

POLISH BUSINESS ASSOCIATIONS: FLATTENED CIVIL SOCIETY OR SUPER LOBBIES?

1. Introduction

Communism was defined as a fusion between politics and the economy: the economy was, in theory fully, and in practice largely, subordinated to politics. One of the key challenges in the transformation of communist systems has been the separation of politics and the economy and the establishment of an efficient interface between the two. The type of interface that has emerged, or is emerging, is vital to understanding what sort of capitalist democracy exists in different post-communist countries. This article looks at a vital part of that interface – the role of business associations. For many authors business associations, or their absence, define the relationship between politics and business: corporatism or pluralism,¹ co-ordinated or liberal market economies,² corruption or civil society,³ and company, association or party states.⁴

The structure of business associations is subject to two major types of influences: (1) top-down influences from the state and the political system and (2) bottom-up influences from individual businesses themselves. This article focuses on the second type of influence by examining two competing hypotheses of how post-communist economic structure affects the pattern of business association. The first hypothesis is a flattened civil society in which business and business association have to start from scratch in the aftermath of a totalitarian regime. This makes for weak business associations. The second stresses continuity with the communist economic structure which forms the basis for very strong business lobbies. Thus the article is relevant to

¹ Schmitter and Streeck (1981)

² Kitschelt, Lange, Marks and Stephens (1999), Ch. 4

³ Hellman, Jones and Kaufmann (2000), p. 33

⁴ Grant (1993), pp. 13-18

one of the most fundamental issues of post-communist political economy – the extent to which the fall of communism was a big-bang beginning for capitalist democracy or represents a modification of resilient communist-era structures.

The structure of the article is simple. It begins with a discussion of the two hypotheses and methodological issues. The main body of the paper consists of Polish case studies. The conclusion sums up and examines the wider implications of the research for the study of post-communist political economy.

2. Theory and Methodology

Hypotheses

The first hypothesis relates to the flattening of civil society by the communist regime. In order to state this hypothesis the term civil society needs to be defined. The huge confusion about the meaning of this term can be reduced to three issues. (1) The status of the concept. It has been presented as a normative ideal,⁵ a strategy of resistance to authoritarian rule,⁶ and, most commonly, an empirical classification. (2) Voluntariness. Many think civil society must be purely voluntary, while others think it may contain an element of compulsoriness.⁷ (3) The greatest variety relates to the scope of civil society. It has been identified with one or more of the following: (a) The state;⁸ (b) Political parties; (c) Interest groups;⁹ (d) Non-profit non-political organisations;¹⁰ (e) The economy;¹¹ (f) Culture;¹² (g) Family relationships.¹³ Here

⁵ Cohen and Arato (1992), p. xii

⁶ Michnik (1987), pp. 135-149

⁷ Gellner (1994), p. 103; Schmitter (1996)

⁸ Gray, (1993), pp. 29-30

⁹ Schmitter, (1996)

¹⁰ Oxhorn (1996), pp. 250-268

¹¹ Hegel (1993), § 188

¹² Kumar (1993), pp. 382-3

civil society will be used as a classification of interest groups, non-profit non-political organisations, and the economy. Membership of the groups can be voluntary or compulsory.

One of the defining characteristics of a totalitarian regime is that it allows no organisations independent of the regime. This was known as the “flattening of civil society” leaving no intermediaries between the political authorities and the individual. The flattening of civil society means that independent businesses and business associations which express their collective interests cannot be allowed to exist. Thus, after the fall of communism there are no business associations and not even a properly differentiated capitalist class with an interest in creating business associations. Business associations are therefore likely to be very difficult to create and are likely to be politically weak. This article goes beyond most of the literature on post-communist civil society by stressing how a flattened civil society poses a classic collective action problem. In the absence of pre-established business associations and large pre-established private enterprises a flattened civil society will result in a classic latent group. A latent group is a group for which “if one member does or does not [participate in collective action] no other one member will be significantly affected and therefore none has any reason to react”.¹⁴ The large numbers of small new businesses that form a transitional economy in the aftermath of a flattened civil society are such a latent group. The most obvious way for a business association to overcome the difficulties posed by a latent group is to provide private goods. For business associations these private goods are often services provided to member firms.

¹³ Bobbio (1988), p. 81

The second main hypothesis is, to a great extent, simply the alternative hypothesis to the flattening of civil society. It asserts that, on the contrary, civil society is too strong. The flattening of civil society applies only to the early totalitarian period of communist development. By the time of the fall of communism a plethora of hidden and not-so-hidden interest groups had emerged. The most common and powerful of these are interest groups representing the unified economic structures of industrial sectors. These are relatively small “intermediate” groups of large members and are exactly the type of group most likely to engage in collective action and form business associations. Intermediate groups do not “have so many members that no one member will notice whether any other member is or is not helping to provide the collective good”.¹⁵ Indeed, because of the centralisation of much of communist industry, some of them are “privileged groups”¹⁶ in which a single member has sufficient incentive to set up a business association. With the demise of the party authorities these strong interest groups become super lobbies and can demand huge subsidies from the state. This argument has been very clearly stated by Mancur Olson. He sees the flattening of civil society in the aftermath of the Second World War and the running amok of established economic interests as the explanations for the different economic performances of post-fascism and post-communism respectively.¹⁷

The Polish Case

These two hypotheses are tested using the Polish case. Approximately seventy per cent of Polish GDP is now produced by the private sector. This transformation of the communist economy has been brought about not so much by privatisation but by the

¹⁴ Olson (1971), p. 50

¹⁵ Olson (1971), p. 50

¹⁶ Olson (1971), p. 50

¹⁷ Olson (2000), pp. 169-70

rapid growth of a new private sector. Poland was the first country to dive into the post-communist recession and the first to come out of it again. In the mid-90s it enjoyed strong growth but its economy has since slowed down. Both inside and outside Poland there is a myth that Polish labour unions are very strong. About twenty per cent of the Polish workforce belongs to labour unions.¹⁸ Unions are almost non-existent in Polish small and medium-sized enterprises (SMEs) and relatively rare in the private sector. Where they do exist unions play a relatively marginal role in the enterprise.¹⁹

Polish political vocabulary can be misleading. The left tends to be secularist and rooted in the communist party or its satellites. The right tends to be traditionalist and rooted in the opposition to communism. In the 1997-2001 parliament the main political blocs of the right, Solidarity Electoral Action, and of the left, Union of the Democratic Left both have contained strong labour union and pro-business factions as well as a large group of MPs who are pragmatic or agnostic on economic issues. The centre represents business and technocrats. It is rooted in the liberal intelligentsia and tends to be pro-business.²⁰ While the left wing party has been stable since the early 90s there have been repeated earthquakes on the right, and to a lesser extent, in the centre.

The Polish President's main power is a veto of legislation. This has been used to prevent important, but controversial, policies. It can only be overridden by a sixty per

¹⁸ *Rzeczpospolita*, 19 August 2000, PlusMinus

¹⁹ Gardawski (1999)

²⁰ Szawiel, (1999); Interviews [all in Warsaw unless otherwise stated]: Roman Jagieliński, Democratic Peasant Party, 7 December 2000; Bronisław Danknowski, Union of the Democratic Left, 6 December 2000; Józef Nowicki, Union of the Democratic Left, 14 December 2000; Dariusz Grabowski, Polish

cent majority in Parliament. The relative power of the government and the legislature has depended on the partisan composition of the government. The left-wing parties are disciplined and can support a relatively strong government. The centre and right wing parties are fractious and undisciplined: this makes any government they support much weaker.

The great advantage of the Polish case for the testing of the hypotheses is that in Poland the state delayed before trying to encourage businesses to adhere to its preferred structure of association and it has not made a determined effort to influence the structure of business association since. This means that top-down influences on Polish business association have been weak. Most East-Central European countries, all of which exited communism later than Poland, moved almost immediately to set up a tripartite structure which recognised and privileged one or a small number of business associations.²¹ Poland did not do so until almost five years after the formation of the first non-communist government. In contrast to, for example, the Czech²² and Hungarian²³ tripartite institutions the Polish tripartite commission has not been credited with an important role in the transition to capitalist democracy. In contrast to Hungary, and in spite of the best efforts of the Polish Chamber of Commerce, Poland has not opted for a system of compulsory chambers of commerce.

Another possible top-down factor is the role of the European Union (EU). The engagement of Polish business associations on the European level has been weak,²⁴

Reason of State, 4 December 2000; Mirosław Kukliński, Solidarity Electoral Action, 14 December 2000; Adam Szejnfeld, Freedom Union, 6 December 2000

²¹ Ágh and Ilonszki (1996)

²² Myant, Slocock and Smith (2000)

²³ Gerskovits (1998), pp. 155-176

²⁴ Draus (2000), pp. 8, 52

their role in Polish negotiations with the EU has been very limited,²⁵ and, despite some support for local-level business associations, the EU's direct influence on the pattern of business association in Poland has been marginal. Polish employer confederations and the chamber of commerce have affiliated themselves to European-level organisations. Many Polish business associations have taken European groups as their model but European-level associations have had little influence over the actual behaviour and nature of individual associations, never mind the overall structure of business association. In the case of the employer confederations the European-level body, the Union of Industries and Employers of the European Union, has been unable to prevent fragmented Polish representation. This lack of influence of the EU and European interest groups on the structure of national business association is typical of all EU member states.

The EU has had an indirect effect on the structure of Polish business associations via its effect on Polish economic structure. The EU's pressure for reform of heavy industry and reluctance to fully open its own markets in some industries undoubtedly have an effect on the balance of power within Polish business associations. While the EU's economic influence is obviously profound it does not necessarily follow that it has had a crucial influence on the pattern of business association. This type of EU influence is crucially mediated by the Polish state and the Polish business community itself. It is also important to remember that changes in Poland's economic structure have domestic roots which pre-date any EU involvement.

²⁵ Personal Communication, Tomasz Uchman, Business Centre Club, 13 June 2001; Pérez-Solórzano (2001)

Another indirect effect of the EU is the fact that foreign investment is predicated upon eventual EU membership. Foreign investors have played little or no role in Polish business association. The larger ones may engage in direct lobbying, perhaps with the aid of local consultants. There are some associations dedicated to the interests of foreign investors and many foreign firms are affiliated to Polish business associations. Nonetheless, these firms have largely stayed out of Polish business association politics. Overall, the EU, EU interest groups, and international investors, like the Polish state itself, have left Polish business associations to develop largely spontaneously, thereby allowing a relatively pure test of the two bottom-up hypotheses.

From the point of view of the fall of communism Poland seems to be a case which favours the super-lobby hypothesis. It is widely acknowledged that Poland had the least totalitarian of communist regimes.²⁶ It had a highly developed civil society outside of the official regime in terms of the church and the opposition movement. This was also evident in the economy which had always, exceptionally, maintained an independent peasantry and in the 1980s had rapidly developed a significant private business sector.²⁷ Within the state-owned economy Poland was notorious for the lack of central direction and its collapse into a battle of mighty but narrow economic lobbies.²⁸

Methodology

The empirical evidence in this paper consists of detailed case studies of Polish

²⁶ Linz and Stepan (1996)

²⁷ Rostowski (1990)

²⁸ Kolankiewicz and Lewis (1998), pp. 104-114; Hausner and Klementewicz (1992), pp. 70-71

business associations. The case studies are divided into four sections each designed to test the hypotheses. A brief section on origins assesses whether the extent to which the associations are the successors of communist-era lobbies as predicted by Olson or post-communist creations as the notion of a flat civil society would predict. The second section deals with the way in which the associations have confronted the collective action problem. A flattened civil society predicts formidable collective action problems which should preoccupy and emasculate business associations. The super-lobbies hypothesis predicts huge collective action advantages for the successors of communist-era groups. The third section covers the internal politics of the business associations. As regards the internal politics of associations the collective-action advantages of communist-era lobbies should help them dominate associations. The fourth section analyses the relationship between the associations and the state. The super-lobby approach assumes that lobbies dominate the state and can extract subsidies almost as they choose. The civil society approach predicts that business associations will be weak in comparison to the state but has little to say about exactly 'how' business associations are politically weak. There are three sub-hypotheses which may follow from the flattening of civil society: (1) The state is completely autonomous and ignores business interests; (2) Political parties colonise weak business associations; (3) Business interests are only represented insofar as they express the personal power of individual businesspeople. These three sub-hypotheses will be investigated in the case studies.

The five business associations generally acknowledged to be the most influential in Poland were selected for the case studies. This judgement is shared by the business associations themselves, labour unions, politicians and the business and generalist

press.²⁹ All of the associations are very encompassing and claim to represent the interests of the Polish business community as a whole. This strategy is an attempt to assess the relative success of the two hypotheses in explaining the overall situation in Poland. A concentration on the sectoral or local levels is likely to have privileged the super lobby and civil society hypotheses respectively. These approaches would also have probably produced a variegated result which would be difficult to interpret. A focus on the most influential associations allows the two hypotheses to compete with each other both in terms of the associations which are regarded as the most influential and in terms of the battle for influence within those associations.

The sources are official documents, the general and business press, business association publications, and interviews carried out in Polish and English in 1999 and 2000. Twenty-one interviewees are senior representatives of business associations. They come from the full range of backgrounds under the communist regime (opposition, old regime, *émigré*, private business, intelligentsia) and represent a wide range of sectors, excluding the special case of agriculture (state, private, privatised, small, large, sundown, sunrise, mining, manufacturing, services). Six politicians representing the main political options in the 1997-2001 parliament and with a particular interest in business and business associations were also interviewed as were two professional political lobbyists. The interviews were semi-structured, concentrated on the four sub-divisions of the case studies and averaged forty-five minutes in duration. The rule for the inclusion of statements in the analysis is that both business and political interviewees generally supported them and that they were consistent with individual instances researched by the author.

²⁹ Jasiński (1997), p. 177; *Businessman*, June 1998, p. 69; Dzwonczyk and Sobczyk (1995), pp. 153-

3. Empirical Evidence

This section contains the case studies of Poland's most influential business associations. They are designed to test the flattened-civil-society and super-lobby hypotheses on the basis of the interview and other evidence described above.

The Confederation of Polish Employers (The Confederation)

Origins

The Confederation sees itself as a successor to pre-communist Polish peak associations. It was founded in 1989 by four associations which represented the opposition movement, the private sector, state enterprises in the process of “nomenklatura” privatisation (alegal privatisation in which the bosses transfer ownership to themselves) and traditional state enterprises.³⁰ The Confederation's first president was elected on an opposition ticket to the Senate in 1989. After his resignation, because of persistent rumours of illegal arms deals, he was replaced by his right-hand man and the organisation's secretary-general. The next two presidents have had strong links to communist and ex-communist politics but have made their living in the relatively modest private sector operations rather than being captains of communist-era monoliths. The origins of the Confederation cannot adjudicate between the civil-society and super-lobby hypotheses.

154; Kozek (1999), p. 86

³⁰ Łuczkiwicz (2000); *Gazeta Wyborcza*, 10 October 2000, Kraj; Interviews: Andrzej Stępniewski, Warsaw and Mazowsze Association of Employers, 27 July 2000; Andrzej Malinowski, Confederation, 8 September 1999

Collective Action

The Confederation's claimed seventy thousand members represent only a couple of per cent of Poland's enterprises but a substantial proportion of its large enterprises. Its members employ eight hundred thousand people. The Confederation seems to represent under a quarter of Polish employer organisations.³¹ The membership density of the associations ranges from one hundred per cent in some state-dominated sectors to a tiny fraction in some private sectors. Again, this provides evidence for both hypotheses but perhaps the most striking characteristic of the Confederation is how it has been emasculated by its failure to overcome collective action problems. Its member associations are new and underdeveloped and they themselves depend on huge constituencies of very small cash-strapped firms. The weakness of Poland's labour unions undermines a central incentive to join employer associations. Many of the Confederation's member associations do not pay fees but are kept on the books in order to maintain some vestige of prestige and credibility for the organisation. The Confederation has a very low level of organisational development with most of its work being done by volunteers from the membership. Even then, the incentives often relate to the individual political careers of businesspeople and the opportunity for individual firms to obtain private goods from the political system.³² This pattern is also to be found in many of the first and second-order member associations. However, some of the member associations are dynamic and, like the Business Centre Club discussed below, have found imaginative solutions to the legacy of a flattened civil society which has stymied the Confederation.

Internal Politics

³¹ Sąd Wojewódzki (1999a, 1999b)

The Confederation is a very encompassing organisation: its members include representatives of virtually all interests in the Polish economy.³³ One of the failings of the benign treatment of encompassing groups exemplified by Olson and others is their disregard of internal politics. Collective action problems, latent, intermediate and privileged groups also exist within groups. In the case of the Confederation the old-fashioned state and privatised enterprises have great collective action advantages and dominate the Confederation out of proportion with their share of its membership,³⁴ employment, or any other measure. This has even been institutionalised in a Constitution which favours the best-organised.³⁵ However, it is wrong to see the Confederation as an organisation which has been completely hi-jacked by the state sector. Even though the state sector is dominant, the vast majority of members are private and their concerns are taken into account in the Confederation's political campaigns.

The Confederation and Politics

Until recently the Confederation has held a monopoly of employers' representation on official tripartite bodies. The overall influence of these bodies on policy has been very limited although some may have been useful in helping individual Confederation firms. The most important such body is the Tripartite Commission. The Commission played some role in the maintenance of an atmosphere of social peace under the post-leftist/peasant coalition from 1993 to 1997. In terms of hard policy outputs its main role has been the setting of state-sector wages. While state-sector wages in industry have compared well to those in the private sector this cannot be ascribed to a super-

³² *Rzeczpospolita*, 3 September 1999, Magazine, 30 and 31 July, 1 August 2000, Kraj

³³ Confederation (1999a)

³⁴ *Rzeczpospolita*, 11 November 2000, *Ekonomia*

³⁵ Confederation (1994), § 17.3.2, § 17.4

lobby performance by the Confederation. State-sector wages for ordinary industrial workers tend to be better in other post-communist and never-communist countries too. Outside of this particular area the Commission has been marginalized and within the Commission the Confederation has often been sidelined by unions and the government.

When it comes to the three sub-hypotheses of the civil-society approach all three are relevant but the most successful is that which posits a completely autonomous state which can and does ignore the Confederation. The Confederation has a statutory right to consultation on all laws in its “sphere of activity”³⁶ but the state often gives it a very short time in which to give its opinion and pays no regard to the Confederation’s opinion – if it manages to produce one. The Confederation has never been the creature of a particular political party or faction as was the case for Confindustria in Italy in the past.³⁷ However, recently it has moved much closer to the Union of the Democratic Left which has sponsored its defence against the upstart Private Confederation (see below). Another reason for the marginalisation of the Confederation is the endemic personalism of Polish politics. Personal connections are usually a better way of pursuing public and private goods than through the auspices of a weak organisation like the Confederation.

The Business Centre Club (The Club)

Origins

The Club does not claim to be the heir to any tradition in Polish business association, but is dedicated to the invention of its own tradition. Officially the Club was founded

³⁶ Polish Government (1991), Art. 16.2

in 1991 by a group representing a wide range of political and economic backgrounds, former ministers, senators, private entrepreneurs, state-enterprise directors, journalists and academics. However, the origins of the Club seem to lie in the vision of its charismatic President, Marek Goliszewski. As with the Confederation the origins of the Club do not clearly favour either of the hypotheses. However, the evidence may tend towards the civil-society hypothesis since no communist-era lobbies could join en bloc as they did with the Confederation.

Collective Action

The Club has 1900 individual members from over 1000 companies, employing a million people.³⁸ There is some overlap in membership with the Confederation but there is a greater overlap with the other business associations analysed below. The high membership fees exclude the very small businesses which are members of the Confederation. In contrast to the Confederation, and most of the Confederation's members, the Club provides a wide range of private goods via a relatively well-developed organisation. These include business-matching, seminars, and product promotion. A perhaps distinctively post-communist good is the guarantee of trustworthy business partners in a situation where many businesspeople's networks are undeveloped and in which the state's legal system is too weak to provide effective enforcement of contracts.³⁹ Social goods are also important to some members. While the Club is a hard-nosed special interest group it often presents itself as a rather glitzy and publicity-seeking version of an English gentlemen's club. For this reason many members see it as prestigious. An important service is provided by the Club's

³⁷ Lanzałaco (1993), p. 116

³⁸ Club, <http://www.bccnet.com.pl>, 23 November 2000

³⁹ Krzesak (1994), p. 52; Club (1999), pp. 18-34

“Intervention Office” which helps members in individual disputes with the state.⁴⁰

The Club has clearly mobilised a latent group in the difficult conditions of a flattened civil society. The reasons for its success are those stressed by classic collective action theory: a concentration on large members and the provision of a wide range of private goods. However, it is also interesting to note that the Club has advanced by innovative leadership which has tailored its strategy to the conditions of post-communist Poland, rather than trying to copy Western European business associations as is the case with the Confederation and most Polish business associations.

Internal Politics

Collective action theory predicts that when members are motivated by private goods they will be less concerned with an interest group’s internal politics and so it is with the Club. However, the main reason for the centralisation of power in the Club is the fact that it is effectively a private company controlled by one man, the Club’s founder and president ever since.⁴¹ Nonetheless, being a business the Club clearly has an incentive to represent its members’ views accurately. It has a series of grandly-titled consultative committees but has lately begun to operate via e-mail surveys. Here there is clearly no sign of the dominance of super-lobbies from certain sectors.

The Club and politics

Again there is no question of the Club supporting the super-lobby hypothesis. In terms of the civil-society hypothesis, the Club offers less support for the idea of an autonomous state. It is generally regarded as the most powerful business association in Poland and is far and away the best known. Although the Club has no legal right to

⁴⁰ Interview: Jeremi Mordasewicz, Club, 9 August 2000

consultation it is regularly consulted by policy-makers on a non-statutory basis.⁴² It also has excellent media connections and is frequently covered in Poland's quality and business press.⁴³ Until recently, the Club has stayed away from too close an association with any political party, claiming that it would support individual pro-business candidates. However, the Club and its president seem to have played a substantial role in the foundation of the Citizens' Platform which is now the second biggest party in the Polish parliament and is unequivocally pro-business and free-market in its views. Rather than being bypassed by the personalism of Polish politics, the Club tends to work with it. It co-ordinates the personalist lobbying of its members and activists when its employees cannot directly access policy-makers.

The Polish Chamber of Commerce (The Chamber)

Origins

The Chamber identifies itself, as does the Confederation, with precommunist organisations. During the 1980s a movement of chambers of commerce emerged and was linked to the opposition to communism. Several representatives of this movement were elected to parliament in 1989 and managed to get a law passed which legalised the chambers, gave them the right to give their opinion on laws and bequeathed the assets of the old Chamber of Foreign Trade to the new Polish Chamber of Commerce.⁴⁴ This constituted a straightforward takeover of the communist institution by the new organisation rather than a merger.⁴⁵ Although state enterprises later joined the founding elite has maintained its leading position. Yet again the Chamber's origins tell no clear story but perhaps tend towards the civil society hypothesis.

⁴¹ *Businessman*, June 1998, p. 68

⁴² Interview: Tomasz Uchman, Club, 24 August 2000

⁴³ Interviews: Mieczysław Bąk, Chamber, 24 July 2000; Tomasz Uchman, Club, 24 August 2000

⁴⁴ Polish Government (1989), Art. 12

Collective Action

The PCC has 150 member organisations which represent approximately three hundred and fifty thousand businesses. Its members include both territorial, bilateral and sectoral chambers (which are candidates for super-lobbies) and a plethora of other organisations. While the Chamber comprises a much greater proportion of primary chambers than the Confederation does of employer organisations it is far from organising a majority of its constituency.⁴⁶ Similarly to the Confederation there are huge contrasts between the capacities for collective action of some privileged groups and an overall picture of chambers struggling to overcome the legacy of a flattened civil society. Nevertheless, the chambers movement does seem to be more firmly embedded in local politics and business than the employer associations. Sectoral chambers are unusual to Poland and their competition with employer associations undermines the inherent advantages of privileged groups. Like the Confederation the national chamber itself provides little in the way of private goods to members and charges very low fees. Unlike the Confederation, it is not dependent on membership fees having inherited valuable assets from its communist predecessor and engaging as it does in a wide range of successful commercial endeavours. Also in contrast to the Confederation, members are expelled for non-payment of fees. Overall, the collective-action experience of the Chamber favours the civil-society hypothesis.

Internal Politics

Although the Chamber has strong member-chambers from state-dominated or privatised sectors, these chambers do not dominate. In 2000 no representative of state

⁴⁵ Interviews: Marek Kłoczko, Chamber, 30 June 2000; Mieczysław Bąk, Chamber, 24 July 2000

industry sat on the Chamber's presidium.⁴⁷ The Chamber is designed to be run as consensus of functionally-defined groups (territorial chambers, sectoral chambers, bilateral chambers and others), each of which is proportionally represented in the Chamber's presidium and elects one vice-president.⁴⁸ Instead many allege that the Chamber, and primary chambers, are used for the furtherance of the political and business careers of their elites.⁴⁹ In contrast to the Confederation but like the Club, the founding elites are still entrenched in the Chamber, despite the fact that they have to face election. While the internal politics of the Chamber are murky it seems that competition is along the lines of personal cliques. The fact that the Chamber is an association of associations, together with its independent finances based on its inheritance from communism and sale of services, gives some activists the freedom to profit from their position in the chamber of commerce.

The Chamber and Politics

Some of the Chamber's sectoral member-chambers resemble their counterparts in the Confederation in being similar, but much less powerful, than the hypothesised super lobbies. However, overall the civil society hypothesis of political weakness is more convincing. The Chamber shares the Confederation's right to statutory consultation, its inability to react adequately or even at all to all the relevant bills and its complaint that its opinions are usually ignored. The Chamber has perhaps had more elected politicians in its upper ranks than any of the other business associations but the organisation itself does not seem to have been associated with any particular party.

⁴⁶ Sąd Gospodarczy (1999)

⁴⁷ Interview: Marek Kłoczko, Chamber, 6 June 2000

⁴⁸ Chamber (1997), §24, §17.5

⁴⁹ *Rzeczpospolita*, 4 May 1996 Plus Minus; Interview: Irena Rej, Polish Association of Pharmaceutical Employers, 12 December 2000

Like the Club it engages in campaigns of personal networking.⁵⁰ Unlike the Club it is no darling of the media.

The Polish Business Roundtable (The Roundtable)

Origins

The Roundtable was founded in 1991 and is explicitly modelled on the US Business Roundtable which was founded in 1972. It does not seem to have been significantly influenced by the European Roundtable. The founders of the PBR come from a diverse range of backgrounds: the nomenklatura, the intelligentsia, private business under communism, and foreign businesspeople. Unlike the other organisations, the Roundtable from its very beginnings contained a significant proportion of returned *émigrés*.⁵¹ It continues the pattern of having mixed origins in terms of the two main hypotheses.

Collective Action

The Roundtable consists of 50-60 individual members who can only join by invitation. They represent a wide range of sectors. Many of the members are the owners, or predominant shareholders, of holding companies which in themselves have an encompassing interest in the Polish economy. Roundtable members are prominent on the list of richest Poles. Although the Roundtable has an encompassing interest in the Polish economy it is in fact a fairly well integrated network of businesspeople rather than a classic latent group. The other way in which the Roundtable has overcome the collective action problem is that it comprises a small number of very large businesses. All can make a substantial difference to the organisation. The

⁵⁰ Interview: Marek Kłoczko, Chamber, 6 June 2000

Roundtable provides very little in the way of private goods, apart from some social opportunities and occasional private lobbying for members. However, the members tend to be so powerful that they do not need any organisation's aid in the pursuit of private political goods. In sum, the Roundtable has collective-action advantages but they are not derived from the communist economic structure.

Internal Politics

The Roundtable is a tightly-knit homogeneous group which seems to operate upon a fairly stable consensus amongst its leading members. The political and economic weight of the individual members, and their busy schedules, means the organisation is not used as a vehicle for individual careers and is not the scene of repeated power struggles. The Roundtable is on its fourth president since its foundation with none having sought a second term. The presidents have been from intelligentsia, private-business under communism and *émigré* backgrounds. There are a substantial number of foreigners and representatives of big foreign businesses in the Roundtable but they mostly tend to be rather passive.

The Roundtable and Politics

The Roundtable is not a super lobby with its roots in communism. In terms of the three civil society sub-hypotheses, the one relating to the personalism of post-communist politics is the most relevant. The Roundtable is taken seriously by the state at all levels. Although some individual members are associated with and provide substantial funding for political parties, the organisations itself has maintained a convincing non-partisan stance. The Roundtable uses the personalist political

⁵¹ *Businessman*, January 1993, p. 10; Roundtable (undated)

resources of its members in lobbying. It relies on government contacts to catch bad policies before they happen and talk to policy-makers “behind closed doors”. Many interviewees agreed that most of its members could ask for and would receive an audience with the President.⁵²

The Polish Confederation of Private Employers (The Private Confederation)

Origins

The Private Confederation was set up by the leadership of the Roundtable in 1999 as a rival to the official Confederation of Polish Employers. This event was a reaction to a failed putsch in the official Confederation, the leadership of which was perceived to be incompetent, clientelistic and dependent upon the state sector. The plan was to replace the then president, Wojciech Kornowski, with the Roundtable’s better-regarded then president Henryka Bochniarz.⁵³ The origins of the Private Confederation favour the super-lobby hypothesis since the organisation was set up to counter the perceived dominance of such lobbies in the official Confederation.

Collective Action

The membership of the Private Confederation is a politically sensitive issue as it has been vital to the organisation’s contest with the official Confederation. As of December 1999 the Private Confederation had seventeen member organisations, employing over three hundred thousand. Interestingly many of those workers are employed by the membership of the Polish Copper Employers’ Association. This is a classic privileged group and in many ways a classic post-communist super-lobby. However, the majority of the founding members seem to have been new associations

⁵² Interview: Jan Wejchert, Roundtable, 10 September 1999

created more or less directly by the Roundtable, while a smaller number were previously unaffiliated associations and defectors from the official Confederation.⁵⁴ The Private Confederation has sought to attract members partly through an emphasis on its private-sector credentials, partly through its superior political ability but also through the offer of the real and professionally-delivered private goods that are completely lacking from the official Confederation.⁵⁵ The Private Confederation does not really fit either of the two hypotheses. It is not a collection of revamped communist-era groups. Since it was sponsored by a pre-existing association neither has it had to deal with a flattened civil society.

Internal Politics

So far it seems there has been little internal politics in the Private Confederation and it is still dominated by the founding elite who are like-minded business leaders with a history of close co-operation within the Polish Business Roundtable. The growth of the Private Confederation to embrace a wider variety of interests and opinions should change this. There is no sign of Polish Copper using the Private Confederation to wrest concessions from the state. Polish copper is, to a great extent, a model post-communist conglomerate in that it has, until the recent downturn, successfully added a large telecommunications business to its core role in commodities.

The Private Confederation and Politics

The Private Confederation can hardly be a super lobby itself since, to some extent, it signs up to the theory that such lobbies exist and are very harmful to the Polish

⁵³ Interview: Ryszard Bańkiewicz, Roundtable, 9 August 1999

⁵⁴ Andrzej Rudka, Private Confederation, Personal Communications, 26 January and 29 August 2000; Private Confederation (1999a) and (1999b); Sąd Wojewódzki (1999b); Interviews: Andrzej Malinowski, Confederation, 8 September 1999; Ryszard Bańkiewicz, Roundtable, 9 August 1999

economy and polity: this has been one of its principal criticisms of the official Confederation. However, it also criticises the official Confederation on the basis that its incompetent lobbying allows the state complete autonomy from business. It has fought hard and successfully for its recent admission to the tripartite bodies on which business representation was hitherto monopolised by the official Confederation. The Private Confederation has shown some tendencies towards politicisation. In its start-up phase it was clearly sponsored by some parties of the coalition government. These parties have now been eliminated from parliament or have been swallowed up by the new Citizens' Platform which has strong links to the Club. Along with the official Confederation the Private Confederation now seems to be an accepted partner of the new left-wing coalition government. The Private Confederation follows the Club's example in a successful use of the print media. It also undoubtedly inherited a formidable bank of personal connections from the Roundtable.

4. Conclusions

This article has tested two bottom-up hypotheses about post-communist business associations. The flattened-civil-society hypothesis predicted that the grave collective action problems posed by the absence of established associations and large private businesses would emasculate Polish business associations. The case studies have proved this hypothesis to be largely correct. The alternative super-lobby hypothesis, which predicted strong business lobbies on the basis of communist-era economic structures, is not supported by the case studies, with the partial exception of the Confederation of Polish Employers. The flattened-civil-society hypothesis has three variants when it comes to the relationship between business associations and politics:

⁵⁵ Private Confederation (2000)

(1) state autonomy; (2) colonisation of associations by political parties and (3) the personalisation of the interface of politics and business. Although elements of all three of these sub-hypotheses were found in the case studies the personalisation hypothesis is the most relevant to the Polish case.

The success of the flattened-civil-society hypothesis is the all the more striking when the characteristics of the Polish case are taken into account. On the eve of the transition Poland had a more developed civil society, including the economic sphere, than any other communist regime and its state sector was well known to be plagued by super lobbies. The lack of substantial intervention from the Polish state and the EU means that the case studies have provided a relatively pure test of the two bottom-up hypotheses. The lack of domestic intervention contrasts with the other East-Central European countries where the state moved quickly to sponsor business associations as participants in tripartite institutions. In the Hungarian case, the state went as far as making chambers of commerce obligatory for businesses. The fact that national governments have been more interventionist in other East-Central European countries does not necessarily mean that this Polish case study is merely a Polish case study. It does suggest that where super lobbies have emerged this is not simply a reflection of the collective action advantages bestowed by the communist economic structure. Poland obviously had a communist economic structure and, as noted above, was perhaps the country where the emergence of super-lobbies was most likely on the basis of bottom-up factors. If bottom-up factors could not produce genuine super lobbies in the particularly propitious Polish case, it seems unlikely they could do so in other cases.

The success of the flattened-civil-society hypothesis in the Polish case suggests that where super lobbies have appeared the top-down factors of the state and political system are perhaps more important than the bottom-up factor of economic structure. This argument is of fundamental importance for the understanding of post-communist political economy. It recasts the image of a weak over-burdened state struggling with powerful economic lobbies. Instead, it suggests that the post-communist state encouraged such lobbies. Without state intervention business associations would have been stymied by the collective action problems of a flattened civil society. As this article has shown, this is what happened in Poland.

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