

Public Affairs in CEE: On the way to transparency?

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Introduction

Public Affairs (PA) Central and Eastern Europe as a subject area has undergone major developments after the fall of the Berlin Wall in 1989 and the rise of democratic regimes in the region. In the business arena multinational and global agencies, such as Hill and Knowlton, Burson-Marsteller or Weber Shandwick entered the market in the early 1990's with their clients and they started to use methods and techniques common in the international market but new to CEE countries. They persisted with these even though, by contrast with the situation in West-European countries, in the new markets the rules of PA were neither transparent nor predictable. Subsequently, local agencies started up in the market and started to compete. These local agencies often did not work to international standards, however they had better "relationships" and knowledge of socio-political structures and this enabled them to work with high efficiency.

Over more than two decades, both global and local companies have struggled to legitimise their function and to create a "public affairs culture" (Harsanyi & Schmidt, 2012). McGrath (2008) started the discussion on the controversial area of the development and regulation of lobbying in the new European Union member states, and we progress this, focusing on Poland, the Czech Republic and Slovakia. In many countries, such as in the Czech Republic and Poland, local Associations of Public Affairs started to emerge in recent years, yet they are still not existing everywhere, e.g. not existing in Slovakia.

The term 'public affairs', unlike 'lobbying' remains unrecognised by the wider public in CEE. 'Lobbying' became a widely-used term in the media to describe the processes of influencing state officials with the aim of promoting the partial and biased interests of specific groups or individuals, and this was often connected with non-transparent behaviour, corruption or fraud and hence has acquired negative connotations and a poor reputation.

Thus 'lobbying' and transparency became incompatible in the local context, and lobbying became a subject of study and investigation in this light both by local journalists and by some academics, mainly in the area of political studies (Müller 2010).

The term 'public and governmental affairs' has become current following the trend in the U.S. (EPACA, 2013). The new European Transparency Register set up in 2011 covers "European institutions' interaction with citizens associations, NGOs, businesses, trade and professional organizations, trade unions, think tanks, etc."

(European Commission, 2013) and has been avoiding the word "lobbying" during recent years (EPACA 2013) . However, the term lobbying is still prevalent in both literature and practice and is often applied to the whole range of activities aimed at "making a difference as desired or gaining influence, which is embedded in a body of knowledge called 'public affairs management' " (van Schendelen, 2010: 13).

Irrespective of definitional questions there is increasing interest in, and pressure for, transparency in public affairs and this gives rise to the question whether effects of this can be seen in countries which have made the transition from socialist command economies to the current democracies.

Summarizing, there are a number of reasons, why we are discussing the topic of transparency in CEE countries in this paper:

- when we were studying PA in some local markets earlier, we discovered that transparency was a very big, if not the biggest issue
- transparency in political decisions and processes is necessary for developing a solid democracy: so what is the situation now, almost 25 years after the changes towards democracy in the region?
- transparency in CEE countries is seen as lacking, and leading to suspicion and criticism
- in CEE countries, some lobbyists are often perceived as those who don't want these processes to be transparent, on the contrary, as wishing to stay in the shade away from the public eye: would transparency be able to limit or control the undesirable aspects of public affairs practice?
- western companies often bring transparency and the demand for transparency with them, so how do the local markets cope with this potential conflict / incompatibility?

Aim and Objective

The aim of this paper is to explore whether the markets in CEE are on their way towards more transparency in the field of public affairs. The focus will be on three major EEC countries, the Czech Republic, Slovakia and Poland.

Methodology

After reviewing the relevant literature, a comparative approach was used to get an insight into the local PA associations, legislative norms present and the use of the terms lobbying and public and governmental affairs.

Data were obtained both through an analysis of secondary data and through focused qualitative research: a series of probing in-depth interviews with 12 professionals from the selected markets.

The paper ends with conclusions and is followed by recommendations for practice and for further research.

Specific questions that were addressed in the qualitative research are:

1. What is considered the area for public affairs in the CEE countries?
2. Who are the people who lobby, and is there a difference between lobbying and governmental, public or corporate affairs?
3. What are the issues concerning regulations?
4. Does legislation bring more transparency and public trust?

Lobbying and Public Affairs in CEE - an overview of the literature

Poland

Most of the academic authors on this subject in CEE are established in Poland, where the studies of political science, political marketing and public policy are well developed. Krzysztof Jasiocki published his research about the issues of lobbying, focusing on the juncture of business and politics in 2000, and a study about lobbying in the European Union was published by Urszula Kurczewska and Malgorzata Moleda-Zdziech in 2002. The impact of the lobbying law in Poland has been examined in an article by Anna Kubiak and Aneta Krzewinska in 2009. Agnieszka Cianciara from the College of Europe has published a book about Polish economical lobbying in EU 2004-2010 (Cianciara, 2012), and has also been a member of Polish Institute of Public Affairs. Many other studies and articles analyse specific aspects of lobbying in Poland, such as on markets like tobacco, energy or topics like copyright.

The Czech Republic

In the Czech Republic, consideration of the issue of lobbying is not as well developed as in Poland and references appear mainly in articles or studies. One of the first attempts to map the field was in 2005, when the Donath-Burson-Marsteller Office published their research on lobbying among Czech politicians.

Although the study pinpointed the many negative connotations of lobbying, its main purpose was to establish lobbying as a “legitimate communication discipline” (quote of Michal Donath, director of Donath-Burson-Marsteller, 2005: iv). The first comprehensive Czech book about lobbying was published in 2010 by academics of the Czech Economic University (Müller, Laboutková, Vymětal, 2010).

All these authors have taken the topic of lobbying as their subject and there is hardly a mention the term 'public affairs'. Specifically, Karel Müller's analysis is of “emerging forms of lobbying” in the Czech Republic in 2005 (at that time, legislation regulating lobbying had already been passed in Poland), and Šárka Laboutková with Milan Žák published a paper on lobbying in the EU and the Czech Republic in 2010. Jana Vargovčíková (2011) wrote a very interesting analysis of discursive framing of lobbying in the Czech Republic.

However, the most influential analyses of lobbying in the Czech Republic are not just coming from academia, but also from NGOs and other institutions, such as the OECD or EPACA. The OECD definitions of lobbying were the basis for drafting the planned Czech government regulation and the EPACA Code of Conduct was simply translated for the Czech Association of PA Agencies. A comprehensive analysis on transparency and lobbying was published by the Czech NGO Ecological Law Service (*Position Document on the issues of transparency of the legislative process and the regulation of lobbying in the Czech Republic*, 2013).

Slovakia

In Slovakia, neither lobbying nor public affairs is a term frequently used among academics. None the less Ján Šebo (e.g. 2005) is a Slovakian academic focusing his work on lobbying, and so is Ivan Žáry, a public relations expert. The most comprehensive study on lobbying and its regulation in Slovakia was published by Lucia Riapošová for Transparency International (Riapošová, 2012).

Wider environment

Among foreign influences in CEE, Rinus van Schendelen's book *Machiavelli in Brussels* (first ed. 2002) was translated into Czech in 2004 and into Polish in 2005, and became influential among practitioners and academics all over the region, incl. Slovakia. McGrath's (2008) study focused on the Czech Republic, Poland and Hungary at the very important moment of the countries' joining the EU, when the need for lobbying was extended from just the domestic political circles to "Brussels". A global comparison of regulating lobbying was published recently by Raj Chari, John Hogan and Gary Murphy (2010, 2012), and provides a comprehensive look at the industry and regulation. A particularly relevant conclusion of Chari and Murphy (2006) is that the correlation of the Corruption Perception Index and the level of regulation means that those who are more regulated also feel a higher degree of responsibility.

Public trust, corruption and anti-corruption

According to Jana Vargovčíková (2011), the discursive framing of the term lobbying, connected to corruption, nepotism, non-transparency and shady business is crucial for how it is understood within society. In this sense lobbying represents the power which is withdrawn from the citizens and enclosed within narrow political and business circles. Based on discursive analysis of lobbying in the Czech society (political actors, public sector such as NGOs, PA companies and media), she defined four different goals, to be set by the planned legislation on lobbying:

- (1) fighting and eliminating lobbying as such

- (2) fighting corruption, which is often understood as an indispensable part of lobbying
- (3) establishing transparent processes within the PA field and opening it to other actors
- (4) legitimizing 'new' lobbying as a regular part of the political process (Vargovčíková 2011, p. 83).

The anti-corruption fight thus became partly synonymous with the regulation of lobbying. It is significant that the new legislation in the Czech Republic was prepared under the government's strategy of a fight against corruption. The anti-corruption fight became a vital buzzword for politicians, NGOs, media and a number of Czech businessmen, who became very popular after the economic crisis in 2008 (Kasl Kollmannová, 2013). The anti-corruption fight against lobbying also served as a popular marketing and PR tool, helping to gain publicity of some political actors (such as Lenka Andryšová), to project a company's CSR - corporate social responsibility- (such as that of Bernard Brewery, the Student Agency or RSJ holding) or a personal image (e.g. the actor Jan Kraus). In the case of the Czech Republic in the past few years there have been many NGOs who set as their mission to increase transparency and to fight corruption -meaning lobbying as well-, including international organizations like Transparency International, and local initiatives like the National Fund against Corruption, the Ecological Law Service, or Oživení.

Vargovčíková's first two goals outlaw lobbying as such, or actually equate lobbying with corruption. The proposed legislation is based on these two models, whereas self-regulation would be the appropriate action in case of goals/models (3) and (4) (Vargovčíková, 2011: 93)

Simply put, some of the media, politicians and NGOs perceive lobbying and public affairs as something that is a priori non-transparent, corrupting and negative, whereas PA professionals see lobbying as a legitimate tool, which is used across many groups within the society (including by NGOs) and can be clearly distinguished from corruption and corrupt behaviour.

Transparency, Regulation and Ethics

Regulation and ethical norms of public affairs differ from country to country. They arise and depend not only on political decisions, but also on the prevailing judicial system and the overall cultural values of society, such as expressed in measures of power distance and long or short-term orientation of the culture (Hofstede, 2001).

In advanced democratic countries, where people have a high trust in both the judicial system and personal rights, such as in the USA or UK, lobbying and PA can be more transparent, than in, say, China, where a culture of receiving and giving gifts as well as the political system are completely different (note that in Asia the only country that is regulating lobbying is Taiwan).

The most comprehensive global comparison of regulation of lobbying has been published by Raj Chari, John Hogan and Gary Murphy (2010, 2012). The authors cover among other states Hungary, Poland, and Lithuania, i.e. those countries, where attempts to regulation have already been made. Referring to the definition of a lobbyist, Chari et al. also use the term “interest groups” interchangeably, and refer not only to traditional economic-political lobbying structures, but also to other participants in the democratic process, such as NGOs, other organizations etc. (Chari et al. , 2012). The authors also define the terms, theories and reasons for regulation, “a notoriously inexact word, but its core meaning is mechanical and immediately invokes the act of steering” (Moran, 2007: 13, quoted in Chari et al. 2012: 4).

Fruzsina M. Harsanyi and Susan Schmidt analysed the role of PA in countries without what they call a “public affairs culture” (Harsanyi & Schmidt, 2012). The strictest regulations can be found in USA and the United Kingdom, but also Slovenia (since 2010, as mentioned by Verčič & Verčič, 2012). However, as Chari et al. state (2012: 8), “advanced industrial democracies which have lobbying regulations are relatively rare and there are no lobbying rules in most jurisdictions”. A useful document comparing existing and emerging regulatory regimes (focusing on Bulgaria, the Czech Republic, Romania and Ukraine, including a comparison of their regulatory bill proposals) has been published by Valts Kalnins from the NGO Centre for Public Policy *Providus* (Kalnins, 2011). Kalnins also explores the Czech Republic, where legislation has been proposed but not yet accepted, and states that “the currently insufficient regulation is viewed as a possible source of corruption and of decision-making in the interest of lobbying clients” (2011: 15).

In the Czech Republic, there has been an interesting case when NGOs, citizens and politicians have worked together on a project which aimed to promote transparency in public policy, incl. lobbying. The so-called Reconstruction of State was a first Czech NGO, which clearly promoted itself as a lobbying organization and which aim was to “push through 9 laws that will significantly reduce corruption during the current electoral period” (Rekonstrukcestatu.cz, 2013). The project’s goal however had to be postponed due to a political scandal within the Czech government and upcoming new elections.

In our view, transparency in PA can be viewed from a number of different angles:

- 1) as a necessary step towards full development of the democratic political system, where citizens have control over the political decisions (reason A)
- 2) as a positivist approach in which PA is seen as an emerging legitimate tool and communication discipline (reason B)
- 3) as a differentiating signal for those PA agencies who want to be taken seriously by business partners and gain public trust - (reason: to examine whether the transparency proclamations are not just a cover for the same function which wants to distinguish itself from „shady“ lobbying).

Hypotheses

Based on the literature above, the following hypotheses can be formulated for the three countries, Poland, the Czech Republic and Slovakia:

H1 The demand for transparency in PA and lobbying arises from three sources: the general public, the media and NGOs, - mostly in a reaction to a poor reputation of lobbying in the countries concerned (Chari, Hogan and Murphy, 2012)

H2 Some PA professionals and consultancies are driven towards more transparency in order to differentiate themselves as legitimate businesses not associated with the practices which have led to the negative connotations of the term lobbying (APAA, 2012, Harsanyi, Schmidt, 2012)

H3 In all three countries both state regulation and self-regulation have developed in the past decade to combat the poor reputation of lobbying (Chari, Hogan and Murphy, 2012; Harsanyi, Schmidt, 2012; Kalnins, 2011).

Interview findings ²

Table 1 shows further details on the interviews conducted by country. Appendix A will give information on the 12 interviewees.

Table 1: Interviews carried out

Country	Company	Agency	Governmental body or NGO	Total
Poland	0	1	0	1
Czech Republic	1	2	2	5
Slovakia	0	0	1	1
Covering 2 or more CEE countries	2	3	0	5
TOTAL	3	6	3	12

In the paragraphs below we will discuss the questions addressed in the interviews, and give quotes where appropriate:

1. What is considered the area for public affairs in the CEE countries?

Lobbying and public affairs has been brought to the CEE region first within the world of business and political practice, and has only later attracted attention in the academic sector. The professional foreign influences came mainly from the USA and

² R followed by a number refers to a quote from one of the 12 in-depth interviews conducted to gain information for this paper.

from Western Europe, either through agencies or in-house professionals working for multinational corporations like Procter and Gamble, Coca-Cola or Unilever. Along with the corporations came their agencies, such as GJW, CEC, Hill&Knowlton, Burson-Marsteller (R4).

Later, lobbying, and government or public affairs was practised not only by commercial organizations or large corporations, but also by NGOs and non-commercial institutions, such as research and education institutions, environmentalists, various associations or regional groups. However according to some practitioners those organizations refuse to use the term “lobbying” because of its negative connotations and immediate association with corruption, and instead they use the terms such as “activities for the common good” (R2). This contributes to the terminological confusion, to say the least.

In the past decade, say after 2000 (Vargovčíková, 2010: 77), the subject of Public Affairs and lobbying has become more prominent in CEE, and it has grown substantially with the countries concerned joining the EU in 2004. As McGrath (2008, p. 28) states, “lobbying is still in its infancy in these new EU member states (incl. the Czech Republic, Slovakia and Poland, note authors), but developing continually as NGOs, unions and businesses increasingly come to recognize their participation in policy making and either develop skills to exercise influence or hire commercial consultancies”.

As noted above, shared definitions and a common understanding of the practices understood falling under the terms of lobbying, public affairs, governmental or corporate affairs are far from present and interpretations differ to a large extent. Despite the overall poor reputation of the word “lobbying”, it is still the most used term within Poland, the Czech Republic and Slovakia (as an accepted Anglicism, e.g. in the Czech and Polish languages it appears as “lobbing”). In the academic field too the subject is mainly labelled as “lobbying”.

The most widespread view encountered in our work is that Public Affairs is understood across the region as an umbrella term, covering lobbying as one of the tools to reach a designated goal. Other tools included would be media relations, petitioning etc. (R1, R11, R2).

In some cases, especially in the Czech Republic, professionals tend to use the term PA to distinguish themselves from “lobbyists”, as these have such negative connotations in the media. “The term lobbying is almost a forbidden for us, since it is not anchored in our legislative system and it is mostly associated with negative connotations” (R5). Again, lobbying is taken to be a part of public affairs, e.g. when a PA of GR professional is asked what he/she does, they reply: “I do lobbying, analysis, strategic advice etc.” (R1). “In Poland, we use GR [Government Relations] or PA, but it is hard to translate it, it usually means a “public scandal” (R7).

According to US professionals, this fits an international trend to withdraw from using the term lobbying, as a] it is negatively perceived by the publics, and b] to gain more

trust within the professional field. “What is happening now [in the US] is that people are not calling themselves a lobbyists anymore, they are not registered as lobbyists anymore. They say “I don’t lobby, I provide strategic advice.” (R11) Whereas in Poland, some people now use the term Public Relations or corporate affairs (R7).

Both in the Czech Republic and in Poland, the local PR associations included a Public Affairs category in their annual “PR awards” –In the Czech Republic, it falls within the category of Political Communication, Political PR and Public Affairs, which was added in 2012 (APRA, 2013). In Poland, the category of the “Złote Spinacze” award is “Public Affairs & Lobbying” - the objective of a campaign based on communication with widely understood social, political and legislative surroundings, aiming at changing attitudes, exerting pressure, and triggering legislative changes” (PPRCA, 2013).

2. Who can be considered a lobbyist? What is the difference between lobbying and governmental, public or corporate affairs?

Although it was mentioned above that PA was seen as the umbrella term that includes lobbying, as a general rule, ‘lobbyist’ is the general term used for the person carrying out PA, a sort of working definition across the CEE, and includes:

- Public Affairs, Governmental Affairs and sometimes also PR agencies – such as CEC Governmental Relations, Hill&Knowlton or Grayling
- In-house lobbyists – from multinational corporations and large companies, such as IBM or Coca-Cola
- Individual consultants – individuals who set up a “lobbying contact”, incl. politicians or former politicians, MP’s, their assistants etc.
- CEOs – specifically in companies where the state regulation is not so important
- Law firms – where they consult with their clients not only regarding existing legal regulations, but provide analysis mainly for future drafts and white papers concerning new laws and regulations. Lawyers are regulated according to an Advocacy Law in most CEE countries
- Associations and unions – such as trade unions, professional associations or pressure groups
- NGOs – environmental, educational or other groups also do lobbying or public affairs, such as Reconstruction of State

Both in the Czech Republic and in Poland, the PA professionals perceive that the agency lobbyists or consultants have a much worse reputation than in-house “regulators” or lobbyists. “The bad reputation of lobbying does not apply to in-house lobbyists, who are usually perceived as legitimate representatives of business” (R4). “There is a funny definition of professional lobbyist in Poland. Those who are working as lobbyists have to register, but those who are working in-house don’t have to register” (R7). There are problems with defining what lobbying actually is and what is a lobbyist’s contact. „It is necessary not only to regulate those who lobby, but also those who are being lobbied“(R1). The APAA - the professional Association

of PA Agencies in the CR- wanted to define such contact as a contact who is being paid for, i.e. when someone is paying a lobbyist to contact another person.

3. Issues concerning regulation: Regulation and self-regulation

McGrath (2008: 28) states that “while the practice of lobbying is less well developed and accepted in the 10 new EU member states than in older Western democracies, in one respect the regulation of lobbying there is further advanced”. This has to be understood in context, as while McGrath examined three countries which entered the EU in 2004 (Poland, the Czech Republic and Hungary), only one of them (Poland) had a state regulation at that time (in 2008).

Poland introduced state legislation on lobbying in 2005 and Hungary introduced a new law in 2010. However, in Hungary the lobbying law (Act CXXXI of 2010 On Public participation in Developing Legislation) was changed, the registration lists, where lobbyists and PA professionals were meant to sign in, were basically diminished and the lobbyists were legitimized as legal social partners who could contribute to the legislation preparation process. In Poland, the new law has not been a success in practice since there are only a few registered lobbyists. “Poland has a lobbying law which failed – no-one was motivated to sign up as a lobbyist” (R7).

In the Czech Republic, there have been attempts to pass legislation in a number of ways, e.g. embedded in the Ethical Code of Member of Parliament (drafted by Lubomír Zaorálek in 2005) or in a new legislation draft presented in 2009. In 2010, the new law passed Parliament, but did not go through Senate (Vargovčíková, 2011, p. 76). Under the Petr Nečas administration (2010-13), the government made new legislation on lobbying one of the governments priorities under the “anti-corruption fight”. Between 2010-2013 the Sociological Institute of the Czech Academy of Science conducted a large research project “The elimination of Security Risks of Corruption and Organized Crime in the Czech Republic” lead by Michael L. Smith and created a series of discussion panels on the regulation of lobbying. As examples of Czech lobbyists’ activities or cases, a government official mentioned the cases of S-cards (social benefits cards for Czech citizens, which were meant to be issued by a single company, Česká spořitelna – a plan which was lately discarded by the government) or betting business (regulations of VLT – video lottery terminals) (R5). No legislative regulation, however, is yet (2013) in place.

In the Czech Republic, there have been several attempts to establish a professional association of PA agencies (lastly in 2007), however it was not established till December 2012, when the government was drafting a new law regulating lobbying. The aim of the association (APAA) was thus (1) to be heard and represent the interests of their members when the law was being drafted, and (2) to work on improving the reputation of the field and promote transparency in the business. APAA consists of six companies, two communication agencies which also provide PA – Fleishmann Hillard and Grayling, and two other agencies connected to the biggest PR agencies (PAN and Merit). The ethical code adopted was to a large extent simply translated from the European PA Association (EPACA) but the sanction of a public

dismissal from the association for not following the ethical rules would mean a very public elimination of the PA agency in question. This would probably not affect single consultants of former politicians, since it is merely international companies which are seen to require ethical standards and transparent behaviour (R1, R2).

There is a clear aim to distinguish the “legitimate” lobbying from unethical behaviour. “Many of the so-called lobbyists are employed at the ministries and they are working for a private company at the same time” (R1). The “ethical” lobbyists themselves are thus calling for transparency, which would clearly distinguish them from “those Janoušeks and Rittigs” (R1) – Czech businessmen connected closely to the government and misusing state contracts, called by the media either “lobbyists” or “godfathers”). The aim of the Czech APAA was also to push through some benefits for those who would register as lobbyists, such as getting free access to the parliamentary building. Whilst currently there are lobbyists inside the building, some for example use their registration as MP’s assistants to gain entrance, which is considered below the ethical par. The advantage would thus be gaining a legitimate access to the building.

Public Trust

Table 2 shows the situation as regards regulation and self-regulation in each of the countries considered and alongside that the Corruption Perception Index of that country

Table 2: Comparison of regulation and corruption perception

Country	State regulation	Self-regulation	CPI Rank
Poland	Yes, since 2005	No	41
Czech Republic	No	Yes, since 2012	54
Slovakia	No	No	62

Source: Own research / CPI: Transparency International, 2012

It emerges from Table 2 that the country with the strongest regulation (albeit poorly implemented) has the best CPI ranking and the country with neither self-regulation nor state regulation has the worst. While there may be discussion about the direction of causality, this reinforces the view that there is a link between regulation and the CPI ranking.

On the other hand, those regulations can be a problem when working in the local market. “When we were working for an American company, they had a budget for lunch of maximum 10 USD” (R4). According to US regulations, lobbyists cannot purchase food or beverages when making a lobby contact, and even the regulations for giving presents (gift restrictions) are strictly defined (for example, a baseball cap can be given as a company present, but not a coffee mug (R11)). However purchasing food is an accepted business practice. The internal company regulations in the US market are strict, so even without breaking the law, when not obeying the internal regulations and ethical codes (e.g. the Code of Business Conduct), the lobbyist can

lose his/her job. Also, all working activities and expenses have to be reported to the management, to ensure no financial funds are allocated for the bribes (R11).

4. Regulation : Does legislation bring more transparency and public trust?

Respondents' viewed such legislation as is already in place as not having increased transparency or affected public trust and non-CEE country experience was not felt to be conclusive.

Furthermore there are two points of view regarding transparency: according to some professionals, PA can be done transparently – in sense that bribery is not used as a persuasive tool. Of course, that some part of relationships, connections and know-how can never be revealed, since that is the core part of the business (R9). But according to other professionals, lobbying which uses also unethical or even illegal practices, such as manipulation, power barter, bribery and pressure groups is often expected by the clients. One of the respondents, working for a daughter-company of one global agency, quoted that “The clients say: I don’t care how you do it, just achieve the goal. Our headquarters don’t care how we get the financial results as long as we get them. The pressure on financial results is enormous.” (R9).

The pressure for transparency in PA and lobbying is coming from various sources, namely media, international companies and politics, and NGOs. The Western model is accepted as an inspiration, yet no one legislative approach is seen as ideal (e.g. the US or UK model). One of the strongest pieces of legislation on lobbying in the former East-block was accepted in Slovenia, but other countries did not copy the Slovenian model.

"We try to bring in the Anglo-Saxon practice and rules of lobbying which is not connected to state subsidies and direct division of financial funds, as is common practice in the Czech Republic" (R1). "You have to create an environment, which is open, transparent and where people believe in acting honestly" (R11). However, as one PA professional stated, the corruptive forms of “lobbying” have been brought to the new democracies by democratic states, such as Austria. “Even today, Austria has no regulation whatsoever on lobbying, and even in Germany there were funds to give “provisions” in the early 1990’s” (R2; note: from 1951 Germany has passed several regulations and registration, see Chari et al., 2012, note authors).

Factors other than legislation and transparency were also thought relevant to public trust in governance. In the US, the level of public trust in government has fallen dramatically, and this is also the case in the CEE region. “Right now, I’m a lobbyist in the US and I’m more trusted than congressmen” (R11). The level of transparency is perceived higher in multi-national companies. “Companies such as Procter and Gamble, Google or Mastercard, international or global corporations have very strict internal rules and the people who do PA for them cannot be paid from public and private money at the same time” (R1).

But according to some PA professionals, transparency is only a popular tag, which is being used to differentiate agencies on the market. “The true reason for establishing and association and promoting self-regulation is to prevent the state regulation [in the Czech Republic]” (R4). “Completely transparent PA is contradiction – you’re being paid for things which have to be unseen” (R9). However transparency can be an important factor when choosing a business partner for international company in the local market (R10).

Conclusions

The aim of this analysis was to answer the question of whether the field of public affairs was going towards more transparency in selected countries of the CEE region: the Czech Republic, Slovakia and Poland. After giving some insight into how the PA / lobbying world is run and perceived, we first defined who are the lobbyists and what are the local perceptions of PA, government relations, lobbying etc.

Secondly, the level of local regulation and self-regulation was analysed, and going by the CPI index we can confirm the finding of Chari and Murphy (2006), that the more regulated the field, the lesser is the perception of corruption. However, going by the outcomes of the interviews, there was little or no evidence for this. Many professionals continue to complain that the Polish law is a bad one, yet that self-regulation is only for the happy few.

In Poland where state regulation has been applied as early as in 2005, there are significant problems with the practical implementation of the law. In contrast, Slovakia, which has no regulation, has been calling for state regulation (Sme 2013, Pravda 2013) and so has the Czech Republic, where self-regulation was established as recently as December 2012.

Concluding, both legislation and self- regulation could help provide transparency, public trust and an end to the poor reputation of lobbying and its association with bribery, preferential treatment and corruption. Much would depend on to what extent laws and regulations would be policed and maintained, effectively punishing corruption at all levels and in all forms.

The following hypotheses have been tested:

H1: The demand for transparency in PA and lobbying is arising from three sources: the general public, the media and NGOs -(Chari et al. 2012)

- this can be confirmed to be valid in all countries, with particular pressure coming from NGOs (Transparency International in the Czech Republic and Slovakia, Reconstruction of State, Institute of Public Affairs, Poland etc.)

H2: Some PA professionals and consultancies are driven towards more transparency in order to differentiate themselves as legitimate businesses due to the negative connotations associated with the term lobbying (APAA, 2012, Harsanyi & Schmidt, 2012)

- this can be confirmed, especially when establishing self-regulation, but a certain level of public demand for transparency is needed (in Slovakia, there is more public and political demand, than “professional” voice).

H3: In all three countries both state regulation and self-regulation has developed in the past decade to combat the poor reputation of lobbying (Chari et al. 2012, Harsanyi & Schmidt, 2012, Kalnins, 2011)

- this is partly confirmed. State regulation has been planned in all countries examined, however it has only been implemented in Poland – and with mixed results. However, self-regulation has arisen in response to a wish for a differentiating marketing tool for those PA consultancies who wish to be perceived as legitimate and legal businesses.

Recommendations

- For practice

It is necessary to understand PA and lobbying as a part of a democratic process, and such processes need to be transparent to a certain level in order to create public trust not only in government bodies, but also NGOs and companies. It is in the interests of the PA profession that sufficient transparency and trust is developed in the public arena.

Transparency can serve companies such as those PA consultancies in the Czech Republic that have adopted the “anti-corruption image”, which helps them to differentiate themselves in the market and be trustworthy partners for foreign (especially Western) business partners. Transparency is thus a core issue when it comes to credibility of the company or institution.

NGOs proved to be powerful institutions, promoting the concept of transparency and anti-corruption behaviour within society, media and also among politicians (Kasl Kollmannová, 2013) and can be allies of PA professionals seeking to differentiate themselves. However, NGOs also need to consider their roles as “pressure groups” or “interest groups” and hence embody transparency within their organizations, since in some cases they participate in the lobbying themselves.

- For further research

Although the field of public affairs has been developing in the CEE countries since 1990’s, it is an interesting, yet still rather untouched field of academic interest. Deeper studies, discussions and comparisons would thus be needed in order to develop better knowledge and clearer definitions.

Public affairs and transparency can be understood in terms of documented regulations, legislation and ethical codes of conduct. However, as since 2008 the level of trust has fallen dramatically in selected CEE countries (Kasl Kollmannová, 2012), PA and transparency need to be analysed in a broader context too: e.g. within the concept of public trust in government bodies and trust management of companies.

The role of cultural norms and values in different societies needs to be further explored too in order to describe the “public affairs culture” (Harsanyi & Schmidt, 2012) and the impact of certain regulations on the business culture. The impact of regulation in increasing or decreasing the overall level of transparency within culture and society needs to be analysed, especially in the countries with a short democratic past.

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Appendix A

Respondent Number	Nationality	Gender	Company	Agency	Government/NGO
R1	CZ	M		x	
R2	CZ	M		x	
R3	CZ	M	x		
R4	CZ	M		x	
R5	CZ	F			x
R6	CZ	M			x
R7	PL	M	x		
R8	SK	M			x
R9	INTL	M		x	
R10	INTL	M	x		

R11	INTL	M	x		
R12	INTL	M		x	

Note: nationality CZ = Czech, SK = Slovak, PL = Polish, INTL = other nationalities
(unspecified because actors would be too easily identifiable)

All the interviews were taken in May – August 2013