

OFF TO BRUSSELS!

German business representatives often fail to achieve their goals in Europe because they do not understand the structures there. They should realise that arguments are not in themselves sufficient in the EU. It is equally important to be familiar with and make use of the decision-making processes.

BY KLEMENS JOOS

Genetically modified maize 1507 is a prime example of the failure of representation of interests on a broad front. The plant has already been imported into the European Union, and now approval is imminent for it to be cultivated here – even though member states, consumers, environmental and farmers' organisations are up in arms about it. To prevent the approval, a qualified majority in the Council of Ministers would have been necessary – and, despite every effort, this was not achieved. The opponents of GM maize failed to form an effective coalition.

Even major players apparently find it difficult to comprehend the EU's political system and to raise their concerns: the decision-making levels are too numerous and the voting procedures are too opaque. How should the opponents of GM maize have proceeded? First, they should have played a stronger part in the member states. For example, in Germany, some ministries were against the approval of GM maize and others in favour of it. In the end, the Federal Republic abstained in Brussels.

But even if a reversal of opinion had been achieved at a national level, not much would have been achieved in the EU. A single member state out of 28 does not have such a big influence on its own. In most important political fields, the majority principle applies. A European approach would have been needed. A role in this is often taken by other players: the Commission, Parliament, regional and local levels, associations and non-governmental organisations. Everywhere, there are large numbers of contacts to be informed and persuaded.

Major importance attaches to the question of how and when to make contacts. An addressee doesn't always have the patience for long talks or to read detailed expert opinions. A single page of succinct, precise information is often more effective. Such informal and formal factors – deadlines, time windows, responsibilities, but also coalitions between contacts and their national identities and practices – have to be taken into account.

This procedural aspect of representing interests in the EU is – and very few business representatives in

Germany are aware of this – just as important as the aspect of content. Although the arguments presented have to be persuasive, if the process support is lacking, even highly promising intentions are condemned to failure.

COMPLICATED SYSTEM

The decision-making structures in the EU are complex. Europe consists of a strong Commission, a self-confident Parliament, and a Council of Ministers with the different interests of the member states, with committees, sub-committees and informal rounds. But however opaque the political work in Brussels may appear, it suddenly becomes concrete – if the EU passes a directive that dramatically restricts the advertising for a product, if it unexpectedly declares a customary contract as an anticompetitive agreement or changes product regulations. In such cases, Europe prompts the decision-makers within companies to take crisis management measures – and those responsible ask themselves afterwards why their own interests have not been successfully represented.

In most cases that is due to the rules of the Treaty of Lisbon, the 2009 reform treaty that fundamentally changed the power balance in the EU. Before that, German companies were relatively good at taking care of their interests in the face of Brussels initiatives. Typically, they compiled the arguments and passed them on to the Federal Government via the industry association. If the arguments were persuasive, the government took action: In case of doubt, it withheld its assent in Brussels in order to protect the economy and jobs. In the Council of Ministers, the principle of unanimity applied in many important cases: nothing could be achieved politically if opposed by just one single member state.



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THE CONSEQUENCES OF LISBON

Bygone days. The Treaty of Lisbon strengthened the EU's capacity to act – with far-reaching impact for companies. The Council of Ministers decides according to the majority principle about important political spheres such as the single market, home affairs, agriculture, energy, intellectual property, universal service provision, justice and questions of labour law. As a result, the individual member state has lost considerable influence: the veto of a government to protect national economic interests normally no longer works at all.

Equally swingeing changes have been introduced by the strengthening of the European Parliament. Since the Treaty of Lisbon, Parliament has been on an equal footing with the Council of Ministers in almost all political areas and has become a full partner in the legislation process. Companies now also have to convince the majority of MEPs about their concerns. This is a complicated task. The Parliament does not have government and opposition factions. It finds its majorities in shifting coalitions in which the national origin of the deputies plays just as big a role as their party membership.

Even if a lobbyist has good networks in his own country, he is often on his own in the EU. It is no longer enough to support political decisions at home or to conduct campaigns in the key media of a member state. Lobbying now presupposes a European approach, as shown by the example of GM maize. It is necessary to build up networks and coalitions that encompass the members of many states, institutions and parties. That takes a lot of effort. At the same time, such alliances often only last for an individual case. The process starts all over again for the next issue. Often, it depends on the correct timing: in the European legislation process, lobbyists often have to recognise and make use of the time window in which they can accompany a decision-making procedure.

Work on content continues to be necessary. Those who want to accompany decision-making processes must take part in hearings, write argument papers and expert opinions, and organise media campaigns – either themselves or via associations and service providers, such as law practices or PR agencies. But process competence is just as important: Which institutions of the European Union are involved? What level ultimately makes the decision? Which institutions vote on what issues with which modes? And how can access to the decision-makers be obtained? Given a European Union stretching from Portugal to Finland and from Ireland to Cyprus, only a very few players are capable of putting that into effect.

For strategic company decisions, it is essential to take into account the rules of the game in the new Europe. Business representatives must learn to identify and make use of the relevant time windows in the political process. Good arguments help, but only those who understand the procedures and have the competence to accompany processes can play an active part – and thereby help to achieve the success of their company's concerns.