the notion according to which representativeness increases the ability to influence decisions is false.

I admit that economic or industrial lobbies defend specific interests. But by trying to promote growth, exchanges, and consequently the economy, and indirectly employment, do they not contribute to the promotion of a certain kind of general interest?

The role of NGOs (also lobbies) is to defend "social interests," but in the meantime, can we consider that the fight for wind energy and against nuclear energy belongs to public interest?

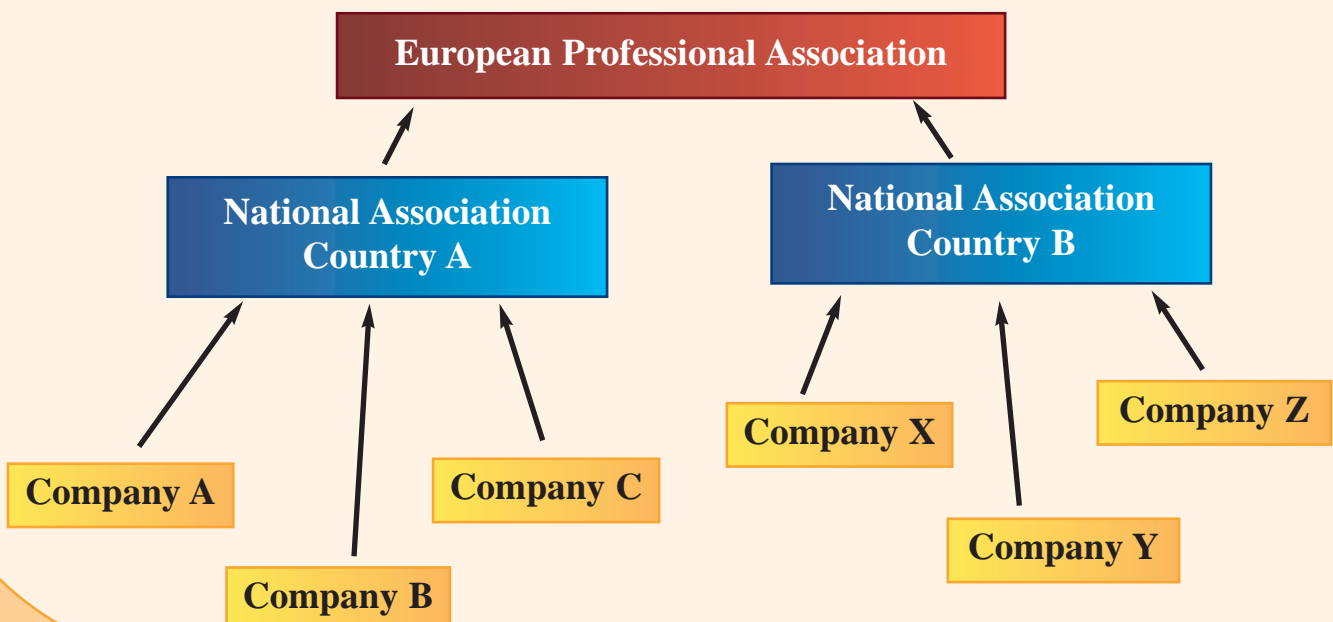
As we can see, when dealing with lobbying, things are always more complex than they appear at first.

THREE TYPES OF COALITIONS

I

The classic sectoral association:

An "avant-garde" for coalition lobbying in the 70s and 80s



This figure is clear enough. Companies have to merge at the sectoral level to act at the European level:

- ▶ By creating a national professional associations,
- ▶ These, in turn, establish a European federation.

This was the classic lobbying configuration of the seventies and eighties, or more accurately, until the creation of the Common Market in 1992. **The system proves its efficiency for many reasons:**

- ▶ At this time, with the European Parliament still playing a minor role, the Commission and the Council of Ministers used to consider sectoral associations as their only partners/interlocutors. There was no way for companies to bypass its European association, the latter having a real monopoly of the dialogue with the European Institutions.
- ▶ In the 70s and 80s, there were only a few European associations, often led by strong personalities. They had a strong visibility and played a unique role as counterweights. They were always seen as partners by the Institutions but they never backed down when strategic interests were at stake.
- ▶ They constitute an ideal lobbying tool by combining European action (via a permanent secretariat) with national outposts via member associations. It is safe to say that the main European food associations (CIAA, CEFS, EDA, FEFAC, FEDIOL, CBMC ...) largely contributed to the adoption of directives necessary to the completion of the Common Market.

Today, the classic system of the European sectoral association is obsolete (with some exceptions, ...)

The emergence of Brussels as the most important decision-making centre in Europe, the importance of the issues at stake for companies, the opening of the Parliament to lobbyists, are the factors which have undermined the hegemony of the institutional dialogue conferred to the professional associations in the 70s and 80s. Today, everybody lobbies by themselves: if my association shares my opinion, good, otherwise I just bypass it by defending my position directly.

In this context, European associations are faced with a considerable loss of influence coupled with an equivalent loss of visibility. This loss of visibility is due to the fragmentation of the represented interests: once numbering around 200/300, there are today approximately 1.000 European sectoral associations, not to mention NGOs. This considerably weakens European association's power: instead of joining forces, they proliferate and neutralise each other.

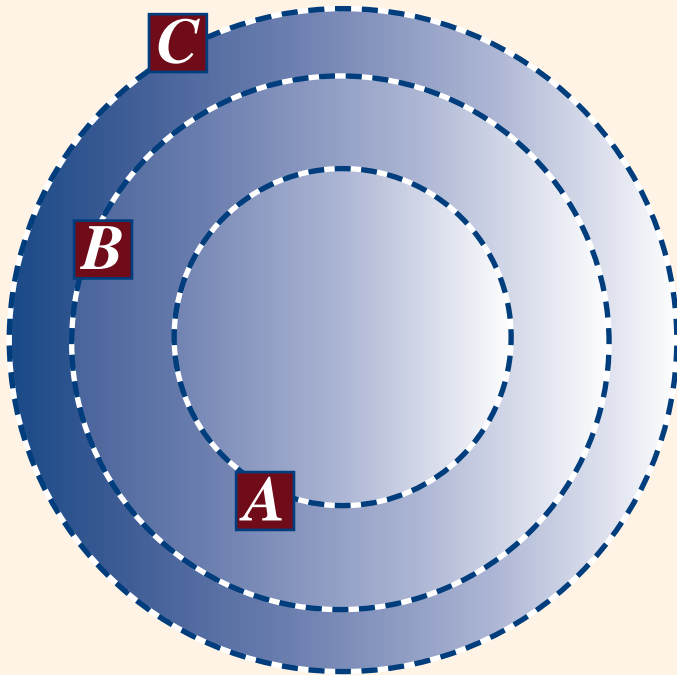
How can you get on with 25 Member States? More members equals less decisional power. In addition, associations are often reluctant to deal with internal conflicts: only few operate under a qualified majority voting system, are chaired by strong personalities, and choose committed Manager Directors.

The timidity of professional associations is the main reason for their declining influence. The rejection of crisis as a management tool is a serious mistake, as lobbying implicitly acknowledges conflict, diverging interests, and the ability to overcome these.

An increasing number of European associations are aware of this decline and wish to stop it. Once proactive, these associations have now become reactive, defensive or worse, negative. Instead of channelling member's energy for a common project, they are damaged by national lobbying without even reacting due to their lack of authority.

The re-engineering of the European associations will constitute a core business over the next few years!

II The concentric coalition in the 90s: Big is beautiful !



C: *Accessoires Supplier*

B: *Tyres Manufacturer*

A: *Car Manufacturer*

Here again, the figure speaks for itself. It illustrates a strategy, out of date in my view, consisting of an industrial sector calling on its suppliers to influence the institutions through an impressive economic, social and electoral weight.

This type of coalition, common in the 90s, has since then become completely obsolete since, the larger the coalition, the weaker its positional coherence. It becomes inconsistent and...useless

The new century proposes two different concentric coalitions: the "galaxy" coalition and the "issue management" coalition.

The galaxy coalitions

The term "galaxy coalition" is used for the union of several related associations under the same hat, for example:

- ▶ The "CEFIC galaxy", composed of the CEFIC and many other smaller associations which represent all the segments of the chemical sector in the broad sense;
- ▶ The "plastic galaxy" smaller, more coherent, less imposing, composed of PETCORE, EuPC and Plastic Europe ;
- ▶ The "farm galaxy": COPA, COGECA, CEJA (Young Farmers Unions), sectoral farm associations (beet growers, oilseeds producers,...)
- ▶ The "food galaxy": CIAA and its satellites EDA (European Dairy Association), CEFS (European Sugar Industry), Brewers of Europe, ...

The efficiency of these galaxies varies a lot:

- ▶ The CEFIC galaxy is impressive... and frightening. Very powerful, well organised, very dominant, but also too powerful, too organised, too dominant, with tough lobbying, sometimes aggressive, sometimes defensive, but always resting on a logic of battle of wills;
- ▶ The COPA, CIAA, and other galaxies, seem ineffective; deprived of substance, not structured enough, too hazy in their objectives, too heteroclite and lacking leadership;
- ▶ The "plastic galaxy", on the contrary, is extremely efficient. It is certainly a recent construction, based upon a true strategic reflexion: leadership of the directors of the three associations, specialisation and complementarity of their actions, very entrepreneurial approach to lobbying, results-driven, very sharp sense of communication.

The "issue management": an original form of coalition initiated by the American Chamber of Commerce

The American Chamber of Commerce to the EU is one of the more efficient lobbies in Brussels, if not the most efficient.

AmCham EU's influence lies not only in its membership and the quality of its staff, but also in its very original methodology of intervention, known as "issue management."

Instead of acting in a sectoral logic, AmCham EU acts issue by issue, hence the name "issue management."

For each legal issue, a working group is created, composed not only of the best experts from the companies involved, but also of their consultants and, if necessary, their lawyers. This system leads to a pluri-disciplinary approach with quite impressive joint expertise and networks.

Once the issue is resolved, the working group is dissolved.

III

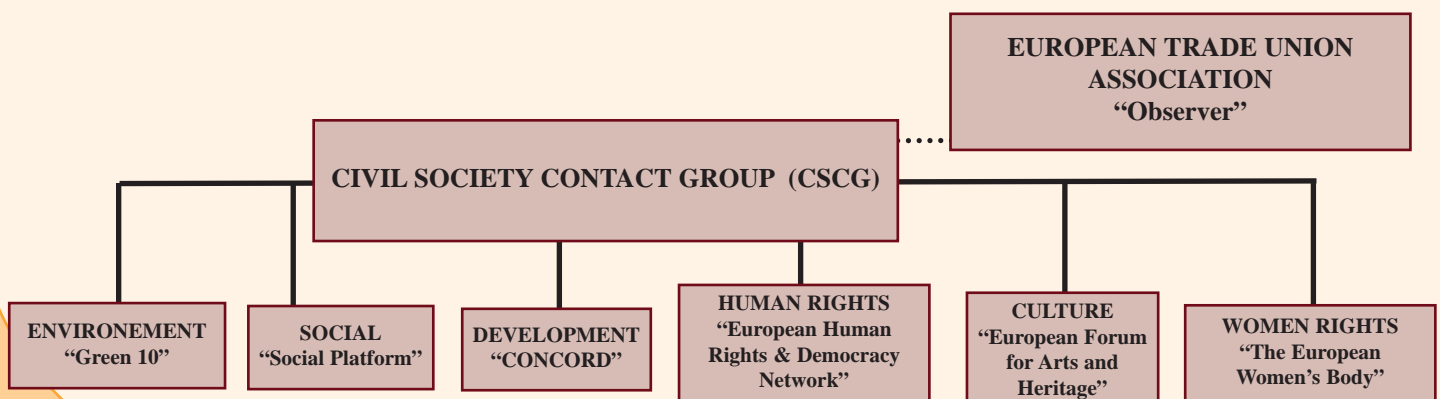
Horizontal coalitions: the lobbying of tomorrow

Nothing is more variable than lobbying. It was the truth yesterday, it is a mistake today. Even if nobody practises the diplomatic lobbying of the 70s and 80s any longer, most professional associations remain stuck to the classical strategy of the industrial sectorial lobbying.

The emergence of civil society as a factor of influence

The classical model of the industrial sectorial lobbying is outdated since it does not take into account the emergence of civil society as an essential factor of influence in Brussels. Some practitioners in European affairs and some representatives of multinationals are aware of this situation, but they are not the majority. Worse still, some of them are intellectually aware of the new power of the NGOs, but refuse to take the step of joining economic and societal interests for fear of collateral damage.

NGOs in Brussels have long had the reputation of being good communicators but bad technicians. Those days are gone, however. The civil society platform is a real success, based on the specialisation of each branch and of each NGO inside its own branch. Impressive!



On top of that, NGOs have won huge technical credibility and they are perfectly in control of their dossiers. WWF, ELO (European Landowners Organisation) - to name just two of them - manage large offices composed of 25 to 35 staff, develop projects with the Commission and industrial partners, express themselves on big European issues and are at the crossroads of the important discussions. They cannot be ignored any longer!

The same goes for trade unions. How can we ignore the European Trade Unions Association (ETUC) and its various sectoral branches? Ignoring the power of trade unions in Brussels is a big mistake. How many industrially sensitive issues have been settled thanks to the support, the help or the understanding of ETUC?

And what about consumers organisations? Can we ignore them for long? Even if we do not share their views, we should at least know them. Can we imagine being a professional in European lobbying without speaking with Jim Murray, the General Secretary of BEUC?

An alliance along the value chain



As shown in the diagram, it is about creating a coalition between interests that do not always converge in order to build a horizontal consensus.

In this context, lobbying recovers all its meaning and its value since lobbying is not "putting pressure" but helping to find the solution. Today, a "good lobbyist" is part of the solution; a "bad lobbyist" is part of the problem.

The horizontal alliances symbolise the pro-active lobbying that the European Institutions expect from companies and the industrial sectors. Facilitating the emergence of a solution negotiated beforehand, rather than opposing it or slowing it down: this is the rule of influence today.

Breaking the "compartmentalisation of interests"

When I observe the major recent lobbying issues, I am struck by the compartmentalisation of interests: everyone does battle on their turf, and there is no dialogue. Of course, mentalities are evolving: an ever increasing number of big companies dialogue with NGOs and build common projects (usually limited in time and space), but they very seldom dare form alliances on legal issues.

As far as legal issues are concerned, everyone stays within the limits set by their nature. European associations know very little about NGOs and vice-versa. Before working together, they have to meet and talk to each other. In short, they have to work on exploration: from the identification of potential allies to the discovery of points of convergence.

Given the growing number of NGOs, the growing weight of NGOs, Trade Unions, consumer organisations and civil society in general, it is better to convince than to impose. I think that confrontational lobbying is outdated or, in any case, limited for situations that warrant it.

By showing up at the Commission or at the Parliament with joint forces, in a targeted association with an NGO or a consumer organisation or both, one arrives with a dossier that will be perceived as a solution.

This pro-active lobbying strays from the beaten track. It is more subtle, finer, and more difficult to operate. It is also more exciting. It requires a global network to identify the right partner. But those who practice it will tell you, the pro-active lobbyist is the hands down winner of tomorrow.