

UDK: 005.9:65

Strucni rad

CLASSIFICATION OF LOBBYING AND INFLUENCING STRATEGIES

KLASIFIKACIJA STRATEGIJA LOBIRANJA I VRŠENJA UTICAJA

Ana Bovan¹, Milica Slijepčević²

¹Belgrade Metropolitan University, Faculty of Management

²Belgrade Metropolitan University, Faculty of Management

¹ana.bovan@metropolitan.ac.rs, ²milica.slijepcevic@metropolitan.ac.rs

Abstract: Associations, companies, individuals and other interest organisations apply methodologies and lobbying strategies to advocate their interests and exert influence on decision and policy making process. The issues of each lobbying programme is particular in relation to policies and actors which are targeted therefore a strategy needs to be created which must take into account the specifics of each case. We propose a classification of lobbying and influencing strategies that can guide interest organisations while opting for the right strategy that matches their exact circumstances. The classification is based on two basic criteria: strategies relating to participants and strategies relating to the process. The classifications stems into further into sub elements which can be used in their pure form or combined.

Key words: Lobbying, Influence, Power, Policy making, EU Lobbying, Negotiations.

Rezime: Udruženja, kompanije, pojedinci i druge interesne organizacije primenjuju metode i strategije lobiranja u kojima zagovaraju svoje interese i vrše uticaj na process odlučivanja i donošenja javnih politika. Teme i pitanja svakog programa lobiranja su specifične u odnosu na regulative i aktere koji su mu ciljevi, tako da je potrebno kreirati strategiju za nastup koja mora uzeti u obzir specifičnosti svakog slučaja. Predlažemo klasifikaciju strategija lobiranja i vršenja uticaja koji mogu biti vodič interesnim organizacijama u odabiru prave strategije koja odgovara njihovim specifičnim okolnostima. Klasifikacija se zasniva na dva osnovna kriterijuma: strategije koje se odnose na učesnike i strategije koji se odnose na proces. Klasifikacija se dalje grana na elemente koji se mogu koristiti u čistom obliku ili kombinovano.

Ključne reči: Lobiranje, Uticaj, Moć, Kreiranje javne politike, Lobiranje u EU, Pregovori.

1. INTRODUCTION

Within the domain of influencing and professional lobbying, as in every other systematised and professional activity, the use of general and specific methods is the norm. The lobbying programmes are conducted by applying standard preparatory

methods of research and monitoring, which are used and implemented in different cultures and legal systems.[1] The strategies and tactics that are used in the lobbying programmes also have certain general characteristics of well established methodologies, even some of which are connected to the marketing domain, like segmentation, targeting and positioning.[2] Nevertheless, the goals and issues of each lobbying programme are quite specific with their own DNA of policies and actors targeted. Therefore, the goals and the path to achieving results need to be matched with the optimal strategy. The choice of lobbying strategy can be a daunting task and a moving target. Deciding on one strategy or a mix of several strategies is often based on several different criteria. The strategies in the domain of lobbying can be divided into two main groups: strategies relating to participants and strategies relating to the process. From there follows a further classification that we have created which involves factors like the urgency of solving the problem, feasibility and implementability of the process of lobbying, the sustainability of the achieved solution and the interdependence of the problem with other questions of the organisation that is the lobbying instigator. The strategy decision depends also on the type of the interest that needs to be represented, the type of the lobbying group, the mode of the individual operation and the forms of alliances made. The power of the political influence is also relevant for determining the right strategy.[3] The choice of strategy is also immediately affected by the breadth of the interests which are being represented, whether the problem is of wider public interest, or the interests are much narrower and involve only a few actors, most of the time those actors are corporations.[4]

2. STRATEGIES RELATING TO PARTICIPANTS

The participants of a lobbying programme encompass a whole range of parties. It includes the interest group which is the initiator of the lobbying programme, the targets of such influencing (including their aides and allies), but may also involve several lateral and external stakeholders, such as competitive interest groups and the media. The most relevant group of actors for determining the right strategy are the targeted decision-makers. These groups are in fact the main subject of lobbying. The targeting of key decision makers is a result of a meticulous analysis and preparatory work carried out by the interest organisation. In the EU if the main target is a party group in the European Parliament, the basis for choosing the main target is their official position and actual power.[5] Second in relevance are the allies or other parties connected to the main lobby targets, while the other targeted stakeholders follow.

When an interest group which is embarking upon a lobbying programme estimates that it is optimal to use some form of a strategy relating to participants, a group can use a few strategy subtypes: positive and negative, direct and indirect, individual and alliance based, proactive and reactive or strategies based on the intensity of pressure.

2.1 POSITIVE AND NEGATIVE LOBBYING STRATEGY

Upon embarking on a lobbying campaign the official positions of decision makers are often known in advance. This creates a dilemma about the appropriate strategy: whether to support their stances or to oppose them. Lobbying activities thus can be positive and

protagonist, and therefore in favor of a certain decision or regulation. They can also be negative and antagonising, and thus opposing the official position or intending to change it. The interest group can aim to block a regulation, or to dilute the intensity of an existing law which is not in line with their interests.[6] The decision as to whether the group opts for a positive or negative strategy also depends on the specific perceptions and standpoint of the lobbying interest group[7], as well as the type of its organisation.

2.2 DIRECT AND INDIRECT

Lobbying strategy is also created according to whether the stakeholder (being the object of the lobbying) will be contacted directly or indirectly. Direct strategy encompasses using public and open communication channels, public meetings, the media, petitions, public parliamentary debates and hearings, appearances of opinion makers and activists. Indirect strategy sometimes involves the creation of a broad and heterogeneous coalition which can evolve into a pressure group.[8] In the case of interest groups that find it difficult to reach their targeted stakeholders directly, opting for the next best solution is often the case. For example, the European Women's Lobby can not easily organise direct meetings with the European Commission, so they contact the European Parliament, as even though they are not directly authorised, they are approachable.[9]

Direct strategies include "one to one" or group meetings, negotiations and direct written correspondence. The most common direct technique for achievement of individual and group needs is through negotiation. Negotiation opens channels of influence and achieves the maximum in all situations where securing of interests depends on someone else. Negotiations are crucial for success during the lobbying process, as it is necessary to explain and convince the stakeholders of the arguments and the need to adopt or change certain regulations[10], like negotiations of worker's rights and benefits with employers.[11]

Indirect strategy can be the strategy of choice depending on whether lobbyists are expected to provide support in the political campaigns of politicians and parties.[6] The impact of contributions during election campaigns often influences the behavior of committees and board members, their attitudes and decisions.[4]

2.3 ADVOCATING CHANGES TO EXISTING REGULATIONS AS OPPOSED TO REPRESENTING THE STATE OF STATUS QUO

Advocating regulation change can also be a reason to opt for a specific strategy and tactics. Empirical studies in the US have shown that groups that advocate change in existing regulations often decide on a strategy that includes both direct and indirect methods. Their standard direct methodology toolbox which includes immediate stakeholder engagement with the politicians in Washington is often supplemented with public activism. That is how lobbyists target the expanded front of politicians and administration, not only close allies, but such strategy can also influence the undecided parties. The positive effect of the wider public activism can target some of the opponents as well. Conversely, those who advocate for a regulation status quo, the no change scenario, tend to apply the direct strategy of engaging with positively inclined decision

makers, public officials or politicians. That strategy is implemented without a high involvement of public action, using mostly personal and direct contacts.[7]

2.4 INDEPENDENT AND ALLIANCE BASED STRATEGY

A lobbying program can be based on a strategy of independent performance or on the support of external allies. Independent performance allows simpler tactical-decision making and does not require excessive compromises within the team of the interest group that carries out the programme. The other strategy exemplifies one of the most cogent strategies in the lobbying profession: alliances and coalitions.[12] Alliances occur in a busy, saturated lobbying and policy arena[13], combining institutional and non-institutional actors. The strategy can include many forms of alliances, be it permanent and ad hoc, or formalised and non-formalised alliances.

Mutual coalition's performance reinforces prepared arguments, their legitimacy, and enhances external visibility and the interest of the public and the media.[14] In the EU the most effective lobbying for business is conducted in forums that are organised and instigated by the Commission itself, but there is also a secondary trend[15] which involves organised business groups initiating a form of public-private policymaking.

Formulation of public policy involves negotiation and compromise among stakeholders in each coalition.[4] Alliances and coalitions do not always arise from totally identical interests, sometimes they are created from completely opposite interests.[16]

Creation of alliances has its roots in lobbying historical records, noting a coalition of dozens alcohol producers in New Zealand in 1914 to lobby the government and the Prime Minister to abandon the prohibitional legislation.[17]

2.5 PROACTIVE AND REACTIVE

An interest group can decide between a proactive and a reactive approach in the lobbying programme.[18] An interest group that initiates a lobby campaign is more inclined to choose a proactive strategy, which in some cases is classified as an innovative strategy.[2] The initiator has the drive, spurs the action, starts policy discussions and processes, communicates with all stakeholders and compiles and presents materials which need to inform interested parties. The reactive strategy is one that refrains from upfront action, rather it reacts to actions already taken by another party in the lobbying process. Interest groups that are the proponents of regulatory status quo more often than not opt for the reactive approach.[16]

2.6 STRATEGIES BASED ON THE INTENSITY OF PRESSURE

Lobbying strategies also differ by the level of pressure which is applied on the decision-makers. Based on their analysis and initial preparation, an interest group can adopt a high or low level of pressure. The intensity of pressure can vary all through the duration of the programme depending on the achieved results or on the phase in which the programme is. In certain cases, the decision will depend on the structure of the interest

organisation[19] and how exposed it wants to be. The chosen strategy can commence with using the tools of applying low pressure and can progress to using tools that shift to the strategy to more substantial levels of pressure on the stakeholder and decision maker. The strategy intensity has three basic levels, and it starts with the first which involves the parties holding regular negotiation meetings. The next level of pressure is a public pressure campaign[20] which can involve media exposure and even public activism. And finally, the launch of a civil or criminal case in court[21] is the most intensive strategy.

3. STRATEGIES RELATING TO THE PROCESS

3.1 INSIDER AND OUTSIDER

If the interest organisation deals directly within the policy and decision making structure, their strategy is deemed to be the insider strategy. If the strategy is targeting the wider public, it is considered to be an outsider strategy.[22] Insider strategy includes the organisation of formal and informal contacts with policy makers, direct meetings, negotiations with politicians, high-ranked administration officials and other influential parties. Outsider strategy includes activities on a broader platform, the use of public and mass media channels in order to obtain comprehensive support from potential interested parties or even followers. It also includes activism which makes the influence more intense.[23]

3.2 SIMPLIFYING AND COMPLICATING OF THE PROCESS

The interest organisation usually needs to influence a certain regulatory process and it builds its strategy around it. It may be faced with the choice of strategies depending on whether the process should be simplified or complicated. Certain strategies accept the regulation processes as they are, while others consider having a better chance to succeed if they make them more complex. Complicating the process can mean adding new parties, new items or new information. In that context, the lobbying organisation can choose to be a proponent of a narrow or a broader interpretation of a ruling, to politicise a decision or not, to expand or limit the problem at stake or whether to connect it with other problems or not.

3.3 SINGLE-STAGE AND MULTI-LEVEL

The lobbying campaign procedure often includes participation and jurisdiction by a number of institutions and decision-making authorities. For example, interest groups such as local youth organisations could be in a lobbying program for conversion of river tributary area into sports facilities for young people, so they advocate the ban on hunting and fishing at that location. The lobbying programme must include a lobbying strategy spread on several levels of government, i.e. the level of local administration, as well as the level of the regional and national administration, because the water is usually regulated by national laws. Also, in the EU lobbying environment the institutional lobbying carried out by EU Member States is performed at several levels at once.[3]

3.4 VERTICAL AND HORIZONTAL

Representing the interests can be directed at the authorities who are in the hierarchy above or below the policy making body which is the main target of lobbying, and in this case we are talking about the strategy of vertical performance.[24] In case lobbying is being carried out towards several bodies of the same rank and level, such as ministries, it is a horizontal strategy.

3.5 ACCORDING TO THE PHASE OF THE PROCESS

The classification of the strategies can be based on the phase in the decision-making process in which lobbying actually begins. If the procedure for initiating, changing, adopting or repealing certain rulings is at the very beginning, the approach will be quite different than if the process is ending. Interest organisations are usually more successful if they can formulate issues at an early stage in the legislative process, during the agenda setting.[25] Entering into the lobbying arena later in the process limits the opportunities of a desirable result due to the positions of others having already been taken.

4. A COMBINATION OF STRATEGIES

Perceiving all strategies that are considered here, which generally can be divided into two groups, it should be noted that they rarely appear in their pure form. A combination of strategies and their segments is much more likely to be used. Furthermore, the advocacy programme in certain situations starts with one strategy and then morphs into another one as the decision making procedure develops with time and with ever new actors and influencers, and that new strategy potentially being the opposite strategy from the initial one. The essence of the strategy is in the efficient interface between the reality and the lobbying objectives, therefore stakeholders who have prepared for the actual circumstances can continuously adapt to the new situations thus gaining a competitive advantage.

LITERATURE

- [1] Ozierański, P., McKee, M., King, L., (2008). *Pharmaceutical lobbying under post communism: universal or country-specific methods of securing state drug reimbursement in Poland?*, Health Economics, Policy and Law, Volume 7, Issue 2, Cambridge University Press
- [2] Joos, K., (2016). *Convincing Political Stakeholders*, John Wiley & Sons
- [3] Kriesi, H., Tresch, A., Jochum, M., (2007). *Going Public in the European Union Action Repertoires of Western European Collective Political Actors*, Comparative Political Studies, Volume 40, Number 1, Sage Publications
- [4] Godwin, K., Ainsworth, S., Godwin, E., (2012). *Lobbying and Policymaking: The Public Pursuit of Private Interests*, SAGE, CQ Press
- [5] de Bruycker, I., (2016). *Power and position: which EU party groups do lobbyists prioritize and why?*, Party Politics, Volume 22, Issue 4
- [6] Bardes, B., Shelley, M., Schmidt, S., (2008). *American Government and Politics Today: The Essentials 2008*, Cengage Learning

- [7] Hojnacki, M., Kimball, D., (1999). *The Who and How of Organisations Lobbying Strategies in Committee*, The Journal of Politics, Volume 61, Number 4
- [8] Watts, D., (2007). *Pressure groups*, Edinburgh University Press
- [9] Tanasescu, I., (2009). *The European Commission and Interest Groups: Towards a Deliberative Interpretation of Stakeholder Involvement in EU Policy-making*, ASP Vubpress
- [10] Libby, P., *The Lobbying Strategy Book (2012)*. SAGE Publication, Inc.
- [11] http://www.b92.net/biz/vesti/srbija.php?yyyy=2014&mm=02&dd=05&nav_id=808669, last accessed 26.3.2017.
- [12] Briffault, R., (2008). *Lobbying and Campaign Finance: Separate and Together*, Stanford Law and Policy Review, Volume 19:1
- [13] Scott, J., (2014). *The Social Process of Lobbying: Cooperation Or Collusion?*, Routledge Research in American Politics and Governance, Volume 19, Routledge
- [14] Dyer, J., Kale, P., Singh, H., (2001). *How to make strategic alliances work*, Summer, MIT Sloan Management Review, MIT
- [15] Coen, D., (2004). *Environmental and Business Lobbying Alliances in Europe Learning from Washington?* Levy, D., Newell, P., (eds.) The Business of Global Environmental Governance, MIT Press
- [16] Baumgartner, F., Berry, J., Hojnacki, M., Leech, B., Kimball, D., (2009). *Lobbying and Policy Change: Who Wins, Who Loses, and Why*, University of Chicago Press
- [17] Manatū Taonga, Te Ara, Encyclopedia of new zealand, <http://www.teara.govt.nz/en/photograph/34973/liquor-lobby-at-parliament>, last accessed 25.3.2017.
- [18] Rival, M., (2010). *Are firms' lobbying strategies universal?*, Workshop en l'honneur de Arndt Sorge, Groningen, <https://hal.archives-ouvertes.fr/halshs-00561807/document>, last accessed 25.3.2017.
- [19] Hansford, T., (2004). *Lobbying Strategies, Venue Selection, and Organized Interest Involvement at the U.S. Supreme Court*, American Politics Research, Volume 32, Issue 2
- [20] Keller, E., (2017). *Noisy business politics: lobbying strategies and business influence after the financial crisis*, Journal of European Public Policy, Volume 24
- [21] Bouwen, P., McCown, M., (2007). *Lobbying versus litigation: political and legal strategies of interest representation in the European Union*, Journal of European Public Policy, Volume 14, Issue 3
- [22] Antonić, S., (2012). *LGBT organizacije u SAD kao interesne grupe: osobine i uticaj*, Sociologija, Volume LIV, Number 3
- [23] Skorkjær Binderkrantz, A., Krøyer, S., *Customizing strategy: Policy goals and interest group strategies*, Interest Groups & Advocacy, Volume 1, 1, Macmillan Publishers Ltd.
- [24] Bjarstig, T., Carina, E., Keskitalo, H., (2013). *How to Influence Forest-Related Issues in the European Union? Preferred Strategies among Swedish Forest Industry*, Forests, Volume 4
- [25] Farrand, B., (2015). *Lobbying and Lawmaking in the European Union: The Development of Copyright Law and the Rejection of the Anti-Counterfeiting Trade Agreement*, Oxford Journal of Legal Studies, Volume 35 (3)

UDK:005.9

Stručni rad

ANALYSING OF TOTAL AND FEMALE ENTREPRENEURIAL ACIVITY BY SUPPORT VECTOR REGRESSION

Dalibor Petković¹, Nebojša Denić², Miloš Milovančević³

¹University of Niš, Pedagogical Faculty in Vranje, Partizanska 14, 17500 Vranje, Serbia

²University of Priština, Faculty of Science and mathematics, Ive Lole Ribara 29, 38220
Kosovska Mitrovica Serbia

³University of Nis, Faculty of Mechanical Engineering, 18000 Nis, Serbia

¹dalibortc@gmail.com, ²nebojsa.denic@pr.ac.rs, ³milos.milovancevic@gmail.com

Abstract: Economic development cannot be achieved without active participation of women in all aspects of life. There is consensus among scholars that women can play key role in the entrepreneurial phenomenon. The share of women's contribution to the economic and social development depends on the promotion of gender equality and gender blind support from the institutions. Although women constitute about fifty percent of the world population, compared to men, they have less opportunity to control their lives and make decisions. Women entrepreneurs have been designated as the new engines for growth and the rising stars of the economies in developing countries to bring prosperity and welfare. The main goal of the study was to analyze the total and female entrepreneurial activity by support vector regression (SVR).

Key words: SVR; forecasting; female entrepreneurial activity; business.

1. INTRODUCTION

Entrepreneurship is a multilevel and complex phenomenon that gained importance in the global economy as a result of changes in employee qualifications, work contents, and psychological contracts in the employment field. Entrepreneurship contributes to economic growth in being a conveyor of new or existing knowledge spillover and creative ideas that might otherwise not be utilized and realized for the benefit of all. Linking entrepreneurship to economic growth means linking the individual level to the aggregate levels. The most significant contribution of small businesses and entrepreneurial activity is their ability to innovate.

Female entrepreneurship has attracted increasing attention in recent years in light of concrete evidence of the importance of new business creation for economic growth and development [1, 2]. Not only does female entrepreneurship contribute to economic growth and employment creation, but it is increasingly recognized to also enhance the diversity of entrepreneurship in any economic system and to provide avenues for female expression and potential fulfillment. These benefits are rarely leveraged in a systematic way, however, given that female entrepreneurship talent and potential remain largely untapped in many contexts.

Women entrepreneurs have been designated as the new engines for growth and the rising stars of the economies in developing countries to bring prosperity and welfare. A variety of stakeholders has pointed at them as an important ‘untapped source’ of economic growth and development. The growth of the proportion of women entrepreneurs in developing countries has drawn the attention of both the academic and the development sector. However, despite this growing number of initiatives and resources made available to promote and develop women’s entrepreneurship in developing countries, women still own and manage fewer businesses than men, they earn less money with their businesses that grow slower, are more likely to fail and women tend to be more necessity entrepreneurs.

Various studies show that entrepreneurs contribute to economic development, job creation, and different aspects of wellbeing through creative destruction [3]. Results in [4] were indicated specific ways of constructing gender identity which result in gendered practices: how women act as entrepreneurs by ‘doing’ and ‘redoing’ gender. The degree at which entrepreneurship affects the economy depends on numerous factors, including the quality, gender composition, and type of entrepreneurial activity. Gender equality and female entrepreneurship are key factors in economic development. In study [5] was analyzed the relationship between gender-related economic development and women entrepreneurial activity and results suggested that female entrepreneurial activity is not significantly correlated with gender equality. Women’s political leadership may contribute to women’s entrepreneurship by removing existing constraints on the economic behavior of women, assuming these changes are then enforced [6]. Methodological aspects of investigating (female) entrepreneurship by distinguishing between two measures of female entrepreneurship: the number of female entrepreneurs and the share of women in the total number of entrepreneurs was analyzed in [7] and in this light it is important that governments are aware of what they want to accomplish (i.e. do they want to stimulate the number of female entrepreneurs or the gender composition of entrepreneurship) to be able to select appropriate policy measures. The purpose of paper [8] was to offer a new gender-aware framework to provide a springboard for furthering a holistic understanding of women’s entrepreneurship and for the women entrepreneur, this analysis has implications for understanding the sources of the challenges they face by providing insights on the importance of the interplay of both individual and societal factors that impact on their enterprise. The study [9] was aimed to discuss one of the most significant economic and social developments in the world – the rise of the female entrepreneurship phenomenon. Women’s acquisition of entrepreneurial capital may be restricted by demand side identity constraints as women who pursue non-traditional entrepreneurial livelihoods may stand at odds with activity-regulating social norms [10].

In this investigation the main aim is to apply the soft computing method for total and female entrepreneurial activity analysing. Support vector regression (SVR) was used as the computational intelligence tool [11].