Abstract:
Over the last three decades, social sciences have produced a huge literature on the many aspects of regionalism. Some areas are still to further develop, especially those concerning the establishment and functioning of regional systems of interest representation. To shed some light on this topic, this paper presents some empirical findings on twenty-seven regional business associations in Spain, Italy, and the United Kingdom. We focus on three issues, namely, opinions towards the regions; internal devolution; as well as the institutionalisation of business representation. The paper draws theoretically upon studies in the fields of industrial sociology, political science, and economic geography. All three disciplines have documented a certain regionalisation of statewide (or peak national) business associations as well as attest the regions can generate genuine practices of interest formation and interest intermediation. By way of conclusion, this paper confirms the emergence of a regional logic of business representation in almost all the regions analysed. However, these logics are subject to state structures, regional economic inequalities, the national map of business associations, and the inherited national model of interest intermediation.

Keywords:
Business Associations; Regions; Regionalism; Spain; Italy, United Kingdom

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1. Introduction

Over the last three decades, social sciences have produced a huge literature on the many aspects of regionalism. What is its attraction? It is argued that the region has little by little gained saliency when it comes to explain economic, social and even political change. To make it possible, or as a consequence of this, we have witnessed (or just rediscovered) the resurgence of peripheral economies, regional institutions, regional elites, and regional cultures. Some areas are still to further develop, especially those concerning the establishment and functioning of regional systems of interest representation. To shed some light on this topic, this paper presents some empirical findings on twenty-seven regional business associations in Spain, Italy, and the United Kingdom. These three countries have embraced devolution as a means to integrate territorial demands into national decision-making, especially in regions containing nationalist movements and strong cultural features, as well as to allow a different number of policies styles to address disparate needs throughout the country. Of course the territory is a very particular issue in politics and, in many ways, it is a strong source of political disputes. In none of these countries the territorial issue has come to an end, meaning that they have by any means become federal states like Germany or Switzerland, so we have to await further events, new developments, and further setbacks. In this regard, Scotland keeps awaiting the result of the upcoming referendum of independence while regional structures have been dismantled in England. Catalan nationalists want to emulate the Scots and struggle with the Spanish government to call for an independence referendum in 2014. For its part, the Lega Nord strives to define a differentiated picture of the northern regions of Italy under the principles of the Padanian nationalism (Giordano, 2000).

However, focusing on the businesspeople, what reasons would encourage the height of regional business associations? Is the regionalisation of business logics only to be experienced in the so-called historical regions? As far as the characteristics of the regions are concerned, this research has been developed in regions showing different combinations of traits in terms of culture, institutions, associations, and economy. In the UK, the selection is Scotland, Wales, and South West England. In Spain, these are Catalonia, the Valencian Community, and Andalusia. And in Italy, the selection consists of Tuscany and the two provinces making up the Trentino-Alto Adige, namely, Trento and Bolzano, which both receive special treatment as autonomous provinces because of their cultural characteristics. Despite being provincial governments, in practice they operate as two distinct governments.
Regarding business associations, we analyse nine all-encompassing associations, nine SMEs business associations, and nine Chambers of Commerce. We have conducted some fifty semi-structured interviews with managers from the business associations; collected questionnaires from the same people to get key opinions on their respective regions; and gathered qualitative documents from the associations such as, for instance, organisational profiles, annual reports, magazines, and so forth, as well as documents from the regional institutions regarding the many institutional activities in which the business associations are engaged. Fieldwork was carried out from 2008-2012, although the research is intended to provide a thoughtful assessment of the entire process of devolution in each of the countries.

2. The new functions of regional business associations

Economic geographers point out that the expansion of global markets has somehow brought a new form of economic model based on territorial networked systems of economic flows and public-private co-operation. This model is known by such fashionable names as ‘regional innovation systems’, the ‘learning regions’, the ‘associational economy’, and so forth (Cooke and Morgan, 1998). In short, it is argued that the collapse of Keynesianism led to the emergence of a globalised economy that hinges on a permanent flexibility of wages and production, the opening of national economies, as well as the promotion entrepreneurship and innovation. Among these new traits, competitiveness happens to be the paramount concept. As Porter (2002:72) reports, ‘competitiveness is rooted in a nation’s microeconomic fundamentals and manifested in the nature of company operations and strategy and in the quality of the microeconomic business environment.’

Thus, territorial resources happen to be crucial for companies in their attempt to foster economic activity. Companies require good environments, with good assets, with good policies. Most of these resources are public, so companies encourage regional institutions to supply a series of services to small businesses, such as support for innovation, workers training, legal assistance, market information, and so on. In most cases the efficiency of the implementation of these services has been associated with the development of industrial districts (Pyke et al, 1990). In this regard, Curran and Blackburn (1994) argue that SME associations act as coordinators between the institutions and small businesses in order to facilitate information flows and providing collective services.
Business associations end up being part of a new machinery of local/regional production systems triggered by a new division of labour among firms, networks, and institutions.

Conversely, political science tends to highlight that reasons other than the search for greater economic growth also foster regionalism. It is worth mentioning that there is a multitude of examples of regional mobilisation that revolve around culture, tradition, ideology, social welfare, and social cohesion. Devolution is not a mere economic process; it is rather a thorough political event. As the state gradually hollows-out, meaning the state has slowly undergone a dispersion of authoritative power, as well as a rescaling of policy-making, regional actors realise they need to enhance the overall ‘quality’ of the territory (Bartolini, 2004). Regions have to govern the new social conflicts derived from the upsurge in regional interests and inequalities. This leads to a situation in which regional governments are willing to intensify the political meaning of devolution in order to create strong political systems (Carter and Pasquier, 2010), but they often lack ‘real interlocutors who help them to reduce the institutional constraints on regional interventions, and increase their capacity of representation at the regional level’ (Trigilia, 1991:321). Business associations are therefore immersed in a process of regional integration in which regional governments offer a series of incentives to promote business participation and, in turn, widen the representative basis of regional politics. Business associations can opt-out of the regional debate, but they are certainly conditioned by the degree of regional mobilisation of trade unions, as well as the decentralisation of the main economic policies. As Keating (1998) noted:

‘Regional business and labour groupings both shape and are shaped by the regional political context. As the region has gained in importance as a level of economic intervention and restructuring, they have sought institutions which will enhance their own role in this and have contributed to the wider debate on the subject of the region. In this way, they provide a link from economic restructuring to policy and politics, helping to create and sustain the region’ (Keating, 1998: 103)

Accordingly, industrial sociology has documented that national business associations are gradually integrating their territorial associations into the overall governing dynamics. National business associations challenge serious external pressures insofar as industrial relations decentralise. In this sense, current debates focus on the shift from centralist collective bargaining towards flexible negotiations below the state level (Schulten, 2001). Traxler (1995) referred to this as the ‘disorganisation thesis,’ which pivots on the
decentralisation of collective bargaining; the deregulation of labour law; the decline of collective bargaining; as well as the weakening of statewide unions and employers’ associations. National business associations may be interested in reinforcing their intermediate levels so as to guarantee their collective representativeness in levels of collective bargaining other than the state.

However, it seems that the regionalisation of business interests is more likely to happen when the regions can make a difference in political terms (Anderson, 1991: 70). In short, business associations have few incentives to participate in regional politics where there is a lack of strong regional policy-making. Why should business associations devote time and efforts to exert pressure on a number of regional institutions that enjoy a very limited self-autonomy? Otherwise, where regionalism has proven strong, Regalia (2007) pointed out that collective actors have the chance to participate in the formation and provision of genuine regional policies. They can do so in several manners, from pure lobbying strategies to traditional forms of policy concertation. In any case, there is a batch of policies business associations can help fulfil:

- Local government, environmental policies, urban planning and regeneration.
- Local development, industrial restructuring, innovation, training, and technological transfer.
- Employment and labour markets.
- Local welfare policies, support for families, and protection for weak groups.
- Social inclusion and support for the social economy.

3. Cases

Employers organise themselves according to company size (large companies, small enterprises, self-employed), sector (industry, commerce, agriculture, tourism, crafts), ideology (liberals, conservatives, leftists, nationalists), and territory (local, province, regional, country). Each country has a unique history that defines the structure of business associations, their degree of fragmentation, the roles they play, and the accumulation of power among associations. The general trend is to find an all-encompassing association representing all industries and services, another association that specialises in representing small and medium enterprises, a large number of Chambers of Commerce, as well as a variable number of associations representing directors, farmers, artisans, and cooperatives.
that, in turn, tend to belong to some other comprehensive association. Following this, the most representative business associations in the UK are the Confederation of the British Industry (CBI), the Federation of Small Businesses (FSB), the British Association of Chambers of Commerce (BACC), and the Institute of Directors. The most relevant association in Spain is the Confederación Española de Organizaciones Empresariales (CEOE). CEOE practically monopolises the representation of employers in collective bargaining and in business representation at the national level. This also applies to its territorial branches. CEPYME stands as the business association for small and medium enterprises, but its close membership to CEOE reduces considerably its autonomy. Independent SMEs associations were set up during the 1990s in some Spanish regions to overcome the lack of concern the CEOE showed regarding small and medium companies. Some of them have acquired sufficient reputation to be consulted by regional governments and by trade unions, as for the case of PIMEC in Catalonia. Chambers of Commerce have become major players in the defence of business interests related to trade, public investments, and the general evolution of the economy. In some countries with a fascist past, the Chambers of Commerce managed to retain their public nature and had a key role in the articulation of business interests in times of loss of freedom of association. That is why in countries like Spain and Italy, the Chambers of Commerce are still relevant in the overall map of associations, at least due to their participation in implementing business-related public services, but they are excluded from collective bargaining. Other countries like the UK do not provide special treatment to the Chambers of Commerce. The Chambers are private associations of companies interested in the promotion of local economic development (Bennet, 2011). Finally, the representation of business interests in Italy happens to be very complex and fragmented. Quite a lot business associations attempt to represent all sorts of companies and sectors. Confindustria is widely regarded as the main association, followed by Confapi (SMEs, industry), R.E.T.E. Imprese Italia (which is the new lobbying platform for such SMEs associations as Casartigiani, CNA, Confartigianato, Confcommercio, and Confesercenti), CLAAI (crafts firms), Coldiretti (agricultural firms), Confagricoltura (agricultural firms), CIA (agricultural firms), Confcooperative (cooperative firms), Legacoop (cooperative firms), UNCI (cooperative firms), AGCI (cooperative firms), and UNIONCAMERE which stands for the Chambers of Commerce. This very confusing map of associations is a legacy of the importance of ideological, religious and cultural polarisations of Italian society and politics. Something similar happens with the unions.
However, since the early 1990s ideological disputes between associations have been in decline.

Moreover, each one of these associations brings together a large number of territorial (regional and local) as well as sectorial associations. In fact, companies often become members of the national association through these associations, when direct membership is not an option. The former kind of associations are those trying to represent the interests of all or most firms in a given politico-administrative region, whereas the latter type of groupings speaks on behalf of firms in a particular sector of the economy from that region. Past studies on sectorial associations concluded that their members are simply not interested in the associations’ representational ventures (King, 1985), especially those at the regional level, or were just concerned about pure employer activities (Cawson, 1985). Recently, a study on the Engineering Employers’ Federation Northern Association (EEFNA) in North East England remarked that their members were ‘uncertain as to the benefits that could be made through involvement in the process of regional governance’ (Dixon, 2006: 193). Thus, we focus on territorial associations for they undertake business representation before the governments. Among them, we analyse peak regional business associations, SMEs business associations, and Chambers of Commerce. The list of business associations analysed is as follows:

- Catalonia: FTN; PIMEC; Barcelona Chamber of Commerce
- Andalusia: CEA; CEMPE; Granada Chamber of Commerce
- Valencian Community: CIERVAL; PYMEV; Valencia Chamber of Commerce
- Scotland: CBI Scotland; FSB Scotland; Glasgow Chamber of Commerce
- Wales: CBI Wales; FSB Wales; South Wales Chamber of Commerce
- South West England: CBI South West; FSB South West; GWBW
- Tuscany: Confindustria Toscana; R.E.T.E. Impresa Italia Toscana; Prato Chamber of Commerce
- (Provinze di) Bolzano: Confindustria Bolzano (Assoimprenditori Alto Adige); Confartigianato Bolzano (R.E.T.E. Imprese Italia); Bolzano Chamber of Commerce
- (Provinze di) Trento: Confindustria Trento; R.E.T.E. Imprese Italia Trento; Trento Chamber of Commerce
4. General attitudes towards the regions

A few years after the 1978 Spanish Constitution was passed, Pérez Díaz (1985) noted that a slightly majority of Spanish businesses were favourable to the establishment of regional governments. If anything, they feared that the new regional governments attempted to fragment the market (Ludevid and Servalós, 1985). Do Spanish employers still believe the regions threaten the market? Definitely they do not. Business associations recognise the political significance of the Comunidades Autónomas, as well as their commitment to help boost economic growth in their respective regions. In this regard, the Barcelona Chamber of Commerce insists on ‘carrying out activities of general interest to encourage the promotion of business and economic activity in Catalonia.’ PIMEC stresses that its main role is ‘to become a social and economic agent of Catalonia.’ FTN’s primary purpose is ‘to contribute to economic and social progress of Catalonia, in a framework of freedoms and promotion of private initiative.’ PYMEV works ‘to encourage greater dedication and support of the institutions of the Valencian Community, for guidance, empowerment and promotion of SMEs.’ CIERVAL remarks that represents ‘all businesses in the Valencian Community, and therefore is the business partner to the government and union representatives.’ CEA is ‘fully committed to Andalusia, to helping its problems and to constructing its future.’ CEMPE aims ‘to defend the legitimate interests of small businesses and self-employed in Andalusia’, and so on.

Besides general statements, SMEs business associations (PIMEC; CEMPE; PYMEV) happen to support the regions much more than other types of business associations (see Figure 1). The regions are seen as necessary contributors to the development of small and medium enterprises. Peak regional business associations’ (CEA; FTN; CIERVAL) regional orientation is far from enthusiastic. In their opinion, the regions are as important administrative arrangements as the state to make the economy work. This is enormous progress compared to past decades, however. There is a move from suspicion to (moderate) satisfaction, which is a qualitative improvement in political terms. On the other hand, the Chambers of Commerce score the lowest figures. In fairness, we were expecting higher scores from, at least, the Barcelona Chamber of Commerce considering its manifested regional profile. Nevertheless, since they can only fulfil trade functions, they share the feeling that in globalised economies there are too many variables at stake apart from the regions.
As for the United Kingdom, not everyone was happy with devolving powers to Scotland, Wales, and Northern Ireland. Employers were active in the Scotland Says No campaign against the 1979 Scottish devolution referendum. The CBI in Scotland was particularly active in confronting the devolution of powers to Scotland. Lynch (1998:90) noted that: ‘Scottish business concerns about devolution revolve around four main issues: taxation levels under devolution, the impact of devolution on inward investment, the effect of devolution on Scotland’s existing role in the United Kingdom and the bureaucratic and regulatory impact of devolution.’ None of these concerns have disappeared so far, but the CBI has shown signs of acceptance of the new Scottish political system, and proved to be an active actor in representing corporate interests. However, the CBI again leads the critical voices against the aspirations of the Scottish nationalists, and has repeatedly emphasized the uncertainties generated by the independence referendum. In Wales, the CBI shows little passion about the economic outcomes generated by devolution. According to David Rosser, director of the CBI Wales, speaking to the Cardffian (March 1st 2011), ‘poor
economic performance was probably the greatest disappointment of devolved government so far.' In South West England, the CBI is not interested in what devolution means in the English context, whereby the association applauds the reinforcement of some local economic districts and the dismantling of the regional institutions.

The FSB in Scotland wants to preserve the current status for Scotland, as its members seem to express mixed opinions regarding constitutional changes. This view is observed in the FSB in Scotland’s response to the consultation document ‘Choosing Scotland’s Future – A National Conversation’ in which one can read that: ‘The FSB is positive about the current powers of the Scottish Parliament and supports the current areas of devolved responsibility.’ Accordingly, Janet Jones, FSB Welsh policy chair, pointed out that: ‘Generally the FSB supports the transfer of power from Westminster to Cardiff Bay where it can be demonstrated that the powers would be used to benefit Welsh business. We would stress the importance of ensuring that the decisions made by the National Assembly for Wales should not put business in Wales at a disadvantage to counterparts in the rest of the UK.’

This sense of comparative disadvantage makes the FSB in Wales get one of the highest scores in terms of regional orientation. Its leaders believe that devolution may still be a way to improve regional problems, as well as its own organisational problems.3

In Italy, the study of business associations has focused on relations with unions, organisational development strategies, and the mobilisation of Confederate associations. For this reason we know little about the opinion held by Italian businessmen on Italian

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3 It seems that devolution has led to some sort of internal peace for the FSB in Wales. In late 1990s, The Welsh Office asked the FSB Wales to be present at the Pathway to Prosperity’s management board following the Welsh Office’s consultation document ‘An Economic Strategy for Wales’ (October 1997) and the final strategy entitled ‘Pathway to Prosperity: A New Economic Agenda for Wales’. This led the FSB to launch the Welsh Policy Group in March 1998 because ‘it was obvious that the FSB would need a dedicated group to address issues pertaining to the New National Assembly’ (Russell Lawson, quoted in Bettsworth, 1999:315). Previously, the evolution of the association in Wales was marked by several ups and downs and by a divide between North and South. In the mid 1970s there was a great support from the small business community in North Wales to the National Federation of the Self-Employed (NFSE), especially because the founder of the association, Norman Small, resided in Menai Bridge, Anglesey, North Wales, until 1974. Despite its initial impetus, the FSB in North Wales went through serious problems until its resurgence at the conference in Llandudno in 1997, paving the way for the FSB North Wales & Chester Region. On the other hand, the first office of the FSB in the South Wales was established in Cardiff in 1984, and its evolution has been much more stable. Currently, the Welsh Policy Group, two Regional Committees, and twelve Branch committees constitute the FSB Wales.
regions. In any case, some authors have suggested that the territorial dynamics of Italian capitalism have directly impacted the logics of business associability. Lanzalaco (2000) notes that the election of D’Amato as Confindustria’s Chairman helped renew the association so as to embrace new economic approaches. Also Della Torre (2010) notes that the integration of certain regularised sectors in Confindustria (energy, telecommunications, etc.) led to new entrepreneurs take the lead of the Confindustria territorial associations, as the case of Alberto Meomartini, the president of ENI. In any case, this research provides some clues about the regional orientation of some Italian business associations. The SMEs business associations happen to be confident with the political and economic role of the regions. Confindustria territorial associations, otherwise, accept the relevance of the regions but their views are far from enthusiastic. Similarly, the Chambers of Commerce show mixed feelings. The Prato Chamber of Commerce is the business association with lower regional alignment, while the Chambers of Commerce of Bolzano and Trento scored relatively high in regional orientation. These scores may be closely linked to the cultural elements that characterise the Trentino Alto-Adige.

5. **Internal devolution**

Grant (1989: 110) noted that ‘there is a case for arguing that it is the business associations which have been influenced by government structure, rather than the other way round.’ In this regard, unitary states would produce unitary associations, while federal states would enjoy confederal associations. However, ‘one finds some highly-centralised associations in rather decentralised federal states like Canada, while many business associations in more centralised states like France and Japan have rather elaborated patterns of territorial differentiation’ (Coleman and Montpetit, 2000: 160). In general terms, the establishment of regional business associations aims at reinforcing or compensating specific situations and conditions of both the markets and the state. All in all, according to Coleman and Grant (1985), business associations can follow the following territorial structures: unitary association; unitary with regional sub-units; unitary association with regional sub-units, one or more of which enjoys an enhanced status; federal association; confederal association; affiliation arrangements; and independent sub-territorial associations.

Due to political and organisational constrains, the founders of the *Confederación Española de Organizaciones Empresariales* were mostly interested in the creation of a representative association at the national level that could participate in the early days of the
new democratic regime. There were no real intention to create an entire new business association, so the CEOE opted for the integration of a number of smaller business associations that could work as its territorial and sectorial basis. CEOE did not intend to replace them, but represent them before the central government. This allowed member associations to keep their own legal frameworks. Beyond a series of organisational duties, member associations are free to elect their own governing bodies, retain internal democracy, and establish certain criteria for membership. CEOE’s regional branches are therefore in charge of running their own budget and collecting members’ fees. In this regard, there is a certain division of labour within the CEOE through which the centre is in charge of the overall control of the national headquarter, while regional associations enjoy sufficient autonomy so as to set their own policy objectives and carry out their own catalogue of services to members. For instance, CEA sets itself the ‘aim of representing, managing, promoting and defending business interests, be they of a specific or general nature. It has a legal personality and is fully empowered to act in order to achieve its aims.’ In overall, the relationship between CEOE and FTN, CEA and CIERVAL adopts a confederal dimension.

The SMEs universe is much more heterogeneous and clearly affected by CEOE’s monopoly of representation. So far, studies have indicated that small businesses that opt for joining the CEPYME are more interested in the services offered by the association than in its ability to represent business interests (Nonell and Molins, 2007). Small businesses interested in business representation choose to join independent SMEs business association, meaning they have no formal ties with CEOE. Except for PIMEC, the Catalan SMEs business association, and PIMEB, representing small firms in the Balearic Islands, independent SMEs business associations across Spain have not been endorsed with institutional status so far. The activity of these independent associations is usually focused within regional boundaries, with few connections to statewide associations. This applies to PYMEV and CEMPE. Such an independent status has proven to be an asset, especially concerning the ability to publicly defend interest others than the CEOE, as well as disadvantages, mostly related to resources and economic pressures. In some occasions, independent associations have tried to merge with CEOE’s regional branches in order to forge a relationship similar to that of CEOE-CEPYME at national level. For instance, PIMEC and FTN have long acknowledged the costs of maintaining two separate associations. On more than one occasion the leaders from both associations have called for a merge, but tensions over power-sharing have led to failure, tensions repeatedly caused by
FTN’s SMEs business association called FEPIIME, to which a merger would lead to disappear.\(^4\)

Finally, Spanish Chambers of Commerce, according to law 3/1993, which is now under revision, are public corporations ruled by private entrepreneurs whose boundaries are limited to provinces. Local chambers are entities with full powers to carry out the tasks of monitoring government projects, as well as the implementation of public services for enterprises. These powers are derived from the governing bodies of the Chambers that are autonomous and democratic. To accomplish such functions, the Chambers have access to public documents including legal blueprints. In organisational terms, the Chambers have tended to professionalise their activities due to long clashes with other business associations. They have worked as a meeting place for businessmen and political interests from its origins back in the eighteenth century.

In the United Kingdom, business associations have long relied on regional structures, though these regional branches were mostly established so as to supply services to members. The main argument for the CBI to set up a regional organisation during the 1940s was to meet the needs of its local members in an attempt to diminish Chambers of Commerce’s influence on local business communities. Therefore, CBI first settled a regional structure to better provide services to local members.\(^5\) Devolution opened the

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\(^4\) Accordingly, a similar devious path characterises PYMEV, which attempted to create a business association representing small business in the Valencian Community, but with very little success. The so-called L’Empresarial was formed by COVACO (Confederación Valenciana de Comercio), which is a trade association that belongs to CIERVAL, and PYMEV, but problems soon emerged as the association failed to achieve institutional recognition. In 2003, L’Empresarial proposed CEPYMEVAL, the CIERVAL’s SMEs association, to merge so as to create a single SMEs association in the region. But this plan never came to fruition, leaving CIERVAL as the only representative business association in the region. Years later, in 2006, PYMEV signed an agreement to join the Confederación de Empresarios de Valencia (CEV), one of the CIERVAL’s subregional associations, thus PYMEV accepted certain organisational protection from CIERVAL, under the hope of reaching the full integration with CEPYMEVAL. COVACO did not like such a unilateral rapprochement, and responded by expelling PYMEV-Valencia, which is PYMEV’s local branch in Valencia, from its rank and file. The fact is that when L’Empresarial proposed to join CEPYMEVAL under the Presidency of COVACO, PYMEV unleashed a fierce opposition to the project. Such a critical event greatly damaged L’Empresarial, while the integration between PYMEV and CEPYMEVAL never occurred. After all, PYMEV has failed to mutate into other more powerful association, so it still retains its original nature of independent SMEs confederation outside CEOE’s umbrella.

\(^5\) According to Grant and Marsh (1977:91), ‘the CBI sees its regional organisation as an important means of keeping its head office staff and committees in touch with grass roots feeling. When the FBI was first set up in 1916, it was an organisation with a strong sense of central direction in contrast to the Association of British Chambers of Commerce, which was essentially a confederation of autonomous local bodies continually beset by centrifugal tendencies. When Sir Norman Kipping became Director General of the FBI in 1946 he undertook a complete revision of its regional organisation, setting up regional councils in each of the government’s standards regions. The National Association of British Manufacturers had a strong regional
door for more internal devolution. The CBI saw devolution as an opportunity to become the centre of a broad network of regional business associations. Offices in Scotland, Wales and South West England generate information, gain experience, make contacts, and use specialist consultancy. Maintaining the current degree of internal devolution depends on the success in the creation of networks of influence and the need to exert pressure on institutions. Scotland and Wales are still optimist scenarios, but the CBI in the South West England is in decline. For the time being, the CBI remains a unitary association with some regional branches (Scotland and Wales) enhanced with special status.

The Federation of Small Businesses soon discussed the need to establish a regional structure. Bettsworth (1999:27) notes that in a meeting held on 12 December 1974 the FSB members ‘decided to set up four sub-committees dealing with publicity, administration, finances and legal matters. More crucially, it was agreed that all Branch Chairmen should meet to formulate policy. Finally, plans for a Regional structure, including Northern Ireland, were submitted.’ Thus, the main difference between the FSB and the CBI is that the FSB soon developed a territorial structure as a necessity and conviction, while for the CBI the fact of having a regional organisation was a reason to compete for business representation against the Chambers of Commerce. In the mid-1970s, while the FSB hastened to recruit members from small firms that were being harmed by government action, the CBI’s membership was nourished by the industry, to whose companies the CBI offered various working groups (including non-association members and government experts) (Grant and Marsh, 1977: 35). As such, the quality of membership in terms of expectations varied from one association to another. Today, the FSB is comprised of 33 regions and about 194 branches, which are articulated in regional offices and regional committees. Has the FSB succeeded in linking small businesses to institutions so far? Previous studies seem to be very pessimistic. While Jordan and Halpin (2003) found that the FSB has not made it to become an insider group, Curran et al (2000) pointed out that large parts of small businesses were disconnected from any representative institution. Against the odds, FSB’s territorial profile resulted in the association giving a high degree of autonomy to its local branches in terms of new member recruitment, contacts with local governments, demands formation, and so forth. In this vein, both the FSB in Scotland and the FSB in Wales had since its inception a vast autonomy to work with the local organisation and the Benson-Brown report which led to the formation of the CBI stressed the importance of involving the regions in the work of the new organisation.’
community and channel their own demands. However, since other regions in England were also endorsed with similar degrees of organisational autonomy, neither the Scottish case nor the Welsh experience can be regarded as exceptional phenomena.

UK Chambers of Commerce’s territorial differentiation is based on a division of tasks between local Chambers of Commerce which are voluntary, independent, membership-based groups. This applies to the Glasgow Chamber of Commerce, the South Wales Chamber of Commerce, and GWBW. While they have a local nature, the Association of British Chambers of Commerce is in charge of exerting influence on the central government on behalf of the local Chambers. Chambers of Commerce are free to mutate, thus incorporating new members and expanding its boundaries. In this sense, ‘the structure of chambers of commerce at the regional scale is extremely varied and has been subject to considerable change in light of the growing regional agenda, the ‘Bennett report’ on chamber restructuring (which called for the rationalisation of chamber organisation, the strengthening of service provision, and the exchange of best practice), and the increasing salience of EU policy, which has sought to engage business and develop regional institutional capacity through its structural funds. However, developments here have perhaps been rather more regionally autonomous than in the other comprehensive business associations, and in turn the picture is somewhat more unevenly developed’ (Valler and Wood, 2004:1848).

As in Spain, Confindustria’s territorial associations have their own constitutions. Confindustria is therefore a confederal association. In this regard, Lanzalaco (2008) notes that Confindustria was formed following a model of “territorial penetration,” which means that Confindustria has integrated a number of associations, local and regional, to extend the domain of the association throughout the Italian territory. As an example, Confindustria Toscana establishes in its statute the following:

‘Fra le Associazioni degli Industriali delle province di Arezzo, Firenze, Grosseto, Livorno, Lucca, Massa Carrara, Pistoia, Siena, e le unioni Industriali di Pisa e prato è costituita la Federazione regionale fra le Associazioni Industriali della Toscana, denominata Confindustria Toscana, con sede in Firenze. Confindustria Toscana, congiuntamente ai soci effettivi ed aggregati di Confindustria, alle altre Confindustrie regionali, alle Federazioni nazionali di settore ed alla Confindustria stessa, di cui è componente, costituisce il sistema della rappresentanza delle imprese italiane, con i diritti e gli obblighi conseguenti.’
A similar principle governs the relationship between Assoimprenditori Alto Adige, association located in Bolzano, and Confindustria. According to the statutes of the association:

‘E’ costituita con sede in Bolzano, l’ASSOIMPRENDITORI ALTO ADIGE. Essa può costituire Uffici in altre località della Provincia. L’Associazione aderisce alla "Confindustria" e, in dipendenza di ciò, ne adotta i segni distintivi accanto al proprio logo ed assume il ruolo di componente del sistema della rappresentanza delle imprese di beni e/o servizi ed acquisisce i diritti e gli obblighi conseguenti per se stessa e per i propri associati.’

And this confederal relationship is also seen in the statutes of Confindustria Trento:

‘È costituita, con durata illimitata, l’Associazione degli Industriali della Provincia di Trento, in forma abbreviata “Confindustria Trento”. L’Associazione ha sede a Trento e può istituire delegazioni o uffici distaccati, stabilendone la struttura organizzativa ed i compiti. Essa aderisce a Confindustria, ne adotta il logo e gli altri segni distintivi ed assume il ruolo di componente territoriale del sistema di rappresentanza dell’industria italiana, quale definito dallo Statuto della Confederazione stessa. In dipendenza di ciò essa acquisisce i diritti e gli obblighi conseguenti, per sé e per i propri soci.’

As for SME associations, and in particular to the new association RETE Imprese Italia, its organisational model is that of a confederal association. RETE Imprese Italia aims at coordinating the activities of business representation of its founding business associations. The origin of RETE Imprese Italia responds to a need to compete with other more powerful associations (Confindustria and Confapi) for institutional representation. In no case RETE Imprese Italia attempts to integrate or replace its constituent associations. It is important to say that the implementation of this new business association is variable across Italy, and its internal cohesion is most evident in Tuscany and in Trento than in Bolzano, which is still in process of formation. All the associations that are part of RETE Imprese Italia are associations with their own constitutions. Finally, the Italian Chambers of Commerce are public corporations, in terms of functions and regulatory requirements. In addition to state regulations, the Italian regions establish the regulatory framework of the Chambers of Commerce. The Chambers are locally established associations with regional ramifications. They have their own statutes that ensure administrative, organisational and financial autonomy.
6. Business representation

Business representation is about power and competition among business associations for the achievement of certain policy and legislative goals. Business associations struggle to be representative as it makes them insiders, meaning the government regularly consults them. In pluralist systems, representative associations gain more access to the government and their opinions get more media attention. But pluralism can adopt different forms. Competitive pluralism, or market-driven pluralism, sees interest groups competing on a permanent basis, with no institutional sponsorship intended, for government lobbying. Otherwise, communitarian pluralism, or corporate pluralism, is based on the free competition of interest groups but a certain institutionalisation guides both bargaining, for instance, there is a formal council that makes the arrangements for the summits between the actors involved, and policy design. In neocorporatist systems, in addition to more access and media attention, representative business associations hold the monopoly of representation that somehow assures a privileged role in social concertation. Two forms of neocorporatism deserve special attention. On one hand, classic neocorporatism hinges on traditional forms of social concertation, mainly producing a varying range of social pacts, following tripartite negotiations involving the government and a select number of trade unions, and business associations. On the other hand, leaner neocorporatism still relies on concertated forms of policy provision, but is less strict concerning the number of actors that participate in the negotiations, so negotiations are not restricted to traditional social partners but can also include universities, civic associations, and private institutions.

In Spain, business representation is articulated around classic neocorporatist tenets, which is manifested in four aspects: first, the existence of neocorporatist structures in almost all regions, including economic and social councils and a bunch of advisory commissions; second, a certain mode of economic policy provision based on social concertation (regional social pacts); third, a decentralised model of collective bargaining, with the province as the preferred level of bargaining, whose main interlocutors are the trade unions and employers associations; and fourth, the institutionalisation of a few social partners in every region, mostly the CEOE’s, UGT’s and CCOO’s regional branches. Hernández (2003: 306) argues that the emergence of regional social dialogue is the result of a national social dialogue that often omits regional needs. However, regional social dialogue cannot be understood as a rebellion, but rather as a consequence of the decentralisation
process, insofar as social concertation at both levels can complement each other, especially if we consider that national social concertation’s remit is on macroeconomics, while regional social concertation focuses on jobs creation and the expansion of welfare. We argue that the emergence of regional social dialogue is the result of the increasing transfer of powers to the regions and the concomitant economic pushes and interests associated with it, rather than the response to a specific drawback originated at national level. In order to reach some sort of governability and economic coherence, regional governments have dialogued with social partners on policy areas like health, education, industry, economy, education, and many other policy issues. Accordingly, so far, Andalusia counts with seven broad social pacts, Catalonia has signed a handful of them, and the Valencian Community has reach a couple of them as well.

Moreover, during the course of the last decade, there has been an attempt to shape the institutional framework of the regional systems of interest representation. In this sense, the statutes of autonomy of the three regions recognise explicitly the right of business associations and trade unions to carry out their very functions in the economic and social spheres. The 2006 Andalusia Statute (art. 132.1) recognises the Andalusian Economic and Social Council has a striking salience because its ‘primary purpose is to serve as a channel for participation and ongoing dialogue on socio-economic issues.’ The Catalan statute recognises trade unions and employers’ associations the right to fulfil their functions in the areas of social concertation, participation, and social co-operation (art. 25.5), and aims at reinforcing social partners’ institutional role in such a way that ‘the Government should promote the creation of a Catalan labour relations council...in which trade unions, business associations and the Government should be all represented. In this context, public authorities should promote the practice of social dialogue, collective bargaining...’ (art. 45.4). Of course, the most representative business associations in very region have managed to institutionalise their own public status while excluding potential rivals from such an advantage. For instance, in 2004 in Andalusia, CEPES-A, of which CEMPE is member, was against CEA’s decision to reject any attempt to include more actors within regional social dialogue even though Manuel Chaves, the former President of Andalusia, was in favour of including the associations representing SMEs and the self-employed. The truth is that despite the government’s will, CEA is still the only business association
holding the monopoly of representation in Andalusia, which, of course, causes serious problems to its rivals.\(^6\)

These examples help assess how likely was the regional governance to incorporate social partners by endorsing them with relevant roles both in the decision-making and in the industrial relations system. Accordingly, the *Generalitat Valenciana* is committed to ensure the participation of social partners in health and social security. Although the Valencian government and the social partners have long co-operated, the regional social concertation was reinforced in 2001 with the signing of PAVACE (2001-2006) and its renewal (PAVACEII, 2009-2013). Both agreements faced general economic problems (employment, training, industry, tourism, agrarian policy, trade, immigration, infrastructures, environment, housing, social policy, and public health) and not only focused on sectorial issues. Social partners have pressured for the establishment of a regional system of interest representation that could consolidate their status. For instance, PAVACE II includes the commitment to grant social partners with institutional representation (*Point VII. Regional administration and Institutional representation*). This is a clear willingness to take advantage of the new regional resources, as well as to reinforce the tasks carried out at the Valencian Economic and Social Committee (formed in 1993).

Regarding the United Kingdom, Scotland has relied on pluralism to shape ‘government-interest groups’ relationships, whereas Wales has enhanced its communitarian features to provide business associations a corporatist-alike environment, which is rather a form of corporate pluralism, really seeking inclusion, and not promotion, of certain actors. Whereas in Spain it is frequent to set up advisory councils bringing together trade unions and business associations, the Scottish Government introduced a *Council of Economic Advisers* comprised of economic experts, managers, and Professors. Furthermore, there

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\(^6\) For instance, CEMPE has struggled to take part of a complex network of business associations with which to reach some sort of influence. The Andalusian government has not granted CEMPE with business representativeness, but given it to the *Confederación de Entidades para la Economía Social de Andalucía* (CEPES-Andalucía), which is an association created in 1993 and belonging to the *Confederación Empresarial Española de la Economía Social* (CEPES). CEPES-Andalucía brings together business associations (federations, associations, foundations) from across the region. Therefore, CEMPE joined CEPES-Andalucía to reach institutional representation, although by indirect means. CEMPE also collaborates with the *Asociación Nacional de Empresarios y Profesionales Autónomos* (ANESPA) in mobilising the self-employed in Andalusia, and works very close with the *Confederación Intersectorial de Autónomos del Estado Español* (CIAE) in order to achieve representation at the state level. At the same time, CIAE shares various tasks with COPYME such as, for instance, the organisation of events and the publication of magazines. In general, this associative network happens to be very confusing since functions are scattered among many associations. This fact, however, does not involve the loss of legal personality of CEMPE and its ability to develop its own strategy.
exists a group of Government Economists who are in charge of providing ‘analytical, appraisal, evaluation and advisory support to the Scottish Government’s policy divisions in all areas dealing with housing policy, planning policy, area regeneration policy, and income and poverty issues.’ The National Economic Forum is one of the few institutionalised bodies in which business associations can undertake advisory functions. However, there is no membership exclusion as it ‘brings together senior figures in business, trade unions, government, the wider public sector, and the 3rd sector.’ Hence, the non-recognition of business associations as Scottish government’s priority consultants makes business groups choose to exert influence through three channels: a) official consultation; b) direct lobbying; and c) lobbying networks. Within these three possibilities, the CBI Scotland mainly uses the last two, while the FSB in Scotland prefers to stay out of the main coalition of business associations operating in Scotland, the so-called Group of 5 (Wood et al, 2005: 305). The Glasgow Chamber of Commerce undertakes both official consultation and direct lobbying when needed. However, the Scottish government has been concerned about the health of Scottish civil society, and funded some programmes to revive civic associationism, of which the Scottish Civic Forum (SCF) has been the most prominent. In short, the SCF was seen as an additional mechanism in the consultation process (Watts, 2007: 143), thus the Scottish government agreed to offer the SCF a series of considerable grants. The Forum did not allow the membership of government agencies or local governments, in an attempt to build a new form of inclusive politics.

As for Wales, three features are noteworthy: first, the Welsh political elite tried to legitimise Welsh devolution by incorporating civil society into the regional governance. Thus, civil society is envisaged as an agent of socialisation (Thomas and Taylor, 2006: 85). Second, there is a kind of ‘rhetoric of unity’ among associations so as to avoid confrontation in institutionalised forums. This makes possible the configuration of regional alliances among private groups as, for instance, Business Wales, which represents 19 employers’ associations in various regional summits. And third, the idea that ‘civil society can contribute to developing a civic sense of identity if a plurality of interests are represented within civil society’ (Royles, 2007: 37). In this sense, it is argued that ‘Wales remains at bottom a corporatist society, with a prevailing culture which sets a high

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premium on collaboration between labour and management and between public and private sectors’ (Day and Jones, 2006: 45).

Certainly, Welsh social dialogue has unfolded through many co-operative fora, supportive administrative bodies, and partnerships (Morgan and Rees, 2001). Contrary to the Scottish experience, business associations (mainly the CBI Wales and the FSB in Wales) and trade unions (Wales TUC) undertake a wide number of advisory tasks, whether in governmental committees or in local economic forums. Employers can access the Welsh Executive’s Departments through a series of Ministerial Advisory Groups and Advisory Boards such as the Wales Employment and Skill Board (WESB). Moreover, there exist four sub-regional Economic Forums, namely, North Wales Economic Forum (1996), South Wales Economic Forum (1997), Central Wales Economic Forum (1994), and South East Wales Economic Forum (1995), whose purpose is to create strategic agreements on various economic and social issues. They are comprised of representatives from the business associations (CBI, FSB, IoD), trade unions (WTUC), county councils, universities, tourism partnerships, and voluntary associations. They bring networking opportunities and other resources. In addition, the Department for the Economy and Transport (DE&T) funds the ‘Wales Social Partners Unit’, which serves WTUC and Business Wales. Its remit is to advice business associations and trade unions on how to consult the Welsh Assembly.

Despite the institutional and political restrictions existent in South West England, regional interest groups fostered strategies for mobilising territorial interests, though they were very weak. For instance, ‘South West Stakeholders’ brought together a series of social groups, economic stakeholders, and environmental experts from non-political organisations and networks. Among its members one can find the CBI, the FSB, Chambers of Commerce, and trade unions. This network did not really have a claim to promote a common voice, but to be present at the new regional institutional framework. However, business associations were never satisfied with the achievements of a coalition that was controlled by environmentalist groups. Prior to this, there were attempts to constitute subregional collaborative networks, which manifested a somewhat north/south divide. For instance, the ‘South West Enterprises Ltd’ was created in Devon and Cornwall in 1993 by some fifty business associations (including CBI, FSB, and Chambers of Commerce). According to Valler et al (2004:112), ‘this group’s primary objective was to provide an effective Westminster lobbying voice for the sub-region, and thereby respond to a perceived lack of ministerial representation vis-à-vis other regions.’ This coalition had,
however, a very reduced activity, mutating first into a Private Sector Steering Group, and forming later the ‘Devon and Cornwall Business Council’ (DCBC). This Board represents 70 national, regional and local public and private organisations including the CBI, the FSB, Chambers of Commerce, Universities, City councils, TUC, and other companies. In the north, the ‘West England Initiative’ was created, later becoming the Bristol Initiative (1988), which is now known as ‘The Initiative’. It was created at the behest of GWEBusinessWest, and its main objective is to promote economic development initiatives for the area around Bristol (Morgan et al, 1999).

As regards Italy, the dialogue between public authorities and business revolves around the existence of three large economic areas – the north, the south, and the ‘third Italy’, which includes Veneto, Emilia Romagna, Tuscany and Marche- characterised by very different market structures and social realities. The Italian state has proposed different forms to stimulate economic growth and reduce social inequalities considering these three economic areas. The north of Italy is home for a large concentration of industrial companies that the country has long considered the pillar for economic development. The ‘third Italy’ is economically articulated around a series of industrial districts that mostly assemble small and medium companies. This model is based on a co-operative relationship between public authorities and business associations, including the formation of private-public partnerships and governance-like institutions. The south is the poorest economic area in which public interventionism and fiscal redistribution work as a means to compensate economic imbalances.

These three models still have some relevance for understanding how the Italian regions have adapted to the various general models of economic development. As in all European countries, there has been in Italy a shift in the basis of the economic model. In the last sixty years, Italy has replaced the objective of promoting core strategic sectors to embrace local economies. So, Italy has been applying the economic recipe promoted by the European Union, which has allowed the country access to structural funds. In short, the European model is characterised by the development of social agreements negotiated by political actors, economic associations and representatives of civil society. This is a form of social dialogue, therefore neocorporatism, but that is very unique because it is the result of an external stimulus (the European Union), in which the parties involved are not only governments, unions and business associations. In this sense, when we speak of a concerted pathway towards regional economic and social development in Italy, we refer to
a modern form of lean neocorporatism which is known as “enlarged social dialogue” that features traditional elements of corporatism (social concertation) under an integrative view of social relations at the regional level (multipartism).

It is worth noting that this form of social dialogue is aimed at solving specific problems rather than to generate a genuine institutionalisation of the system of interest representation. To the extent that most of the resources come from the EU Structural Funds, the enlarged social dialogue has great similarities with any government plan that has been negotiated multilaterally. Territorial pacts have focused on specific areas, and the range of policies negotiated has been limited. In general terms, the goal is to convince the Italian government\(^9\) of the need to invest in a series of development policies. This undoubtedly affects the dynamics of cooperation between public and private actors: regional governments seek to join forces and prevent conflicts by granting representation mechanisms. If the classic corporatism establishes mechanisms for the monopoly of representation by granting public status to a few social partners, the type of corporatism developed in the Italian regions does not follow this principle.

These initiatives were seen as true impulses to the political sense of the regions, although the first responses were very mixed. Southern Italy, for their economic and political background, welcomed these proposals imminently. The first generation of regional agreements were developed in the southern regions, while the second generation of pacts spread throughout Italy. This has to do both with the economic structure of the regions as well as with the tradition in the relations between the economic and the political realms. As mentioned before, the north is less likely to resort to concerted practices than the south. In practice, in the Trentino-Alto Adige there are very few acts of social dialogue. Unlike these few cases, Tuscany has developed a multitude of social agreements since 1996. The op-cited ‘Tuscan model’ is evident in the two social pacts for economic development and occupation (1996, 2004), three protocols on labour issues (2005, 2009, 2011), the creation of a formal working group for social dialogue, and so on. Furthermore, Tuscany has tried to build an institutional system of social dialogue based on a Regional Council for Economy and Labour (Conferenza permanente delle autonomie sociali, approved in 2007) similar to the Economic and Social Councils in the Spanish regions.

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\(^9\) The National Council for Economy and Labour (CNEIL) and the Interministerial Committee for Economic Planning (CIPE) oversee the development of the process.
7. Conclusions

Business associations have long had either regional or sub-regional experiences across the three countries analysed. Unitary associations, like the CBI, established regional and local subunits with which to supply services to and mobilise the local business community by mid-1940s. Chambers of Commerce have been in close contact with business communities at local, sub-regional and regional levels for more than a century now. SMEs business associations were created to work hand in hand with small and medium-sized companies in a given region. Therefore, the territory, whether perceived as a municipality, a metropolitan area or a region, is the source of business associability. However, business associations have long neglected the relevance of the regions as a key incentive to shape the logic of influence. To the extent that the regions have not been decisive tiers of government until recently, and insofar as the new economic paradigm based on regional competitiveness is rather new, the regions were long seen as a means to structure the business associations’ logic of membership. Business associations followed a distribution of labour in which the peak headquarter was responsible for the representation of business interests before the central government, the local committees were able to interact with local authorities and even to participate in industrial relations, whereas the regional tiers assumed the function of connecting the central and local levels.

It was not until the regions gained in significance as spaces for politics, in that a number of powers have been transferred to the regions, a series of regional institutions have been established, and a batch of regional dynamics have emerged, that regional business associations, whether they belong to unitary associations or to confederal ones, have been endorsed with certain policy functions. Thus, if the territory is the source of business associability, devolution is the source of business mobilisation at regional level. In this sense, business associations are very sensitive to the institutional coherence and government powers in a given region. The more decisive a region is in terms of policy-making, the more active business associations are in representing interests before the regional governments. In this vein, it seems that business representation at regional level is pretty similar to that at national level. Leaving aside the case of South West England where the regional adventure has produced dull results, regional governments tend to copy the model of interest intermediation that guides the relationship between the central government and business associations. The Spanish regions have resorted to a tripartite form of classic neocorporatism to articulate the economic and labour policy. Italian regions happen to embrace a multipartite form of lean neocorporatism that is scant in the
provision of broad social pacts but somehow productive in supplying regional and sub-regional economic development plans. Scotland and Wales, as happens in the whole UK, both embrace pluralism as the foundation for interest representation. Of course, the Scots have created a market-driven pluralism, whereas in Wales pluralism mixes with a sort of co-operative communitarism.

Finally, business associations have mixed feelings about regionalism. While SMEs business associations seem to support the regions, as they like the government to act quickly and feel regional governments are more sensitive to small companies’ demands, other types of business associations have traditionally expressed certain aversion to constitutional reforms and now fear the secessionist ambitions in Scotland and in Catalonia. However, it seems that SMEs business associations do not enjoy a predominant position in business representation. With particular singularities in every region, the general trend is that all three types of business associations strive to gain access to regional governments, as well as to find an own place within the map of business associations in the region.

References


