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What networks are developed for successful regional lobbying? The case of the airport of El Prat (Barcelona)

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Abstract

The new management arrangements for Barcelona's El Prat airport are yet to be finalised. Two Catalan business associations – the Cercle d'Economia and Cambra de Comerç – are amongst the actors attempting to negotiate a final formula. Though based on attributed influence focused on the perceptions of internal witnesses, the study indicates that during the last two years, these two quite different associations both achieved a degree of representation of their interests in relation to the management of El Prat.

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Keywords: Networks; regional lobbying; business associations; Barcelona; attributed influence

Introduction

This is an organisational study that tries to debate what are the networks developed for successful regional lobbying from two Catalan business associations. External, organisational impacts and effects are used to analyse the networks of the two associations. Two interest groups are shown in action. So, the strategies of representation are compared: namely, the mix of alliances, coalitions, leadership sharing, affiliation networks, and attempts at negotiation all of which are intended to extend and enhance the influence of the two bodies.

The issue of the most suitable management structure for El Prat, the principal airport serving the Barcelona area, provides empirical evidence for the intervention of two regional business associations – the Cercle d'Economia, a think tank, and the Cambra de Comerç – both based in Barcelona – and their use of political lobbying to intervene in regional outcomes. The Cercle and the Cambra make for an interesting comparison since both were very active in the present case.

El Prat is presently, solely managed by AENA, an agency of the central government. AENA is a public business entity, accountable to the Ministry of State for Transport, and charged with the management of Spanish airports. Since 2000, the Catalan authorities have pursued a greater role in the management of the airport, favouring a consortium structure, formed by the state, the *Generalitat* (Catalan government) and local administrations, and last, a private sector presence. Looking to the models in place around Europe, pressure for shared management under some formula has increased again in 2007, with Catalan business associations lobbying for change (Interview

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Bel). It is seen as a fundamental issue because the management of the airport has very important consequences for tourism, trade routes and patterns.

The Official Chamber of Commerce, Industry and Navigation of Barcelona was founded in 1886 and follows the prescriptions of the basic Law of Official Chambers of Commerce, Industry and Navigation (3/1993) of Catalonia and the General Council of the Chambers (06/2002). With the nature of a corporation of public law, the *Cambra de Comerç* can be said to support general interests. The CCs offer support with the foundation of companies, their internationalisation, the introduction of new technologies, training and skill formation. Promotion of foreign trade in general and of exports is also core competences of the chambers. All services are primarily targeted at SMEs (Molins and Nonell, 2007).

The Cercle de Economia is a think tank that was founded in 1958, though only achieving legal status in 1968. It was founded by a group of industrialists and entrepreneurs, intellectuals, and lawyers, modern and European, who intended to create a space for political-economic and intellectual debate, often focused on the opening of Spain towards Europe. To this day, the Cercle's main activity lies in forums, round tables, and conferences.

A key difference between the two organisations is their financial weight. The budget of the *Cambra* in 2007 was around € 31,000,000, a different order to that of the Cercle, at around €1,300,000 in 2007. Unlike the Cercle then, the *Cambra* has a standing team of technical people, capable of undertaking studies of significant size and performing technical and professional analysis.

The Cercle has approximately 1400 members, of which about 120 are entities paying between €2000 and €12,000 contribution, depending on their size. The rest are individual members who pay just €150. The Cercle is under pressure to increase its membership and not to lose the members it has. Membership of the *Cambra* is compulsory for businesses in the Barcelona area, and 208,363 members were counted in 2007 (both individual memberships and business associations).

2. Method

The method of 'attributed influence' has been used to evaluate the two organisations. Attributed influence is one of the broad approaches to measuring interest group influence in the EU. "Attributed influence" is mostly measured by way of surveys. In a survey, a group can be asked to provide a self-assessment of its influence or a peer-assessment of the influence of other groups. This is a very simple method but one of its draw-backs is that self-estimations of influence can be biased. (Dür, 2007) The author interviewed internal and external members and these were drawn from personal contacts. These took the form of semi-structured interviews. Notes were taken and the main messages were extracted from these interviews to be placed in the text. Seven interviews were conducted with technical workers within the two associations. Five were conducted with decision makers within them, to reveal information about lobbying strategy, personnel, and public initiatives. Six interviews were also carried out with external experts in order to obtain an expert outsider perspective. Moreover, the author referred to certain documents in each of the association's documentary centres (memories, reports, collections of yearly activities, press releases, etc.), as well as relevant works in the literature.

3. Theoretical Background

Social Network Analysis (henceforth SNA) can be employed to: examine the interactions between nodes (actors, groups or institutions); all social interaction can be viewed in network terms. This is because networks describe the relations between actors. Formal network analysis examines individuals within their institutional context and relational contacts. A *social network* consists of a finite set or sets of actors and the relation or relations defined on them. The presence of relational information is a critical and defining feature of a social network. (Marsh and Rhodes, 1992); (Coen & Thatcher, 2008); (Christopoulos, 2006)

Market expansion through globalisation is creating ever larger firms, which are less and less dependent on collective forms of political action. This may undermine the influence of associational forms of business representation, but it does not make them redundant. Rather, it broadens the variety of political actors, increasing differentiation and complexity in modern political life (Coen and Grant, 2006). The common denominator of most policy network definitions is that policy-making is not simply a question of design by a single, monolithic actor (the state). It emerges from the interaction of multiple actors participating in the formulation and implementation of

public and sometimes private policies. Policy networks may be developed showing which kind of actors are identified, how their interaction is conceived and how the functional operation of the whole policy system is modelled. In the present paper, business associations are posited as a fundamental actor, and some network connections are adduced. Schneider points out that the notion of policy networks stresses the exchange of resources between actors in contrast to more hierarchical, command-oriented models of government (Coen and Grant, 2006).

4. Background of interest groups in Spain

According to Linz, the organisation and legitimisation of interests requires prolonged periods of political stability. Spain's political history has not been characterised by the institutional stability that permits different social groups to create and consolidate independent, autonomous, representative organisations (Giner, 1984). In consequence, the establishment of an interest-group representation system took longer.

The Francoist regime (1939-1975) established a rigid state corporatism requiring institutions to affiliate themselves to such institutions as the vertical unions. Corporatism is a form of formal interest-group representation in the state decision-making process. It has been described as a system of interest intermediation in which constituent units are organised in a limited number of special categories, obligatory and non-competitive, ordered hierarchically and functionally, each granted a representative monopoly in the category in exchange for control over the selection of leaders and the articulation of support and demands. (Molins and Nonell, 2007).

During the 'constituent period' of Spanish democracy (1975-1978), the constitutional recognition of workers unions and business associations together with the recognition of the right to freedom of association were clear steps towards the establishment of a democratic system. The Spanish constitution enacted in 1978 specified and extended the rights of organised interests. According to Article 22, business organisations were interest organisations (Molins and Nonell, *ibid*).

The socialist administration coming to power in 1983 turned for the first time to social forces for the elaboration of effective policies. A new social pact was achieved in confronting a serious economic situation (Giner, *ibid*). In 1984, the main business associations and trade unions agreed to negotiate several crucial issues on labour ruling and security. Spain took concerted steps to democratisation with the important consequence that organised business and labour played a key role in the process. The consolidation of business associations was crucial to the evolution of neo-corporatism in the Spain of the 1980s (Molins and Nonell, *ibid*).

In Spain, both in terms of organisational structure and policy, national business associations seemed to move away from corporatism to a more pluralist style of interest representation. Schmitter defines pluralism as a 'system of interest representation in which constituent units are organised into an unspecified number of multiple, voluntary, competitive, non-hierarchically ordered and self-determined categories which are not specially licensed, recognised, subsidised, created or otherwise controlled in leadership selection or interest articulation by the state, and which do not exercise a monopoly of representational activity within their respective categories.' (Schmitter, 1979). In pluralistic competition, associations are propelled to keep their interest domain homogenous and small, resulting in highly specialised and fragmented associational structures (Streeck, 2006). This move has been associated with, above all, a significant increase in the heterogeneity of the membership of associations. (Streeck, *ibid*). Ever since Spain entered the EU in 1986; Spain developed a policy network system with business associations taking a lead role.

The principal pressure groups in Spain are business organisations, trade union organisations, sectoral groups such as agricultural organisations, professional organisations, the Catholic Church and other religious organisations, and single issue organisations. The main business organisations are the Spanish Employers' Federation, whose ruling body, the "Confederación Española de Organizaciones empresariales" (CEOE), was set up in 1977. One other business association, the High Council of the Chambers of Commerce (Consejo Superior de Cámaras de Comercio) is the centre of the Chamber system (Molins and Nonell, *Ibid*).

The main business associations of Catalonia are Foment del Treball Nacional and Pimec- PIMEC SEFES which represents small and medium-sized business; FEPIME which represents small and medium-sized business adhered to Foment; CECOT, which represents businessmen from the region of Vallès; Cambra de Comerç de Barcelona, one of the regional branches of the Chamber of Commerce; and Cercle d'Economia, a think tank.

5. Findings

Networking ranges along a continuum from informal and casual, with occasional information sharing, to highly coordinated enterprises with logos and secretariats. Almost without exception, all lobbyists engage in some degree of networking. Both associations claim to have a wide circle of friends amongst politicians (Interview Coronas). A wide circle of contacts amongst politicians is a key asset for associations seeking influence. Both organisations were said to possess one. In this case, both organisations appear to be equally organised.

5.1 Coalitions

Business associations form alliances in order to promote their interests. A range of different sorts of alliances are formed: those around a specific issue; more or less permanent alliances; more or less strategic or tactical, etc. Likewise, coalitions can be temporary, ad hoc groups based around single issues in fast changing circumstances, or more permanent groupings organised around more enduring, and more formalised relationships with government. The informality of coalitions gives policy-making processes the vitality and flexibility required in today's multi-level and technical world, allowing as it does for the development of informational relationships and focused goals (Coen, 2006). Ad hoc coalitions are most often composed of different types of groups or associations representing different sets of interests. The coalition can signal to policy-makers that a policy position has the support of a large and varied group of interests and the coalition can provide a framework for a more efficient use of resources (Mahoney, 1997).

The main ad hoc coalition created with other organisations in order to lobby for the new management arrangements is the GTI-4 formed by the Cercle and the Cambra, the Fomento Patronal, and the Real Automóvil Club de Catalunya (RACC). GTI-4 has agreed to lobby for a new management structure. The GTI-4 unites these four associations around a few issues concerning infrastructure. El Prat is an obvious priority. The GTI-4 is an ad hoc coalition because these organisations do not habitually work together. Ad hoc coalitions are flexible and are not institutionalised. For that reason, the coalition enjoys a much greater flexibility than is common in more solidified forms.

5.3 Affiliation networks

Representatives from both the Cambra and the Cercle said their affiliation networks included official and unofficial appointments and meetings. According to the Cercle, Official functions were said to include GTI-4 meetings, academic meetings such as the IESE meeting, seminars, conferences and round tables organised by both organisations around the issue, and FEMCAT meetings (Interview Alberich). Respondents from the Cambra mentioned seminars, meetings with FEMCAT, (formed by businessmen and professionals who get together in order to lobby for Barcelona), the IESE meetings, and conferences organised by the Cambra (Interview Curcoll). The President of the Cercle also mentioned unofficial meetings with representatives of the local and central government, and with the AENA authorities. Lara also asserted that they had meetings with the Secretary of State for Transport and with the central government, representatives of the AENA, and the local authorities (Interview Lara). The Cambra tended to focus on official conferences and seminars around the matter, whereas members of the Cercle also included informal contacts as being important in the process of negotiation.

Interviewees from both associations argued that they were better placed as intermediates than the local politicians already dealing with central government because there were no previous issues to corrupt or impede their relationship, and they could claim better access to the central authorities in Madrid (Interview Lara).

Measured in this way, both organisations would appear to have achieved a significant degree of engagement and influence, though the Cercle would seem to be more open about their engagements. Both engage in networking, coalition building, and have developed affiliation networks. The Cambra may have a more formal way of proceeding than the smaller, more flexible Cercle, but the different internal features of these two business organisations does not seem to be reflected in a very different external organisation.

5.4 Academia impact

One very clear consequence of the networking described was the meeting of the IESE (Business School of Barcelona) reuniting various strands of civil society in support of a shared management solution. A massive turnout indicated a rapprochement between business leaders and civil society on the subject, with extensive media coverage. Additional credibility was also given to business associations (Interview Cavallé). The extent of influence exerted over academia was also measured on a 0-10 scale, and was given an average score of 5. If the follow through was not optimised, it was arguably a considerable mobilisation of civil society and appeared to sensitise Catalan politicians to the issue.

2.8 Media impact

External organisation is also analysed through the media exposure. (Mearshemeier, 2007). Media impact is an important facet of external organisation, as capacity to shape public discourse may be an important determinant of influence. Asked to rate the extent of their influence in the media on a 0-10 scale, as regards this particular issue, all respondents rated it more than 5. Sources here included four external observers to provide a complementary, more objective point of view. Scores were generally higher for the Cercle which would seem to allocate greater importance to media communications. Indeed, in the view of some, the Cercle commands more media influence (Manchón). On a 0 to 10 scale, the Cercle was rated around 7 on media impact, whereas the Cambra scored only around 5 (Interview Manchón)

In its public relations, the Cercle in the main uses its president (Interview Lara). In this way, the Cercle achieves a considerable impact. Respondents from the Cercle claimed that communication through the president was their most direct route to civil society (Interview Rosés). The Cercle has been particularly good at creating its image and selling it (Interview Molins). Quite differently, the Cambra communicates with the media through a mix of more formal channels, often via its infrastructure department, through the economic press (Interview Nadal). Though the President of the Cambra does address the public from time to time, the Cambra's strategy is more formalised, organising campaigns, press conferences, communications vehicles, seminars, and press bulletins (Interview Coronas). Overall then, the Cercle tends to adopt a more personalised way of exerting influence in the media whereas the Cambra tends to use more official channels. Importantly, external witnesses here give a higher mark to the Cercle.

6. Conclusion

The final arrangements for the new shared management of the airport are not yet decided – in particular, the relative voting rights of the parties to the solution. It is already clear though that the great disparity in the internal organisation of the Cercle and the Cambra (which may be thought to favour the Cambra) is not carried through to their external organisation. Both organisations maintain networks of contacts amongst politicians, and engage on a more or less formal footing, assuming some leadership on the issue. Both have entered into GTI-4, with a view to moving the issue forward. The Cercle seems to enjoy an edge in media effectiveness and more broadly, would seem to have a greater capacity for creating and breaking alliances as needs dictate, as a result of its flexibility. The Cambra is a more ponderous networker as a result of its constitutional formality.

Based on attributed influence then, this study would appear to show great potential differences between business associations, in terms of internal organisation – in resourcing, financial capital, membership size - are not necessarily reflected in lobbying capacity or effectiveness. Far from it, in this case, the Cercle's size, flexibility, and agility allow it to develop effective, external organisation.

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Appendices

Interviews

Semi-structured interviews- main questions asked:

- Does your organisation count with a good circle of contacts?
- In which coalition (ad hoc or permanent) is your organisation involved?
- What are your main affiliation networks? (Both official and unofficial). Please develop.
- Is your networking visible at the level of academia and media impact? Develop. Could you please rate the impact form 0 to 10?

External experts interviewed

- Joaquín Molins- Professor of Political Science, specialised in interest groups, 10-11-2007
- Andreas Duer- Lecturer at University College, Department of Politics, Dublin, Expert on methodology for measuring interest group lobbying results - 31-01-2008
- Dimitris C Christopoulos- Senior Lecturer, Department of Politics, Bristol University specialised on interest groups, 22-01-2008
- Carlos Cavallé- ex-director of IESE-12-02-2008
- Manel Manchón- journalist *Expansión*, specialist on Catalan infrastructures- 06-02-2008
- Germà Bel- Professor of Political Economy, Universitat of Barcelona, 29-01-2008

Internal members interviewed: 7 at the technical level and 4 at board level

- Alicia Casart –Technical expert at the infrastructure and transport department of the Cambra de Comerç-25-01-2008
- Joan Lloansí- Chief Cabinet of the Cambra de Comerç-05-02-2008
- Albert Salvador- Manager of the Cercle d'Economia- 16-01-2008
- Marta Angerri-Coordinator Cercle d'Economia-17-01-2008
- Salvador Curcoll- Director of the Gabinet of infrastructures and territory of the Cambra de Comerç, 14-03-2008
- Xavier Coronas- ex-under Secretary of the Cambra de Comerç de Barcelona, 21-02-2007
- Marta Rosés- chief press editor of the Cambra de Comerç de Barcelona, 28-01-2008
- José Manuel Lara- President of the Cercle d'Economia, 22-02-2007
- Carlos Güell- ex-president of the Cercle d'Economia, 06-11-2007
- Joan Molins- ex-president of the Cercle d'Economia, 16-05-2008
- Jordi Alberich- General Director of the Cercle d'Economia-18-01-2008
- Miquel Nadal- Director of the foundation RACC, 7-01-2008

Glossary

AENA- Aeropuertos Españoles y Navegación Aérea (National Spanish airport and shipping association)

FEMCAT- Catalan business association

Generalitat- Catalan government

GTI-4- Grup de treball d'infraestructures (Infrastructure working group)

IESE- Barcelona's business school

Patronal Fomento del Trabajo Nacional- Catalan business association

PDA- General Permanent Resource

Pla Estratègic de Barcelona- Strategic Plan for Barcelona

PSC- Partit Socialista de Catalunya (Socialist Catalan Party)

RACC- Real Automóvil Club de Catalunya (Catalan cars association)