BUSINESS INTEREST ASSOCIATIONS IN LITHUANIA: STATUS, ROLE AND PROSPECTS

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Abstract. European Union laws frequently replace, change, or complement national laws. This has prompted domestic interest groups to promote their cases more readily before EU institutions, naturally, also ‘taking’ the attention of social science with them. However, while the analysis of EU level interest groups receives a fair amount of attention, there is a surprising lack of studies on national interest groups. The objective of this article is to analyze the present status of scientific literature on the Lithuanian business interest associations and prove that it is still of crucial importance to analyze the Lithuanian business interest associations on the national level. Moreover, the article presents partial findings received from the Lithuanian business interest associations’ survey which was carried out in the period 2007–2009 by the author of the present article and during which 112 Lithuanian business interest associations were investigated. The conclusions presented in the final part of the article suggest new insights and aspects for further research into business interest associations on the national level.

Keywords: social research, EU level, national level, interests groups, business interest associations.
Introduction

The number of investigations into the Lithuanian interest groups is slightly increasing; however, the research is still rather scattered. There is an obvious lack of comprehensive analyses of the Lithuanian business interest associations (BIAs). Therefore, the objective of this article is to analyse the state of the art of the Lithuanian BIAs. The objective is implemented by performing the following tasks: (1) investigating the state of the art of the research literature on the Lithuanian BIAs; (2) discussing the necessity of research into BIAs on the national level; and (3) examining the historical, organizational and sectoral domains of the Lithuanian BIAs on the national level.

There is a general notion that the lack of research in the business area can be attributed to the secrecy and confidentiality which surrounds BIAs and numerous difficulties to access the data necessary for the evaluation of the role and functions of BIAs in political life.\(^1\) Besides, there exists an approach that the real protection of interests and true influence flows through other channels.\(^2\) Moreover, the position of Lithuania as a post-communist country is even more particular: it is assumed that the phenomenon of interest groups was hardly present in the communist period and this historical fact had a significant impact on the overall development.

Therefore, the author of the article not only looks at the theoretical approach to BIAs, but also incorporates the analysis of statistical data and secondary sources. Moreover, the author presents the primary results of a questionnaire survey of 2007 – 2009, during which 112 Lithuanian BIAs were investigated (80 national and 32 regional). The conclusions presented in the final part of the article suggest new insights and aspects for further research into BIAs on the national level.

1. Theoretical Approach: Social Research into the Lithuanian BIAs

The present chapter aims at scanning the state of the art of the existing research into the Lithuanian interest groups and, namely, BIAs. In the existing research literature it is agreed that Bentley’s\(^3\) work is the first theoretical scientific study of interest groups. Bentley defined a group as any subsection of society acting or tending toward action and then argued that there is no group without its interest.\(^4\) According to Almond and Powell\(^5\), there are four types of interest groups: anomic interest groups; non-associative

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2 Ibid.
4 Ibid., p. 211.
interest groups; institutional interest groups and associated interest groups. Kemėšis, Wilson, Schlozman and Tierney, Knöke, Novagrockienė, Krupavičius, etc. offer different associated interest groups’ classifications depending on their organizational structures, nature of interests they represent, interest representation tactics and strategies they apply, etc. To cite an example, Schlozman and Tierney proposed to classify associated interest groups into: (1) cooperations, associations of trade and other businesses; (2) labour unions, associations of professional communities and (3) other public interest groups and organizations of civil rights and social welfare. Despite the various classifications, all authors clearly distinguish one type of associated interest groups, i.e. the associated business interest groups which in this article are referred to as BIAs. In this article the author applies the definition of BIAs suggested by Schneiberg et al: BIAs are ‘a form of regulation in which firms join together and delegate to a central body the rights and powers to promote common interests, regulate relations within the industry, and order relations between members and those whose strategies and activities can decisively affect the industry’s fortunes’.

What regards the Lithuanian context, noteworthy is the contribution of Krupavičius who analyzed interest groups and political parties in the context of post-communist countries. Moreover, in other scientific works Krupavičius and Lifanova analyzed the structure of interest groups, provided their classifications and discussed the efficiency of interest groups. Furthermore, it is worth mentioning the volume of 'Interesų grupės, valdžia ir politika' composed of the contributions of a number of authors and regarded as a good input into the Lithuanian studies of interest groups and, particularly, business
interest groups. Broga analyzed several cases of the influence of the Lithuanian BIAs on tax system and provided findings of the investigation of the BIAs’ choice of interest representation tactics. Lukošaitis studied the dynamics of the development the Lithuanian BIAs and the characteristics of institutionalization. What is more, in Lithuania a Ph.D. dissertation in the field of interest representation was defended by Kaminskas who explored the characteristics of political networks of the Lithuanian interest groups among which BIAs were included.

Andrikienë addressed the issue of lobbying in Lithuania and the prospects of Lithuanian interest groups in Brussels. The impact of the EU integration or europeanization on interest representation was reviewed by Maniokas as well as Vilčinskas and Vijeikis.

What is more, it is important to mention foreign authors who concentrated their studies on interest groups in post-communist countries and suggested significant insights into the issue (Padgett, Steen, Duvanova, McMenamin). The post-communist aspect in the Lithuanian landscape of BIAs plays a significant role. Therefore, worth mentioning is the research series conducted by World Bank in 1999, 2002 and 2005 that provide some general notions on the Lithuanian BIAs, their members and supposed influence.

26 Duvanova, D. Interest Groups in Post-Communist Countries: a Comparative Analysis of Business and Employer Associations. The Ohio State University, 2006, p. 1–45.
Furthermore, several foreign authors have researched BIAs in new EU Member States, but the focus was mainly on the cases of Hungary (Ágh\textsuperscript{29}, Pérez–Solórzano Borragán\textsuperscript{30}), Poland (Panków\textsuperscript{31}), Czech Republic (Pérez–Solórzano Borragán\textsuperscript{32}) and several cases of Slovenia (Fink-Hafner\textsuperscript{33}). The majority of these authors tried to measure the impact of the EU membership on interest intermediation. However, Mediterranean and Baltic states are usually left aside in these studies.

On the other hand, the majority of the European research literature is on how BIAs represent their interests on the EU level, individually or being a member of some European business association (Aspinwall and Greenwood\textsuperscript{34}, Greenwood\textsuperscript{35}, Kohler–Koch\textsuperscript{36}, Quitcatt\textsuperscript{37}, Eising\textsuperscript{38}) in the contexts of europeanisation and internationalisation. The national level of BIAs representation is disregarded.\textsuperscript{39}

In Europe BIAs also appear as study object in doctoral research projects. Coen\textsuperscript{40} analyzed large companies’ interests, Wagemann\textsuperscript{41} investigated individual private companies’ interests in one sector, Lehmkühl\textsuperscript{42} examined businesses ineterests’ in two countries in one industry.

While looking at EU directives and regulations, it should be stated that they frequently replace, change, or complement national laws. This has prompted domestic interest organizations to promote their cases more readily before EU institutions. However,


\textsuperscript{32} Pérez–Solórzano Borragán, N., supra note 30.


\textsuperscript{36} Kohler–Koch, B. \textit{The Organization of Interests and Democracy in the European Union}. Personal Archive, 2005, p. 29.


\textsuperscript{39} Wagemann, C. \textit{Organizational Change in Business Associations of the Diary Industry: Lessons from PIGs for COWs and Beyond}. Ph.D. diss. Florence: European University Institute, 2005, p. 294.


\textsuperscript{41} Wagemann, C., \textit{op. cit.}, p. 294.

\textsuperscript{42} Lehmkühl, D. \textit{The Importance of Small Differences. The Impact of European Integration on the associations in the German and Dutch Road Haulage Industries}. Ph.D. diss. Florence: European University Institute, 1998, p. 294.
while the analysis of EU level interest intermediation received a fair amount of attention, there is a surprising lack of studies on the consequences for domestic groups.

Inspired by the abovementioned lack, the following chapter is dedicated to the investigation of the importance to focus on the Lithuanian BIAs on the national level.

2. Finding the Answers: Why to Focus on National Level

Firstly, it is important to discuss the reasons for focusing on the national level of a single state which is a member of the EU, while a clear tendency is observed to investigate interest intermediation strategies on the supra-national European level. Generally, EU integration leads to closer interactions between the formerly separated political units and the combination of economic markets. Neo-functionalists argue (Haas\(^\text{43}\)) that this integrative dynamic is shifting decision-making competencies and market actors’ loyalties from the national to the EU level, thus contributing to a gradual reduction of the importance of the national level as a target for BIAs interest intermediation. Therefore, EU integration is supposed to generate organisational adaptations by improving the organizational representation at the EU level, despite that this occurs at the expense of national associations. However, empirical research deny these neo-functional assumptions and argue that despite the high degree of transnational interaction BIAs’ attention has not been diverted away from the national level.\(^\text{44}\) The findings show that BIAs and business companies establish contacts with both national and European levels of decision-making and BIAs address national targets even more often than European ones.\(^\text{45}\) Moreover, there are further reasons for opting for national level. Firstly, especially in those policy areas where there is greater interest in not making decisions than in making them, the pressures at the national level are the main reason for BIAs maintaining a strong national base.\(^\text{46}\) Secondly, the large majority of organised action and sectoral forms of public-private cooperation appear on the national level.\(^\text{47}\) Thirdly, recent studies have suggested that national arrangements of concertation of disputes survive if BIAs and other interest groups manage to shift the functional content from demand to supply issues (Heinis\(^\text{ch48}\), Visser and Hemerijck\(^\text{49}\)). In addition, in their attempt to meet the increasing obligations to the EU, national governments have to rely more and more on the negotiated consent

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of their respective social partners in order to obtain the ‘voluntary and active assent’ that is so important for competitive success.\(^{50}\)

This article holds the aspect of the Europeanization aside. Despite the europeanization that has an impact on interest intermediation in EU Member States, national associational landscapes of business interests are equipped with certain robustness against the mentioned influence and national specificities regarding self-regulation persist and the regulatory diversity of BIAs landscapes across the EU is maintained.\(^{51}\) This becomes one more strong argument for taking a closer look at the national level.

3. Practical Application: Lithuanian Business Interest Associations

3.1. Historical Development

The historical analysis is far beyond this study; however, it is necessary to find out and briefly explain the historical and conceptual roots of BIAs in Lithuania. Simultaneous appearance of political parties and interest groups has become an exceptional feature of post-communist countries: obviously political parties did not handle interest groups, besides, they did not wish to let interest groups participate in the decision-making process. Political system development scenarios were constructed by political parties themselves. Interest groups were kept at the peripheria and were not granted equal rights of participation in the processes.\(^{52}\)

It also can be argued that the true functioning of the economic interest groups (also other society interest groups) was considerably delayed due to the slow formulation of the legal framework in the country regarding interest representation area. The majority of the legal acts regulating the activities of interest groups were delayed without well-founded reasons.\(^{53}\) It could be assumed that the perceptible beginning of the process was in 1988. Finally, 1989 witnessed the appearance of the law which altered Articles 6 and 7 of the Constitution of the Soviet Republic of Lithuania. This legal change preconditioned the legitimation of previously established political and society organizations. Besides, the the way was given to the formation and functioning of other professional, economic, etc. interest organizations.

The law of political parties of the Republic of Lithuania adopted in 1990, unfortunately, did not establish a clear separation between political and society organizations and that is assumed to be the traditional flaw of the majority of post-communist countries.\(^{54}\) Moreover, the law regulating the functioning of society organizations was not

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\(^{52}\) Lukošaitis, A. Interesų grupės [Interest Groups], *supra* note 19, p. 179–212.

\(^{53}\) *Ibid*.

adopted. ‘Society-like’ political organizations and ‘political party-like’ society organizations were performing the functions of political organizations, and this legal duality led to the situation in which till 1995 there were registered: 20 political parties, 20 political society movements and 10 political society organizations.

Continuing this discussion, the attention is driven to the Constitution adopted in 1992, which separated the status of a political party from the status of a social organization. Article 35 of the Constitution stipulates that citizens are guaranteed the right to freely form societies, political parties and associations and no one may be compelled to belong to any society, political party, or association. Therefore, the Constitution legalized the integration of social organizations into the political realm. Following the articles of the Constitution, the year of 1994 saw the modification and supplementation of the Law on Political Parties which ensured the separation of political parties and political organizations from social organizations. Moreover, in 1995 there was adopted a legal act on social organizations defining social organizations as voluntary gatherings (such as unions, associations, funds, etc.) of individuals formed with the aim to meet and implement individuals’ needs and objectives. In 1995 all previously established organizations were asked to re-register their status once again clearly choosing either social or political status. The adoption of the mentioned legal act is regarded as a major undertaking finally drawing a clear separation line between political and social organizations.

Finally, the adoption of the Law of Associations in 1996 marked the completion of the legal framework for the functioning of interest groups. According to the definition provided in the Law, an association is a voluntary gathering of natural or legal persons whose competences include the performance of economic, social, cultural, educational, scientific, etc. tasks and functions defined by the members of the association. The Law also provided the possibility for the association itself to join other unions or confederations.

As the only gap in the legal framework one may indicate the absence of any law regulating lobbying activities till 2001. A draft law for the regulation of lobbying activities was introduced for public consultation in 1997; however, it was adopted only in 2000 and entered into force in 2001. According to the Law on Lobbying Activities, lobbying activities are defined as paid or not paid actions performed by a natural or legal person who acts in accordance to a client’s order that can include a requirement to influence a certain legal act leading it to modification, supplementation, withdrawal, initiation or objection. The person performing lobbying activities should be enrolled into an

59 The current research is not aimed at exploring lobbying activities as they are defined in the Legal Act of Lobbying Activities.
official list of lobbyists. The mentioned Law also provides that lobbying activities by no means can be directed against the interests of the state or the society. Much controversy and discussions regarding the Law on Lobbying Activities emerged, starting with the initial doubts whether the Law was necessary at all and ending with the fact that at this moment 23 lobbyists are registered under to the Law at the Lobbyists' Registrar and according to the declarations of lobbying activities of 2008, 14 registered lobbyists out of 20 did not perform any lobbying activity.

BIAs' start was longer and not as smooth as other interest groups. Even today the number of BIAs in Lithuania is rather low. Such a situation is caused by a practical issue which proves to be very disadvantageous: there is no authoritative database or other source which would provide a clear number of the Lithuanian BIAs. According to the Law on Associations, an association can be established by able natural persons (not younger than 18 years old) and/or legal persons by contracting. The minimum number of founders to establish an association is three. It means that all possible associations are kept in one 'pot' and all official information coming from the state’s statistical bodies provide information on the associations that in reality comprise a huge variety of organizations that are involved in absolutely different activities led by different motivations. For example, according to the official statistics in 2009, there were 13,114 associations registered and 7,525 of them were associations in operation.

At present the only way to find out the number of the Lithuanian BIAs is to review the whole body of the registered associations single out BIAs among them. Different sources provide different numbers of business organizations in Lithuania. A rather low number of the Lithuanian BIAs in comparison with other interest groups, trade unions, etc. could be explained as follows:

- BIAs do not have any predecessors to learn or gain some experience from;
- BIAs represent different and fragmented interests, organization is complicated, especially when certain competition exists.

It is important to note that BIAs' influence was not stable at their initial stage in Lithuania. Business organizations frequently were replaced by other business interest organizations and the representation of business interests was hindered considerably.

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65 According to the author’s calculation, there were 200 BIAs in 2008 in Lithuania. Lukošaitis writes that there are 300 organizations representing business interests (in Lukošaitis, A. Interesų grupės [Interest Groups], supra note 19, p. 195).

Previously established BIAs, such as the Union of Lithuanian Businesspeople, the Congress of Property Security and the Lithuanian Alliance of Private Capital, today are not functional at all (Figure 1). Figure 1 shows the sophisticated development process of the Lithuanian BIAs, especially the unification of small and medium enterprises (SMEs). This period was marked by several BIAs’ features that can be characterised as follows:

- Formation of public opinion on businesspeople;
- Interest representation in general;
- Choice of political partner for cooperation (the Alliance of Private Capital among its members–partners accepted one political party—Lithuanian Liberal Union).

While looking at the historical development and examples like the one mentioned above, it can be assumed that political and business environments were too much interrelated and this apparently had a significant impact on the Lithuanian BIAs; however, this statement is too far from being proved officially and this is not the task of this study.

One more interesting fact related to the above assumption is that as the leaders of BIAs were chosen and, with few exceptions, later became (or even at present are) active in the Lithuanian political life: Ms. K. Prunskienė later became the first Prime Minister of the Republic of Lithuania, Mr. A. Butkevičius later was elected (and is at present) to the Seimas of the Republic of Lithuania and Mr. V. Uspaskich, initially a businessman, later established the Labour party in Lithuania, won elections, became the Minister of Economy, later was a member of the Seimas and at the moment is a member of the European Parliament for the period 2009–2014. These examples might bring one to the assumption that personalities, leaders of BIAs reflected the general atmosphere of business and politics being very close to each other. Besides, it should also be considered that these figures are presently active politicians and such a situation presumes the possible existence of various channels of influence with regard to interest representation.

Figure 1 shows the way in which representation organizations of small and medium businesses established themselves and how this process is marked by establishing, reforming, canceling and reestablishing BIAs. It can hardly be stated that each change brought in a value-added factor into such development. However, developing in a rather hostile environment where political parties held an absolute monopoly over decisions they had to demonstrate a certain degree of flexibility and adaptability in order to be the predecessors of the BIAs which nowadays are being invited by the state institutions and have certain access to public decision makers. Large businesses did not undergo such complicated processes. Political and business elite agree that the Confederation of the Industrialists has the most significant influence not only in the sphere of business but also in the political world.

The depicted developments prove that business interest groups underwent a complicated period of changes and transformations especially characteristic to post-communist countries. Four major development stages can be distinguished in this period:

- Formal legalization of new social, economic and political environment which serves as a proper condition for the appearance of interest groups;
- Formulation and socialization of new interests;

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Interests acquiring the format of organizations or other organizational structures;
- Articulation of interests and interest representation through interest groups in the society and politics.

Analyses of the Lithuanian BIAs lead to a conclusion that the Lithuanian BIAs have gone through several development stages with some being left for the future developments. Social values and norms determining the content of the politics, however, are still very unstable.

Figure 1. The transformation of the Lithuanian BIAs


Explanation of arrows:
- Link to present
- Transformation
- Taking over the rights
- Founding by BIA
- Founding by members
- Merging
- SMEs
- Large business

2010
1800 businesses (companies +BIAs), Board Chair – R. Kveselaitis

2010
34 sector BIAs and 9 regional BIAs, leader – B. Lubys
3.2. Types, Structures, Membership and Activities

The debates on the types of BIAs among Lithuanian researchers bring to the following enumeration of four types of BIAs in Lithuania:70

− Chamber of trade, industry and crafts. This group unites business enterprises according to their geographical distribution and defends their interests.
− Regional organizations. This group unites business enterprises, employers’ organisations and businesspeople located in certain regions, for example, Association of Kaunas SMEs.
− Sector associations. This group unites business enterprises of a certain sector, for example, Association of Lithuanian Light Industry.
− Umbrella organizations. This group unites enterprises and employers’ organizations regardless of the sector.

This classification, however, lacks the national type of BIAs. It can be assumed that national aspect is included under the umbrella-type organizations. A simple classification could lead to two major groups of associations: national and regional associations. Moreover, each of them can be either a sectoral or cross-sectoral (umbrella) association. This simple correction brings in a lot of clarity and eliminates any misinterpretation. Besides, an important aspect is the level of an association, i.e. whether it is high- or low-order BIA.71 It can also be argued that chambers of trade, industry and crafts coincide with regional umbrella organizations. This duality is legally possible; however, the need to distinguish these two types could be seriously questioned.

The following chapters of the present article provide the findings of the questionnaire. A number of authors suggest a basic platform for BIAs analysis which encompasses three major factors that are of vital importance while investigating BIAs.72 Those factors are the following: business interest associations’ organizational, sectoral and country-specific factors. As country-specific factors have already been discussed, further analysis will be concentrated on the characteristics of the rest of the factors.

3.2.1. Organizational Factors

Major interest groups’ studies (Truman 1951, Wilson 1973) highlight the importance of three organizational features. They are the following: organizational domain, the resources at the disposal of actors and the strategies of interest representation.73

The organizational domain strongly affects the activity of BIAs. There are formal rules that distinguish certain types of actors that are eligible to join an association. The membership density indicates the extent to which an association is able to recruit potential members. Therefore, organizational domain can limit or delimit the sectoral scope of an association.

70 Kaminskas, R., supra note 20.
71 High-order BIAs accept other BIAs as members; low-order BIAs accept individual businesses as members.
73 Due to the limited scope of the article, the last organizational feature will not be discussed.
Business associations can grant membership to different kinds of actors. Depending on the kind of actors that a business association accepts (individual companies, individual entrepreneurs or groups of companies/associations), its position in a multi-layered associational system is determined. On the one hand, business associations that allow the membership of business-related organizations, individual companies or entrepreneurs form the bottom layer. Such membership indicates quite a narrow domain and aggregate interests at a relatively low level. On the other hand, federations (business associations of business associations) are on higher levels of the associational system. They may not have right to give orders to their members, however, they aggregate their interests and, to some extent, coordinate their activities and this ensures a better access to policy-makers. The research of 2007–2009 during which 112 Lithuanian BIAs were investigated (80 national and 32 regional) showed that almost 100% of the surveyed Lithuanian BIAs grant membership to legal persons (Figure 2). A relatively high percentage of associations grant membership to natural persons, what presumambly can limit the activities of the BIA itself. If a natural person who is granted membership is an influential figure in an election constituency or the community, a BIA can benefit from such a member; however, if a natural person is not officially representing a part of the society and does not demonstrate influence possibilities, the high number of such members in a BIA can negatively influence its performance. Figure 2 below does not reflect the actual members of BIAs, however, almost 73% of the Lithuanian BIAs grant membership to other associations. It can be presumed that they have the potential of being high-order BIAs and that affects the interest representation activities positively.

![Figure 2. Who can be granted the membership of your BIA?](image)

The performed survey also indicates that there are different memberships that can be granted by the Lithuanian BIAs. Though there is some variation among different BIAs, mostly associations have the following types of members:
1. Official Members: in most cases, the official members of business associations are businesses themselves, represented by the directors/general managers or another employees appointed by the director. In addition, a business association can be a member of another association. Official members in most cases are obliged to pay membership fees.

2. Associate Members: some BIAs extend associate membership to companies with foreign investment that are operating enterprises, household enterprises, industry-specific associations or clubs, research and/or training institutes, etc. In short, associate membership is open to a fairly wide range of other organizations.

3. Honorary Members: some BIAs extend honorary membership to individuals who are important in the business community but who may not necessarily be entrepreneurs themselves. These include local government officials, academics from universities or research institutes, etc. In some cases, associations may extend honorary membership to individuals who do not fit the profile of official members because the honorary members make a significant contribution.

4. Supporters–donors: this type of members also has not been proved to be widely spread, however, it appears in separate cases. These are the businesses providing various types of support to the BIA.

To continue, the density of membership is a very important factor indicating the extent to which a BIA mobilizes its potential members. A greater membership density can indicate both organizational success in the mobilization of an association’s constituency and better representativeness of its domain in public sector. The performed survey showed that 23% of all surveyed BIAs included all possible businesses of a certain sector (Table 1). This condition can be very favourable to attract funds and gain access to public institutions because a high degree of concentration indicates a high degree of representativity of certain companies acting in a certain field. 49% of the surveyed Lithuanian BIAs indicated representing 1–25% of the total number of companies operating in the sector.

Table 1. What is the percentage of businesses operating in your sector(s) that are members of your BIA?

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Frequency</th>
<th>Per cent</th>
</tr>
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<tbody>
<tr>
<td>1 – 25</td>
<td>49</td>
<td>47,1</td>
</tr>
<tr>
<td>26 – 50</td>
<td>15</td>
<td>14,4</td>
</tr>
<tr>
<td>51 – 75</td>
<td>17</td>
<td>16,3</td>
</tr>
<tr>
<td>76 – 100</td>
<td>23</td>
<td>22,1</td>
</tr>
<tr>
<td>Total</td>
<td>104</td>
<td>100</td>
</tr>
</tbody>
</table>
The second organizational feature is resources at the disposal of BIAs. To ensure their survival and maintenance, associations need more or less stable supply of resources from their members and their environment. Business associations as voluntary organizations draw on the time, money, and efforts of their members. Financial resources are the main prerequisite for their activities and allow business associations to have permanent staff. Permanment staff enables business associations to pursue internal and external objectives more effectively and create environment that ensures long-term activities and continuous relations with state authorities.

Table 2 shows that from 1 to 2 persons are employed in the majority of BIAs (about 59%). About 26% of the Lithuanian BIAs employ 3-4 employees. Only 4% employ 5-6 employees and 4% employ more than 10 employees. During the survey BIAs admitted that they recruit human resources from their members for the completion of certain functions or tasks without formal employment. A small number of employees can limit an association’s crucial activities and impede the representation of interests.

Table 2. How many employees are there in you BIA?

<table>
<thead>
<tr>
<th>Number of employees</th>
<th>Frequency</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1–2</td>
<td>66</td>
<td>58,9</td>
</tr>
<tr>
<td>3–4</td>
<td>29</td>
<td>25,9</td>
</tr>
<tr>
<td>5–6</td>
<td>4</td>
<td>3,6</td>
</tr>
<tr>
<td>7–9</td>
<td>9</td>
<td>8,0</td>
</tr>
<tr>
<td>More than 10</td>
<td>4</td>
<td>3,6</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>112</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Other organizational aspects included in this research are resources in terms of an association’s budget, focus on interest representation as indicated by the share allocated for this function, and association’s internalisation. Figure 3 presents the budget of the Lithuanian BIAs.

74 Wilson, J. Q., supra note 7, p. 30.
75 Knoke, D., supra note 9, p. 41.
The research showed that even 37% of BIAs ran the budget which is up to LTL 1,000 (that is only about EUR 290).\textsuperscript{76} It is apparent that Lithuanian BIAs have to very thoroughly consider their decisions causing expenditures (for example, membership fees in some European or international BIAs, rent of the office (hardly in Brussels), etc.). The research showed that the majority of all surveyed BIAs allocated 100% of their budget to interest representation activity.

The survey also included a question about the share of the three biggest members in the whole BIA’s budget (Table 3). Even 23% of the respondents indicated that three biggest businesses in their BIA constituted more than 50% of the whole budget. Such a result may be interpreted as a signal that the interests of the biggest members will dominate over the interests of other BIA’s members what can lead to various scenarios such as unwillingness to join, passivity, etc.

\textit{Table 3.} What is the share of three biggest members in the whole BIA’s budget?

<table>
<thead>
<tr>
<th>Share in the budget</th>
<th>Frequency</th>
<th>Per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 – 25 %</td>
<td>46</td>
<td>56,1</td>
</tr>
<tr>
<td>26 – 50 %</td>
<td>17</td>
<td>20,7</td>
</tr>
<tr>
<td>51 – 75 %</td>
<td>13</td>
<td>15,9</td>
</tr>
<tr>
<td>76 – 100 %</td>
<td>6</td>
<td>7,3</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>82</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

\textsuperscript{76} Euro to Lithuanian Litas official exchange rate: 1 Euro equals to 3.4528 Lithuanian Litas.
Resources might, on the other hand, be not only human or financial. Information is also a very important resource which needs to be studied in future investigations.

When the Lithuanian BIAs were asked to indicate their membership in other national associations, almost 45% answered that they did not belong to any national associations meaning they remain low-order associations; 40% answered that they belonged to one national association and 15% of BIAs told that they belonged to more than one association. This finding can lead to several conclusions. BIAs belonging to high-order national associations might have more opportunities of satisfying their interests and benefiting from this membership in the terms of services that are provided by that association for other members; what is more, being a member of such a professional network can improve a BIA’s organization, etc. According to the same survey, almost 50% of the Lithuanian BIAs do not belong to any European BIA, while 32% belong to one European BIA.

Only 10% of the surveyed Lithuanian BIAs indicated having an office or a representative in Brussels. It can be explained by limited financial resources.

3.2.2. Sectoral Factors

BIAs function within sectoral structures. The survey showed that the Lithuanian landscape of BIAs is dominated neither by sectoral nor cross-sectoral BIAs: 47% of BIAs are cross-sectoral associations and 52% belong to one sector. Broad sectoral domain determines a high number of the members of an association but can make interests very heterogenous; what is more, it becomes complicated to agree on joint definition of collective goals. Frequently as a way out of such a situation, a comprehensive but too vague position, which is also not very relevant for decision-makers, is formulated. In contrast, a narrow sectoral or subsectoral domain results in a small number of members and keeps the homogenous nature of interests. Under such circumstances internal compromise is easily reached and an association can act successfully. However, an association with a too narrow sectoral domain risks representing the interests of a very small group and, therefore, is irrelevant to policy-makers.

A more comprehensive analysis of sectoral factors is possible, for example, according to sectoral approaches, such as meso-corporatism, sectoral governance or policy networks, relationships between interest organizations and government depend on economic sectors or policy areas. The presumption is that the relations between a business association and the government vary across sectors within the same policy and for organizations with similar properties because, firstly, like the technical and economic features of products or production processes, sectoral exchanges among producers, suppliers and consumers make influence on state–business relations. Secondly, state organizations themselves can be marked by sectoral particularities.

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78 Ibid.
Conclusions

Lithuanian interest groups’ studies are fragmented and there is no comprehensive investigation of the Lithuanian BIAs due to historical reasons and business sector’s characteristics due to which it is difficult to approach and extract information. Comprehensive BIAs analysis is needed to fulfil the existing gap and precondition further studies on national and European levels.

Historical developments of the Lithuanian BIAs led to the conclusion that BIAs underwent several development stages with some being left for future developments. Awkward legal system partly conditioned these BIAs’ transformations. It can also be stated that even nowadays legal clarity is not ensured: there exist various problematic issues starting with ineffective registration system and ending with not functioning lobbying law.

The budget of the majority of the Lithuanian BIAs is rather limited what results in a decrease in the number of contacts with political institutions in the context of interest representation. Less human resources also can generate less internal and external expertise leading to no or just few contacts with decision-makers.

The better-represented domain of BIAs should improve the access to political bodies. High-order BIAs should strengthen contacts with political institutions. However, the need for expert knowledge or detailed information can make low-order associations important for public bodies. Besides, the relevance of the domain of representation is related to the membership structure of an association. High-order associations comprising associations and companies as members have better access to political institutions than those having only companies as their members.

The more potential members an association mobilizes, the more representation of the domain it has, thus, a higher degree of representation can ensure a positive effect on the contacts with political institutions.

The presence of an office in Brussels should improve the access of a business association to EU political institutions. Being a member of EU networks/associations has a positive effect on the access to EU institutions. Consequently, these particularities can also positively influence BIAs activities on the national level. A higher degree of internationalization increases the number of contacts with public bodies. It is mainly because internationalization indicates business’s orientation towards international markets and presumes more experience of interest representation in different political settings. Besides, businesses with a certain degree of internationalization are free to move their investments to other locations.
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VERSLO INTERESŲ ASOCIACIJOS LIETUVOJE: STATUSAS, VAIDMUO IR PERSPEKTYVOS

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Santraukos. Europos Sąjungos teisės bazė dažnai pakeičia, koreguoja arba papildo nacionalinę teisės bazę. Šis pokytis nulemė nacionalinių interesų grupių susikūrimą, kuris taip nuveikia į európai lygmenį, pokyčius. Interesų grupių bandymai európai lygmeniui atstovauti savo interesams atitinkamai nuveikę į socialinių mokslų tyrimų dėmesį: jų turi tikėtis, kokia taktikos ir strategijos európiu lygmeniui taiko interesų grupės, kokios turi įtakos Europos Sąjungos integracijai pachioms interesų grupėms ir kita. Taigi európių interesų grupių veikla yra nuodugniai stebima ir tiriami, o nacionalinės interesų grupės, ypač tomis, kurioms Bruselio koridoriai yra pasiekti sunkiai, socialiniai mokslai domisi mažiau. Šis straipsnis yra inspiruotas minėtos situacijos. Juo siekiama, pirmiausia, peržvelgti Lietuvos interesų grupių bei Lietuvos verslo interesų asociacijų ištirtumo lygi ir pateikti argumentų, įrodančių, kodėl verta tirti nacionalines verslo interesų asociacijas. Straipsnyje taip pat pateikti, remiantis trijų faktorių platforma, taikoma interesų grupių tyrimams, dalinai tyrimo, autorės atliko 2007–2009 m., rezultatai. Minėjosi platforma susideda iš verslo interesų asociacijų organizacinių ( asociacijos narai, narystės koncentraci-
ja, asociacijos narystė, biudžetas, biudžeto paskirstymas atliekamoms funkcijoms, žmogiškiesi ištekliai, asociacijos internacionalizacija ir kita), sektorinių (nacionalinė/regioninė vieno sektoriaus/skėtinė asociacija) ir atskiro šalies (verslo interesų grupių istorinė plėtra) charakteristikų. Tyrimo metu buvo apklausta 112 Lietuvos verslo interesų asociacijų, iš jų 80 nacionalinių ir 32 regioninės. Straipsnio pabaigoje pateikiamos išvados, kurios prisideda prie tolesnių Lietuvos verslo interesų asociacijų nacionalinių tyrimų ir yra tu tyrimų pagrindas.

**Reikšminiai žodžiai:** socialiniai mokslai, Europos Sąjungos lygmuo, nacionalinis lygmuo, interesų grupės, verslo interesų asociacijos.

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