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To cite this article: Iván Medina & Joaquim M. Molins (2014) Regionalism and Employer Groups in Spain, Italy, and the UK, *Territory, Politics, Governance*, 2:3, 270-286, DOI: [10.1080/21622671.2014.954602](https://doi.org/10.1080/21622671.2014.954602)

To link to this article: <https://doi.org/10.1080/21622671.2014.954602>



Published online: 09 Sep 2014.



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Regionalism and Employer Groups in Spain, Italy, and the UK

IVÁN MEDINA and JOAQUIM M. MOLINS

(Received April 2014; in revised form July 2014)

ABSTRACT This article presents empirical findings on 27 regional business associations in Spain, Italy, and the UK. We focus on three issues: opinions towards the regions, internal devolution, and business representation. The article draws theoretically upon studies in the fields of industrial sociology, political science, and economic geography. All three disciplines have documented a certain regionalisation of state-wide (or peak national) business associations, and attest that the regions can generate genuine practices of interest formation and interest intermediation. This article confirms the emergence of business associations in almost all of the regions, although there are considerable variations in their preferences, their organisational models, and the way they participate in the political process.

EXTRACTO En este artículo presentamos los resultados empíricos de veintisiete asociaciones comerciales de ámbito regional en España, Italia y el Reino Unido. Nos enfocamos en tres cuestiones: las opiniones sobre las regiones, la transferencia interna de competencias y la representación comercial. El artículo se basa teóricamente en los estudios en los sectores de sociología industrial, ciencia política y geografía económica. En las tres disciplinas se documenta cierta regionalización de las asociaciones comerciales a nivel estatal (o nacional) y se indica que las regiones pueden crear prácticas genuinas de formación e intermediación de intereses. En el artículo se confirma la creación de asociaciones comerciales en casi todas las regiones, si bien con diferencias considerables en sus preferencias, modelos de organización y modo de participación en el proceso político.

本文呈现西班牙、意大利和英国二十七个区域型商业协会的经验研究发现。我们聚焦以下三大议题：区域的契机、内部分权，以及商业代表。本文运用工业社会学、政治科学以及经济地理学领域中的研究理论，此三大领域记录了全国性的（或全国最高的）商业协会的具体区域化，并证实区域可生产真正的利益形构和利益中介之实践。本文证实商业协会几乎在所有的区域中浮现，儘管其倾向、组织模型，以及参与政治过程的方式有着大幅的差异。

RÉSUMÉ Cet article présente des résultats empiriques auprès de vingt-sept associations professionnelles régionales en Espagne, en Italie et au Royaume-Uni. Il porte sur trois questions: des opinions au sujet des régions, du transfert interne des responsabilités, et de la représentation des milieux d'affaires. Théoriquement, l'article puise dans des études conduites dans les domaines de la sociologie industrielle, des sciences politiques et de la géographie économique. Toutes les trois disciplines ont présenté une certaine régionalisation des associations professionnelles à l'échelle de l'état (ou des principaux organismes nationaux) et affirment que les régions peuvent engendrer des pratiques concrètes quant à la création et à l'intermédiation de l'intérêt. Ce présent article confirme la naissance des associations professionnelles dans presque toutes les

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régions, bien que leurs préférences, leurs modèles d'organisation et la manière dont elles participent au processus politique varient sensiblement.

KEYWORDS Business associations new regionalism Spain Italy UK

INTRODUCTION

Interest articulation and intermediation at the regional level are underexplored in the 'new regionalist' literature. Only recently have studies addressed the formation of territorial policy communities in selected regions across Europe (KEATING, 2013; KEATING AND Wilson, 2014). These studies stress the importance of looking at the relational dimension of regions, as the mere establishment of an array of regional institutions is not enough to promote 'regions with regionalism'. By this, we understand that there is a strong network of organised interests in permanent interaction with regional institutions, which makes sense of the region as a comprehensive system of interest representation. Interpreting devolution as a mere decentralisation of government departments may generate some functional errors, because then the regions are envisaged only as a bureaucratic tier of government in charge of the implementation of policy programmes. Regional institutions in that case could lack powerful discourses, competences, and resources to attract private and societal interests into the game of politics, allowing organised interests to bypass the region to exert influence on central institutions that really shape policy. Such a dynamic would reinforce the dominance of national governments and the European Union over the regions insofar as they can impose rules, shape the agenda, and control the budget. Such a sociopolitical scenario is likely to create 'regions without regionalism'.

However, a number of regions throughout Europe have gained strong powers after a process of territorial rescaling of political and economic functions of the nation state. As global markets and policy rescaling interweave, there is evidence of the rise of regional parties, the empowerment of regional institutions, the reinforcement of regional economies, the activation of regional cultures, and the mobilisation of private interests in new social compromises. Businesses, workers, consumers, environmentalists, farmers, churches, and a large number of professionals and associations are likely to adjust their strategies to advise the regional governments and assemblies on a wide range of policy issues, sometimes by sitting on the boards of regional agencies. They also find an opportunity to increase their tasks in the implementation of public policy. As policy rescaling takes place, it paves the way for interactions between regional institutions and interest groups and consolidates a set of practices and commitments within regional boundaries. This process is crucial to promoting the emergence of territorial logic in groups. The nature of such logic remains a challenge to organised interests, which are mainly motivated by the defence of professional demands or the pursuit of a cause.

KEATING and WILSON (2014) argue that the formation of such a territorial logic implies adaptations in three dimensions. First, there is a cognitive adaptation, which means groups understand that the regions fulfil sound political, social, economic, and cultural purposes. Interest groups have to ponder whether the regions can make any difference in governance and welfare. If they do, business support for devolution increases. Second, we find an organisational adaptation involving an increasing strengthening of the 'meso' levels of groups that were previously structured at local or national levels. In the best scenario, national groups establish regional divisions and commence a process of internal devolution. In addition, independent regional groups would find new

opportunities to reinforce their membership, as new members would get involved in regional policy-making by joining these groups. Third, there is a relational adaptation in which regional groups influence policy. Of course, this dimension depends on the array of devolved powers and the degree of self-rule encountered in every region. We are sympathetic with this way of conceptualising the rescaling of interests, which is notably in line with the interest of geographers to attribute a specific role to civil society in the spatial recognition of the local and regional levels in the process of social and economic change, the interest of sociologists to account for the processes of aggregating interests and coordinating policy demands within organisations, and the interest of political scientists to understand the policy outcomes resulting from the interactions between public and private actors.

At the cognitive level, the 'New Regionalist Geography' identifies the socio-economic linkage between global markets and the territory (COOKE and MORGAN, 1998), by seeing the regions as competing units that seek to enhance the productive bases of their economies and to put together a series of resources that add competitive advantages. Some authors have raised criticism on the ability of some regions to compete for resources at the international market and on the actual benefits of such competition (LOVERING, 1999), but the discourse of competitiveness is observed in a numerous set of regional programmes aimed at attracting foreign investments, building industrial districts, introducing flexicurity in labour markets, and so on (PYKE *et al.*, 1990). Then, regional actors are encouraged to set up institutions, to create resources such as infrastructures, economic milieus, and market information, as well as supply policies that improve the quality of the territory and local societies, which means that the local labour market is characterised by high-skilled workers, the presence of an innovative network of R&D centres, the existence of a leading educational system, and so forth. This all entails a process of discovering the potentialities of the region, which requires the activation of a cross-sectoral network of actors who are committed to the idea of creating the region.

A sociological approach puts emphasis on the impact of decentralisation of labour and economic structures on the organisation of collective actors, such as trade unions and business associations. As traditional forms of Keynesianism have diminished, so organised interests have commenced a process of structural adaptation to supra- and sub-national levels of decision-making. There is an increased articulation of interests at the European level, precisely because the European Union has gained powers to impose regulatory schemes in a wide range of policy issues. The establishment of European-based confederations of trade unions (European Trade Union Confederation) and business associations (BusinessEurope, EUAPME) shows a clear willingness on the part of workers and businesses to represent their stances within European institutions. In parallel, there is a general movement to decentralise labour market policies, including collective bargaining practices and structures. TRAXLER (1995) referred to this movement as the 'disorganisation thesis', which pivots on the decentralisation of collective bargaining, the deregulation of labour law, the decline of collective bargaining, and the weakening of state-wide unions and employers' associations. This scenario puts pressure on national groups to augment internal devolution. The 'meso' levels of such labour and business groups are therefore given more autonomy and resources to ensure the representation of interests as decision-making rescales. Once this internal devolution is consolidated, organised interests will seek their own place in all policy areas with an impact on their members. Labour market policy is one of the main issues for trade unions and business associations, but they are also interested in the development of policies that fall within economic development in general. Regional institutions will be willing to form alliances with these groups to

legitimise the political meaning of devolution, thereby ensuring that government departments promote interaction with private groups in the making of a wide range of policies (REGALIA, 2007).

Coupled with adaptations in the way groups are organised and in the way groups regard the regions, a third aspect of this territorial logic relates to the representation of interests. At this point, the definition of interest representation requires distinguishing, on the one hand, between forms of representation and, on the other hand, between types of interests. First, interactions between organised interests and institutions can be structured in the form of pluralistic patterns, where institutions often assume a neutral role with regard to deploying 'veto points' and privileging some groups over others. Alternatively, corporatist arrangements allow a greater involvement of institutions in the intermediation of interests, formalising the lobbying process by making negotiations take place in stable forums. The decision on which model is the most appropriate for the region depends on the willingness of regional leaders to experiment with alternative formats to that of the state. This decision may also be influenced by the advice of organised interests, whose capacity for change may be limited. Second, the economic rationale that seemed to have encouraged the expansion of regional levels of government might suggest that corporate interests are the only groups likely to contribute to regional development. However, the regions are more than economic spaces. Structural changes in nation states reflect changes in society and culture, making interests related to civil society also feel the need to mobilise. So, the territorialisation of interest representation faces two challenges. On the one hand, regions have to decide whether pluralism or corporatism—or a mixture of both—is the proper mode of interest intermediation, and then structure the whole system accordingly. On the other hand, regional governments have to prepare themselves to interact with a large number of interest groups throughout the policy process. This leads to the need for limits and regulations, while actors learn how to work following their own political culture.

This article will consider how business associations have responded to devolution in selected regions from three countries, namely, Spain, Italy, and the UK. It is structured as follows: The first section presents the methodological aspects of the research, including cases and research questions. Second, we examine business associations' opinions on the regions. We present the results of a questionnaire put to the managers of business associations to account for differences by types of associations, including peak business associations, small and medium enterprise (SME) business associations, and Chambers of Commerce. Third, we analyse the degree of internal devolution in each of the business associations. Such devolution could be the result of institutional adaptation, meaning the business associations copy state structures, or of organisational adaptation to improve efficiency in service delivery. Fourth, we examine the representation of interests. Our objective is to observe general trends in the interactions between regional governments and business associations. Finally, we identify the similarities and differences in the cases studied.

CASES AND METHODS

This research addresses the formation of territorial logic in 27 business associations from nine regions in Spain, Italy, and the UK. We assess this logic by looking at its cognitive, organisational, and relational dimensions. In so doing, we pose three research questions: What do regional business associations think about the regions? How autonomous are regional business associations from their respective national associations, if such an organisational relationship exists? How do business associations come to represent interests before regional governments? We will argue that the adaptation of business associations

to devolution depends on two main factors, namely, the logic of territory, which means business associations emphasise the importance of the regions in the process of policy rescaling, as well as the logic of government structures, in that business associations have the chance to represent interests before regional institutions, causing an organisational adaptation. Past studies have indicated that businesspeople feared that devolution could lead to market fragmentation and more bureaucracy (LANGE, 1998), that business associations showed a degree of internal devolution even prior to devolution (COLEMAN and GRANT, 1985) (mostly for the provision of services to local members), and that business representation at the regional level, if at all possible, would follow 'governance-like' patterns of cooperation in the form of partnerships (MOLINS *et al.*, 2010). We are interested in exploring whether these findings are still valid and relevant. We assume that all business associations have developed, to a greater or lesser extent, a territorial logic in regions that have consolidated regional governments (ANDERSON, 1991, p. 70; KEATING, 1998, p. 103). This territorial logic is less likely to occur in weak regions.

We select on the basis of regions and type of association. In each country, we sought regions characterised by strong regionalism and prominent institutional arrangements and cultural identities. These include Catalonia, Scotland, and Trentino-Alto Adige, of which we examine its two constituent provinces separately, Trento and Bolzano, as both receive special treatment as autonomous provinces. These three regions are driving forces of devolution in their respective countries. Scotland awaits the results of the upcoming independence referendum, while regional structures were abolished in England a couple of years ago. Catalan nationalists want to emulate the Scots and struggle with the Spanish government to call for an independence referendum in 2014. The Lega Nord strives to define a differentiated picture of the northern regions of Italy under the principles of Padanian nationalism (GIORDANO, 2000).

Our other regions show varying levels of identity, wealth and government. Within the UK, South West England is one of the wealthiest economic regions in England and hosts historic regionalist movements in Devon and Cornwall, although the development of its own regional institutions has been hampered by the abolition of the South West Regional Development Agency. Wales is a constituent nation of the UK with a sluggish economy and a weak national identity. However, Wales has consolidated an incipient political system as the Welsh National Assembly has gradually gained primary legislative powers. In Spain, Andalusia plays a strong regional leadership role throughout the country due to its population and its cultural references, which partly feed the Spanish identity. However, Andalusia is one of the poorest regions of Spain. The Valencian Community has its own identity traits due to its links to the historic Kingdom of Aragon, although, in recent decades, a political movement emerged to strengthen the Valencian identity against the features that define the Catalan identity. Finally, Tuscany is an Italian region with low identity characteristics and a development model known as the 'Tuscan Model' that has generated sustainable levels of wealth.

Regarding business associations, we analyse nine all-encompassing associations, nine SME business associations, and nine Chambers of Commerce. The analysis includes three associations of every type for each of the regions. As a general rule, we have selected the most representative associations in each region, which in many cases, belong to relevant national associations. The majority of them therefore can be considered sub-national divisions of national business associations. The predominant 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 (IoD). We analyse the regional branches of CBI and FSB and local Chambers in Glasgow, Bristol, and South Wales. The most relevant association in

Spain is the *Confederación Española de Organizaciones Empresariales* (CEOE), which practically monopolises the representation of employers in collective bargaining and business representation at the national level. This also applies to its territorial branches. CEPYME (*Confederación Española de la Pequeña y Mediana Empresa*) stands as the business association for SMEs, an independent association that has been incorporated into CEOE's structure. This associational monopolisation led to the establishment of a series of independent SME business associations during the 1990s in some Spanish regions. Some of them have acquired a sufficient reputation to be consulted by regional governments and by trade unions. This applies to PIMEC (*Petita i Mitjana Empresa de Catalunya*) in Catalonia. Chambers of Commerce have become relevant actors in the defence of particular 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 have managed to retain their public nature and have played a key role in the articulation of business interests in times of losses of freedom of association, which is why in countries such as Spain and Italy, the Chambers of Commerce are still relevant in the overall map of business associations, at least due to their involvement in implementing business-related public services. Other countries, such as 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. Finally, the representation of business interests in Italy is very complex and fragmented. Many business associations attempt to represent all types of companies and sectors. Confindustria is widely regarded

Table 1. List of regional business associations.

Region	Peak regional business association	SME business association	Chamber of commerce
Catalonia	FTN	Petita i Mitjana Empresa de Catalunya (PIMEC)	Barcelona Chamber of Commerce (BCNcham)
Andalusia	CEA	Confederación de Empresas Pequeñas y Autónomos de Andalucía (CEMPE)	Granada Chamber of Commerce (Grancham)
Valencian Community	CIERVAL	PYMEV	Valencia Chamber of Commerce (Valcham)
Scotland	Confederation of British Industry in Scotland (CBIs)	Federation of Small Businesses in Scotland (FSBs)	Glasgow Chamber of Commerce (Glasgcham)
Wales	Confederation of British Industry in Wales (CBIw)	Federation of Small Businesses in Wales (FSBw)	South Wales Chamber of Commerce (SWcham)
South West England	Confederation of British Industry in South West (CBIsw)	Federation of Small Businesses in South West (FSBsw)	GWBW
Tuscany	Confindustria Toscana (CONFtusc)	RETE Impresa Italia Toscana (RETEtusc)	Prato Chamber of Commerce (Pratocham)
(Provinze di) Bolzano	Assoimprenditori Alto Adige (CONFbolz)	Confartigianato Bolzano (RETEbolz)	Bolzano Chamber of Commerce (Bolzcham)
(Provinze di) Trento	Confindustria Trento (CONFtren)	RETE Imprese Italia Trento (RETEtren)	Trento Chamber of Commerce (Trentcham)

as the main association, followed by Confapi (SMEs, industry), RETE Imprese Italia (which is the new lobbying platform for such SME business associations as Casartigiani, CNA (*Confederazione Nazionale dell'Artigianato e della Piccola e Media Impresa*), Confartigianato, Confcommercio, and Confesercenti), CLAAI (*Confederazione delle Libere Associazioni Artigiane Italiane*) (crafts firms), Coldiretti (agricultural firms), Confagricoltura (agricultural firms), CIA (*Confederazione Italiana Agricoltori*) (agricultural firms), Confindustria (cooperative firms), Legacoop (cooperative firms), UNCI (*Unione Nazionale Cooperative Italiane*) (cooperative firms), AGCI (*Associazione Generale Cooperative Italiane*) (cooperative firms), and UNIONCAMERE, which stands for the Chambers of Commerce. This chaotic map of associations is a legacy of ideological, religious, and cultural polarisations in Italian society and politics. A similar pattern has been established with the trade unions. However, since the early 1990s, ideological disputes between associations have been in decline. Table 1 summarises the selection of business associations.

We conducted 47 semi-structured interviews with managers from business associations, collected questionnaires from the same people to obtain key opinions on their respective regions, and gathered qualitative documents from the associations, such as organisational profiles, annual reports, and magazines, as well as documents from the regional institutions regarding the institutional activities in which the business associations are engaged. Interviews and questionnaires are used to explore business opinions on devolution. Corporate documents are helpful in researching the logic of membership, mainly in relation to organisational isomorphism. The 'logic of membership' refers to how business associations are organised. Such documents, coupled with regional governments' official publications, are used in the section on institutional representation in a twofold manner: on the one hand, to assess the degree of institutionalisation of business–government relationships,

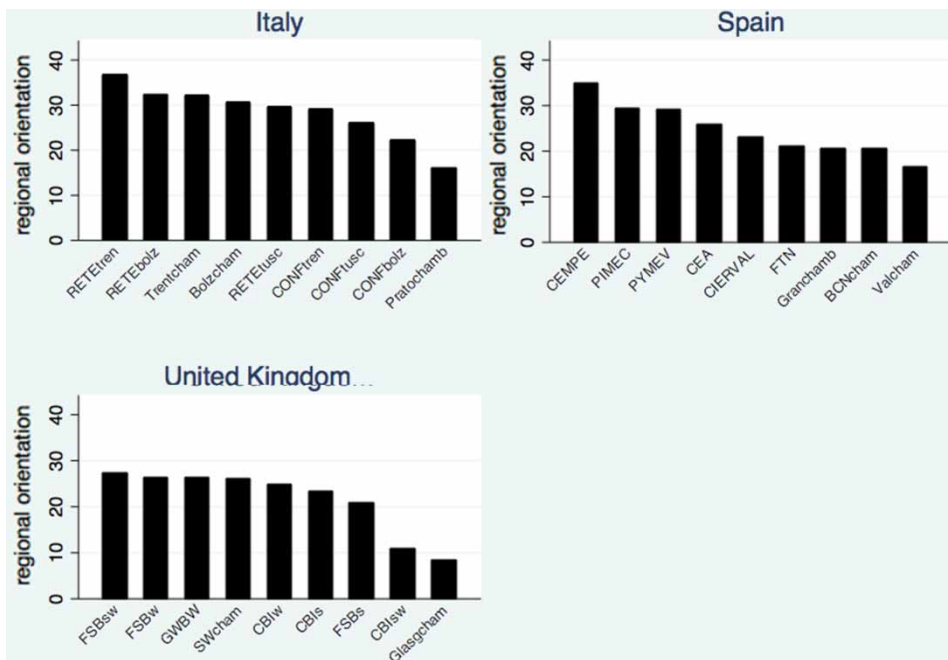


Figure 1. Business associations' regional orientation.

Source: Own research. Data from original questionnaires to business associations' managers.

and, on the other hand, to examine the existence of any form of social concertation or social partnership. Fieldwork was conducted from 2008 to 2012.

THE COGNITIVE DIMENSION

Studies in the mid-1980s indicated that employers showed an ambiguous position towards the creation of the autonomous communities in Spain (PÉREZ Díaz, 1985). Support in Catalonia and the Basque Country was high, while companies cast doubts in regions without regional tradition. A cross-cutting issue for all employers was the fear that the implementation of regional governments could trigger more bureaucracy and lead to market fragmentation (LUDEVÍD and SERVALÓS, 1985). Three decades later, our data indicate an overall increase in business support for regions in Spain. With data from the questionnaires, Figure 1 shows the total score of each of the associations as the sum of four items (40 points total, 10 points for each item) that measure support for devolution, confidence in the regions as economic spaces, confidence in regional policies, and the benefits the business associations get from devolution in resources, legitimacy, and lobbying capacities. Small and medium companies show fairly high levels of support for the Autonomous Communities, while larger companies (Confederación de Empresarios de Andalucía (CEA); Foment del Treball Nacional (FTN); Confederación de Organizaciones Empresariales de la Comunidad Valenciana (CIERVAL)) offer moderate views. Chambers of Commerce record the lowest scores, indicating a propensity to contribute to local development instead of the regional economy.

In the UK, employers—mainly largely companies—repeatedly expressed opposition to devolution. CBI was involved in the Scotland Says No campaign against the 1979 referendum on Scottish devolution. CBI also opposed devolution in the late 1990s by stating a number of concerns that, as LYNCH (1998, p. 90) notes, ‘revolve[d] 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 UK and the bureaucratic and regulatory impact of devolution’. The Federation of Small Business was sensitive to devolution claims and had modest engagements in the Scottish Constitutional Convention (1989–1995) and the Consultative Steering Group’s consultation over the establishment of the Scottish Parliament in 1998. Nevertheless, devolution has positively shifted the views of businesses in Scotland. Currently, as the data show, there is wide support for devolution. The limit to this support is found in the strong rejection of Scottish independence, and this applies to the CBI, the FSB, and the Chambers of Commerce.

The employers’ assessment of the performance of regional governments in Wales and South West England is highly influenced by political and economic realities of both regions. Given that the Welsh economy is weak, entrepreneurs show some scepticism about the economic benefits of regional institutions. Thus, the CBI defends the devolution of powers to Wales as an experiment that could enable the implementation of economic development policies while recognising the cultural traditions of Wales. The FSB in Wales is sensitive to the political aspirations of Wales as well. On the other hand, the CBI in South West England manifests an indecisive attitude towards regional reforms. Thus, large firms are far from being a social force in the consolidation of regionalism in South West England. SMEs have a more positive attitude to it, scoring high among associations with greater appreciation for the region in the UK. This finding demonstrates the ability of large companies to jump between levels of government, while small firms are more subject to the territory.

We know little about the opinions held by Italian business leaders on Italian regions so far. Studies on Italian business associations mostly addressed their organisational patterns, their involvement in social concertation, and their adaptation to changes in collective bargaining regulation. Our research indicates that business opinions on Italian regions follow patterns similar to those of Spain and the UK, which means that large companies (Confindustria) show moderate stances on the political and economic role of the regions, whereas SMEs are more confident of the potential benefits of devolution. Chambers of Commerce show mixed feelings. The Prato Chamber of Commerce scored low results, whereas the Chambers of Commerce of Bolzano and Trento manifested a fairly high regional attachment.

THE ORGANISATIONAL DIMENSION

Due to political and organisational constraints, the founders of the CEOE were mostly interested in the creation of a representative association at the national level. There was no real intention to create an entirely new business association, so the CEOE opted for the integration of a number of smaller business associations that could work on a territorial and sectoral basis. The CEOE did not intend to replace them, but to 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 therefore are in charge of running their own budgets and collecting membership fees. In this regard, there is a certain division of labour within the CEOE through which the regional associations enjoy sufficient autonomy to set their own policy objectives and carry out their own catalogue of services to members.

The SME universe is much more heterogeneous and clearly affected by CEOE's monopoly on representation. Studies have indicated that small businesses that join the CEPYME are more interested in the services offered by the association than in their ability to represent business interests (NONELL and MOLINS, 2007). Small businesses interested in business representation choose to join independent SME business associations, meaning that they have no formal ties with CEOE. This independent status has not only proven to be an asset, especially concerning the ability to publicly defend interests other than the CEOE, but also has carried disadvantages, mostly related to resources and economic pressures. On some occasions, independent associations have tried to merge with CEOE's regional branches to forge a relationship similar to that of CEOE–CEPYME at the national level. This is the case for PIMEC and FTN in Catalonia, as well as Pequeña y Mediana Empresa de Valencia (PYMEV) and CIERVAL in the Valencian Community.

According to law 3/1993, which is now under revision, Spanish Chambers of Commerce 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 and implementing public services for enterprises. To accomplish these functions, the Chambers have a privileged access to public documents, including legal blueprints. In organisational terms, the Chambers have tended to professionalise their activities due to clashes with other business associations. They have worked as a meeting place for businessmen and political interests since their origins in the eighteenth century. Regional Chamber Councils are frequently established, but they have limited powers in a hierarchical structure dominated by the

Consejo Superior de Cámaras on the top and the local Chambers of Commerce at the bottom.

In the UK, business associations have long relied on regional structures, although these regional branches were mostly established to supply services to members. The CBI first established a regional structure to better provide services to local members (GRANT and MARSH, 1977, p. 91). Devolution opened the door for more internal devolution. Offices in Scotland, Wales, and South West England gained staff and resources. Maintaining the current degree of internal devolution depends on success in the creation of networks of influence and the need to exert pressure on institutions. To date, CBI maintains a high degree of devolution of powers to its offices in Scotland and Wales, giving them autonomy to define policy strategies, but the degree of autonomy in the CBI's English branches has been in decline since the abolition of regional institutions. The loss of institutional interlocutors in the English regions makes the national association willing to recentralise functions. For the time being, the CBI remains a unitary association with some regional branches (Scotland and Wales) enhanced with special status.

The main difference between FSB and the CBI is that the FSB soon developed a territorial structure as a conviction (BETTSWORTH, 1999), whereas for the CBI, a regional organisation was created to compete for business representation against the Chambers of Commerce (GRANT and MARSH, 1977, p. 35). Today, the FSB is composed of 33 regions and approximately 194 branches, which are manifested in regional offices and regional committees. The FSB's territorial profile resulted in the association giving a high degree of autonomy to its local branches for new member recruitment and contact with local governments. Both the FSB in Scotland and the FSB in Wales have been granted, since their inception, considerable autonomy to work with the local communities and channel their own demands. However, because other regions in England were also granted similar degrees of organisational autonomy, neither the Scottish nor the Welsh cases were exceptional.

Chambers of Commerce in the UK are voluntary, independent, private, and membership-based groups. These characteristics apply to the Glasgow Chamber of Commerce, the South Wales Chamber of Commerce, and Business West (GWBW).

Table 2. Regional business associations' internal devolution.

Type of associational structure	Definition	Cases
Unitary association	Top-down process of internal	—
Unitary association with regional sub-units	devolution. The national association determines the degree of autonomy given to its regional branches	—
Unitary association with regional sub-units, one or more enjoys an enhanced status		CBI, FSB Enhanced 'policy' status CBI Scotland; CBI Wales FSB Scotland; FSB Wales
Federal association	Bottom-up process of internal	—
Confederal association	devolution. The national association integrates a number of 'real' associations. These have own constitutions	CEOE, Confindustria, RETE. Imprese, Chambers of Commerce
Affiliation arrangements		CEMPE (affiliated to CEPES-A)
Independent association	No formal links with national business associations	PIMEC, PYMEV

Source: Own research.

Chambers of Commerce are free to mutate, incorporating new members and expanding their boundaries. So

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, p. 1848)

Confindustria's territorial associations have their own constitutions. LANZALACO (2008) notes that Confindustria was formed following a model of 'territorial penetration', which means that it has integrated a number of associations, local and regional, to extend its reach throughout the Italian territory. The peak business association in Bolzano calls itself *Assoimprenditori Alto Adige* as a sign of distinct identity, which is also manifested in the usage of both Italian and German languages in its communications. Confindustria is therefore a confederal association. For SME associations, particularly the new association RETE Imprese Italia, the organisational model is that of a confederal association. This association was established to compete with other associations (Confindustria and Confapi) for institutional representation. In no case has RETE Imprese Italia attempted to replace its constituent associations. It is important to note that the presence of this new business association is variable across Italy. Its internal cohesion is more evident in Tuscany and in Trento than in Bolzano, which is still in the process of formation. Finally, the Italian Chambers of Commerce are public corporations in functions and regulatory requirements. They are locally established associations with regional ramifications. They have their own statutes that ensure administrative, organisational, and financial autonomy. Table 2 summarises the organisational model applied to each association.

THE RELATIONAL DIMENSION

In Spain, business representation is articulated around classic neocorporatist tenets, which are manifested in four aspects: first, the existence of neocorporatist structures in almost all regions, including economic and social councils and many 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 employer associations; and fourth, the institutionalisation of a few social partners in every region, particularly regional branches of CEOE and UGT (*Unión General de Trabajadores*), and CCOO's (*Comisiones Obreras*). The emergence of regional social dialogue is the result of the increasing devolution of powers to the regions. To reach some sort of governability and economic coherence, regional governments have engaged in dialogue with social partners on policy areas, such as health, education, industry, economy, and education, and come up with a series of tripartite social pacts. Andalusia counts seven broad social pacts, Catalonia has signed a handful of them, and the Valencian Community has reached a couple as well.

During the course of the last decade, there has been an attempt to consolidate a number of institutions to guide interest representation, including Regional Economic

and Social Councils and Regional Institutes for Industrial Relations. The renewal of several statutes of autonomy was also an opportunity for organised interests to reinforce their representativeness. Our three regions explicitly recognise the right of business associations and trade unions to carry out their functions in the economic and social spheres. The 2006 Andalusia Statute (art. 132.1) recognises that the Andalusian Economic and Social Council's 'primary purpose is to serve as a channel for participation and on-going dialogue on socio-economic issues'. The Catalan statute recognises the right of trade unions and employer associations to fulfil their functions in the areas of social concertation, participation, and social cooperation (art. 25.5). The Valencian government and regional trade unions and business associations also have long cooperated, reaching a series of broad social pacts during the 2000s. In parallel, a regional system of interest representation took shape around the Valencian Economic and Social Council, a large number of advisory forums, and a bill draft on interest representation that is currently under parliamentary discussion.

Within the UK, Scotland has relied on pluralism to shape 'government-interest group' relationships, whereas Wales has merged its communitarian tradition with pluralism. Whereas in Spain, it is common to establish advisory councils that bring together trade unions and business associations, the Scottish Government introduced a *Council of Economic Advisers* comprising economic experts, managers, and professors. The *National Economic Forum* is one of the few institutionalised bodies in which business associations can undertake advisory functions, but membership is open to representatives from business, unions, the public sector, and civic society. These examples serve to account for the existence of a model of interest intermediation that offers very few institutional privileges for business associations. On the other hand, business associations regularly engage in formal consultation about new legislation and exert pressure on the Scottish government following pluralistic means of influence. Due to the absence of institutional privileges, the Scottish business associations have shared resources and strategies to increase their visibility. The Group of 5 is the main coalition of business associations, which mainly represents large companies and relations with the FSB have often been difficult (WOOD *et al.*, 2005, p. 305). The Glasgow Chamber of Commerce has become a relevant actor in local politics and has chosen to grant powers to the Scottish Chambers of Commerce to assume representation in Scottish-level matters, which is also a way of avoiding collision with the mighty Edinburgh Chamber of Commerce, which follows the same strategy.

In 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, p. 85). Second, there is a sort of 'rhetoric of unity' among associations to avoid confrontation in institutionalised forums. This rhetoric enables the configuration of regional alliances among private groups such as Business Wales, which represents 19 employers' associations in various regional summits. Third, there is agreement on the idea that 'civil society can contribute to developing a civic sense of identity if a plurality of interests is represented within civil society' (ROYLES, 2007, p. 37). In this sense, it is argued that 'Wales remains at bottom a corporatist society, with a prevailing culture which sets a high premium on collaboration between labour and management and between public and private sectors' (DAY and JONES, 2006, p. 45). Certainly, Welsh social dialogue has unfolded through many cooperative forums, 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 Trade Union Congress (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, the North Wales Economic Forum, South Wales Economic Forum, Central Wales Economic Forum, and South East Wales Economic Forum, whose purpose is to create strategic agreements on various economic and social issues. They are composed of representatives from the business associations (CBI, FSB, IoD), trade unions (Wales TUC), county councils, universities, tourism partnerships, and voluntary associations. In addition, the Department for the Economy and Transport (DE&T) funds the 'Wales Social Partners Unit', whose role is to advise business associations (Business Wales) and trade unions (Wales TUC) on how to consult the Welsh Assembly.

Despite the institutional and political limitations in South West England, regional interest groups have fostered strategies for mobilising territorial interests. 'South West Stakeholders' brought together a series of social groups, economic stakeholders, and environmental experts from non-political organisations and networks. This network did not really have a claim to promote a common voice, but to be present at the new regional institutional framework; business associations were never satisfied with the achievements of a coalition that was influenced by environmentalist groups. Prior to this, there were attempts to constitute sub-regional collaborative networks, which revealed a north/south divide. 'South West Enterprises Ltd' was created in Devon and Cornwall in 1993 by some 50 business associations (including CBI, FSB, and Chambers of Commerce). According to VALLER *et al.*, (2004, p. 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'. However, this coalition had significantly reduced activity, mutating first into a Private Sector Steering Group and later forming the 'Devon and Cornwall Business Council' (DCBC). This 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 of the region, the 'West England Initiative' was created, later becoming the Bristol Initiative in 1988; it 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).

In Italy, social dialogue is strongly motivated by the European strategies for employment and local development and the revival of social dialogue at the national level in the mid-1990s. This dynamic led to an increase in the number of 'Pacts for Employment and Competitiveness' (PECs) at regional and local levels throughout Italy, receiving various names such as, for instance, *patto territoriale*, *protocollo d'intesa*, and *patti per la città*. These agreements are the result of the regional competition for EU structural funds. In this sense, the dynamics of negotiation between regional actors is conditioned on the rules imposed by levels of government above the Italian regions. Regional governments create coalitions with civil society groups to agree on a number of regional needs that require external financing. In general terms, the goal is to convince the Italian government of the need to invest in a series of development policies, as the National Council for Economy and Labour (CNEL) and the Interministerial Committee for Economic Planning (CIPE) are in charge of evaluating proposals. Social concertation cannot exceed certain limits and must follow a standard model that leaves little room for experimentation. The involvement of groups is variable, which means that some pacts are signed by the regional governments, unions, and business associations, while others

Table 3. Business representation.

Region	State-wide business representation	Model of interest intermediation	Monopoly of representation	Channels of representation	Concerted policy design?
Scotland	No business association enjoys public status. The most salient associations are, namely, CBI, FSB, IoD, and the Chambers of Commerce	Competitive pluralism	No	Consultation, direct lobbying	–
Wales		Corporate pluralism	No, but Business Wales is sponsored	Consultation, formal advisory groups, Wales Social Partners Unit	Formal consultative dialogue during the early stages of policy formation
South West England	CEOE holds the monopoly of business representation both in social concertation and in collective bargaining. The Chambers of Commerce play a quite salient role in the provision of services	Pluralism	No	Direct lobbying, advisory summits	–
Catalonia		Classic corporatism	Yes, yet a few associations represent business	Formal advice. Economic and Social Council	Broad social pacts
Andalusia		Classic corporatism	Yes, CEA	Formal advice. Economic and Social Council	Broad social pacts
Valencian Community		Classic corporatism	Yes, CIERVAL	Formal advice. Economic and Social Council	Broad social pacts
Tuscany		Lean corporatism	Enlarged social dialogue (multiple actors)	<i>Conferenza permanente delle autonomie sociali</i>	Territorial social pacts (TSP) – EU structural funds
Trento		Lean corporatism	Enlarged social dialogue (multiple actors)	Direct lobbying, multipartite dialogue	A couple of TSP (mostly focused on local development)
Bolzano		Pluralism	No	Direct lobbying	–

Source: own research.

open the door to the participation of universities, environmental groups, local governments, and so on. The decision on the number of actors who are eligible to participate in the negotiation often reflects the nature of the agreements. Inclusive negotiations are common for agreements on territorial development, whereas tripartism is customary for agreements on employment.

The purpose of these agreements since the beginning was to finance regional projects with an impact on the local economy. The first generation of regional agreements was developed in the southern regions, whereas the second generation of pacts spread throughout Italy. The increasing use of these agreements engendered a series of regional laws to establish administrative procedures that should guide the negotiations. For instance, the Province of Trento defined a procedural discipline for the making of territorial pacts in 1999. This regulation has been the basis for future agreements. The Autonomous Province of Trento has recently signed a *protocollo d'intesa* with trade unions and business associations on economic growth and employment (2014). The case of Trento is very different from that of the province of Bolzano, where social concertation is virtually nonexistent. In fact, the business associations of Trento and Bolzano recognise themselves as parts of different and distinct systems, with different ways of organising the economy and institutional relations. Accordingly, Confindustria's regional structure in Trentino-Alto Adige responds primarily to a purpose of efficiency in service delivery, as associations in the provinces act independently with regard to lobbying. Tuscany has developed a multitude of social agreements since 1996. The 'Tuscan model' is evident in the two social pacts for economic development and occupation (1996, 2004), three protocols on labour issues (2005, 2009, 2011), and the creation of a formal working group for social dialogue. Furthermore, Tuscany has tried to build an institutional system of social dialogue based on genuine Regional Council for Economy and Labour (*Conferenza permanente delle autonomie sociali*, approved in 2007). Table 3 shows the main facts concerning business representation at the regional level in each country.

CONCLUSIONS

The aim of this article was to examine the formation of territorial logic in 27 business associations in Spain, Italy, and the UK. The way we have conceptualised this logic implies that the mere existence of local associations is not enough to create 'regions with regionalism'. Regionalism stands for the mobilisation of public and private actors in the pursuit of regional policies. The establishment of regional divisions cannot be considered itself as evidence of a strong territorial logic. Business associations have long had regional divisions, but they were not contributing to the expansion of devolution. Internal devolution was not an issue, meaning that the national headquarters retained internal control over all departments, policy strategies, and member benefits. It was not until the regions gained significance as spaces for politics—in that a number of powers were devolved to the regions and a series of regional institutions were established—that regional business associations, whether they belong to unitary associations or to confederal ones, were endowed with policy functions. Thus, if the territory is the source of business associationalism, devolution is the source of business mobilisation at the regional level. The formation of a territorial logic is observed after devolution rescales policy-making. Changes facilitating internal devolution happen when business associations have to interact in new sub-national environments. The more powers devolution brings to the regions, the more internal devolution national business associations are likely to yield.

At a cognitive level, business associations have mixed feelings about regionalism, yet support for the regions is extensive. We argue that company size explains variation in business support for devolution. Whereas SME business associations seem to support the regions because they feel that regional governments are more sensitive to small companies' demands, other types of business associations have expressed little interest in constitutional reforms and now fear the secessionist ambitions in Scotland and Catalonia.

It seems that business representation at the regional level is similar to that at the national level, albeit with some regions having the chance to experiment. The Spanish regions have resorted to tripartite forms of classic neocorporatism to articulate the economic and labour policy. Another key feature in Spain is the expansion of regional social concertation. Regional governments and social partners negotiate social pacts on a regular basis to reach consensus on relevant policies, such as regional growth, labour, education, health, infrastructures, environment, tourism, training, and immigration. Social concertation is also a feature in the Italian regions, although this is organised around flexible structures. Social concertation in the northern Italian regions is less frequent than in the rest of the country. Within the UK, Scotland and Wales follow pluralistic patterns 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 cooperative communitarianism that somehow facilitates the representation of interest in a series of advisory forums. In the South West England, there was room for pluralism until the regional institutions came to an end.

To summarise, there are different degrees of affinity for regions, which is mainly influenced by company size—something that does not seem to adversely affect the relational dimension of regionalism. All sorts of business associations contribute to regionalism by engaging in interest representation and thereby reinforce their structures. However, this dynamic is possible only in regions with the capacity to shape policy.

Acknowledgements – We would like to thank the editor of this Special Issue, Michael Keating, for the invitation and for his insightful comments. We would also like to thank Michaël Tatham, Rosa Nonell, and the anonymous reviewers for their constructive criticisms on early versions of this article. This research was part of a project which ran between 2009 and 2012 called: 'Business associations and regional interests', supported by the Spanish Ministry of Science and Education (CSO2009-13647).

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