

Report on the International Scientific Conference “How Business Environment Institutions Contributed to Economic Development? Theoretical and Empirical Approach”, Lodz–Warsaw–Lublin, November 16, 2023

The international scientific conference entitled “How Business Environment Institutions Contributed to Economic Development. Theoretical and Empirical Approach” was held online on November 16, 2023. The event was organized by a team of researchers from the University of Lodz, the Institute of Law Studies of the Polish Academy of Sciences and Maria Curie-Skłodowska University.¹ It was attended by nearly 100 participants from various European universities, research centres and business environment organizations.

The principal objective of the conference was to discuss and compare the activities and *modus operandi* of chambers of commerce operating in Spain, Hungary, Ukraine, Lithuania, and Poland. All presentations were prepared by researchers from participating countries who study business environment institutions. This approach offered the broadest and the most accurate picture of institutions, taking into account their current position, evolution, tasks, and social perception. The selection of speakers was not accidental. The core of scientific publications focused on the oldest chambers, established in countries such as France, Germany, and Great Britain. Relatively few studies were devoted to chambers operating in other European countries or other regions of the world. The format of the conference provided a unique perspective on comparative research on chambers of commerce, allowing for a closer look at how they operate in Spain and Central and Eastern Europe.

The conference was opened by Prof. Tomasz Dorożyński and Dr. Piotr Marciniak, who welcomed the speakers and participants. They presented the event agenda, which consisted of three modules. Each comprised two presentations and a panel discussion.

The first panel started with the presentation by Professor Iván Medina from the University of Valencia on chambers of commerce in Spain. Its title was *A Long Journey from the Representation of Interests to the Provision of Services to Companies*. Professor Medina began his presentation by describing the key stages in the institutional evolution of the Spanish Chambers of Commerce since the second half of the 19th century. He paid particular attention to the new law adopted in 2004 resting on three pillars: (1) the ‘hybrid model’, i.e., public status and a voluntary membership; (2) an increasing number of services; and (3) the profound reform of the *Consejo Superior*, resulting in less representative power. Under the 2004 Law, Professor Medina drew a distinction between national and regional functions of Spanish Chambers of Commerce. He also identified the main tasks of the so-called ‘new’ Spanish Chamber of Commerce, e.g.: (1) defending the general interests of commerce industry; (2) national and international representation of the chambers;

¹ The conference was held under the patronage of: the Mazovian Academy in Płock, the Institute of Law Studies of the Polish Academy of Sciences, Lodz Science Society, the Pro Scientia Juridica Scientific Association, and Jan Zamoyski College of Humanities and Economics in Zamość.

(3) offering support, in particular, for SMEs to boost their internationalization and competitiveness; (4) giving advice to the government, as a consultative body; and (5) national and international commercial mediation and arbitration. In the final section, Professor Medina focused on the key theme of his speech, i.e., whether chambers of commerce are expected to represent the interests of their members or be a service provider.

The second presentation was delivered by Professor Taras Danko from the Department of Management at the National Technical University "Kharkiv Polytechnic Institute" (Ukraine). He presented a study on *Rethinking the Role of Ukrainian Chambers of Commerce: Creating Shared Value across Borders in Post-War Sustainable Reconstruction of Ukraine*. Based on the theoretical background and in-depth literature review, Professor Danko focused on the institutional evolution of the Ukrainian Chambers of Commerce (UCC), and their historical position in acting as brokers between local initiatives and global actors. First, he referred to the international business theories to identify the key challenges for the post-war sustainable reconstruction of Ukraine. Next, he explored the evolving role of UCC within the framework of creating shared value (CSV) and an institution-based view, which allows an examination of the structural opportunities and constraints affecting cross-border CSV exploration and exploitation in post-war Ukraine. Hence, the principal goal of the study was to shed light on the unprecedented challenges and opportunities that arise in the context of post-war sustainable reconstruction efforts in Ukraine, particularly considering the cross-border implications of these dynamics. In the second part of the speech, Professor Danko focused his attention on the UCCs' legal basis, regulations, members, evolution, and organizational structure. Then he briefly presented the key tasks of the UCC, highlighting such aspects as independent legal expertise, business consultancy, and operating the International Commercial Arbitration Court. The concluding section in fact comprised a set of recommendations to the UCCs' authorities and the national government to make their role more and more prominent. Professor Danko believes that UCCs could play the key role in sustainable reconstruction of Ukraine through innovative and socially responsible practices. Moreover, they might develop their networks with dynamic actors for innovative and collaborative solutions. Their commitment to strategies that create economic value and proactive engagement in strategies for sustained relevance may support the growth and development of the Ukrainian economy in turbulent times.

The second module was opened by Dr. Piotr Marciniak with the presentation *The Past and Future of Polish Chambers of Commerce. Need for Change?*. He opened with a short description of history and current data on chambers of commerce in Poland, explaining their position in the ecosystem of Polish business environment organizations. He also referred to statistical data regarding the number of enterprises (2.36 million) and their share in GDP (71.6%) divided into size classes. These data confirm the key role played by enterprises in the economy and the need to ensure effective participation of business representatives in consultation and decision-making, which, unfortunately, is marginal in Poland today. Looking for effective ways to strengthen the position of chambers of commerce, Dr. Piotr Marciniak pointed out that we need to examine the feasibility of establishing public-law chambers

of commerce in Poland. If the idea is embraced positively, we need to establish whether the territorially organized continental model of chambers of commerce is the only choice and the optimal choice for the Polish system in terms of the economic and social challenges posed by the third decade of the 21st century and years to come. He also noted that designing the system from scratch would provide a unique opportunity to build future-oriented chambers capable of addressing the rapidly changing economic conditions. As a result, the model could change from a territorially organized one to a sectoral one. The latter assumes the establishment of chambers dedicated to sectors of the economy as indicated, for example, in the Polish Classification of Activities (PKD), with a National Chamber of Commerce working as an umbrella organization responsible for horizontal tasks. The sectoral model offers a concentration of competences designed to support business and public authorities and also provides an effective platform for possible deeper decentralization in the implementation of public tasks. In conclusion, Dr. Marciniak presented an overview of the latest studies from the interdisciplinary research team that has been developing the discussed concepts since 2022.

Professor Zachar Péter Krisztián gave the next lecture, entitled *Reasons and Motivations for Change in the Chambers of Commerce in Hungary*. In it, he described the century-long history of the chambers with their roots traced back to the mid-19th century Habsburg Empire. Those chambers were dissolved after World War II and replaced by a centralized institute called the "Hungarian Chamber of Commerce," under the control of the Ministry for Foreign Trade, a solution typical of Soviet-type countries. Chambers of commerce were reinstated in 1989, when Act II. of 1989 on the Right of Association was adopted. It became the basis for establishing "associative chambers" based on voluntary membership. But five years later, the situation changed completely with the adoption of Act XVI. on the Chambers of Economy (1994), which established three types of chamber organizations operating at the county and national levels: Chambers of Commerce and Industry, Chambers of Craftsmen (bringing together small businesses), and Chambers of Agriculture. New regulations introduced compulsory membership and awarded public law personality. This mandatory membership and functions of chambers had been under discussion since 1998, when a mere 5% of all enterprises declared their wish to continue their membership in the chambers. In 1999, Act CXXI. on Economic Chambers incorporated Chambers of Craftsmen into Chambers of Commerce and established a system of voluntary membership with theoretically held public body functions. Debate on the new role of chambers resurfaced in 2010. In 2021, membership was replaced by compulsory registration. Currently, no more than 2% of all enterprises are registered. The situation is different in the Hungarian Chamber of Agriculture, where automatic and compulsory membership in the sectors concerned was confirmed by Act CXXVI. In conclusion, Prof. Zachar assessed the Hungarian system of chambers as being rather volatile. The most important impact was observed in 1999 with the abolition of compulsory membership. He highlighted that the weak position of the chambers results from both the short history of Hungarian civic associations and the influence of political parties, which repeatedly saw the chambers as a source of competition and opposition and therefore supported changes in their institutional framework to weaken them. But as chambers are important actors in the context

of relations between entrepreneurship and politics, they have to find their place in Hungary's political and social system. However, there is also a need to secure their relative autonomy not only legally, but also through appropriate financial resources and broader interest among entrepreneurs.

Professor Manuela Tvaronavičienė from the Department of Business Technologies and Entrepreneurship, Faculty of Business Management of Vilnius Gediminas Technical University (Vilnius Tech, Lithuania) opened the third panel. She presented a case study on the cooperation with the Norwegian–Lithuanian Chamber of Commerce (NLCC) designed and developed under the project *The Economic Integration of the Nordic-Baltic Region Through Labour, Innovation, Investments and Trade*, co-financed by the Baltic Research Programme. Its principal objective was to study the historical performance and estimate the potential for the economic integration of the Nordic Baltic region via labour migration, technology transfer, FDIs and capital mobility, trade in physical goods and services. Professor Tvaronavičienė briefly introduced the project idea, its main goals, activities, benefits, and the role of Vilnius Tech and project partners in the implementation process. Chambers of commerce were one of the area investigated within the project. In the second part, she focused on the role of chambers of commerce in participating countries (Norway, Estonia, Latvia, & Lithuania). Professor Tvaronavičienė stated that there is an unexploited potential of collaboration between universities, chambers of commerce and companies. She highlighted that chambers of commerce may be useful when bridging the world of science and practice and for serving as a source of primary data for economic and social analysis. This is of primary importance for researchers conducting studies at the micro (company) level. On the other hand, universities could provide analysis and insights that would facilitate mutually beneficial cooperation via trade and technology transfer between countries. Chambers of commerce may also expand the range of social partners for universities.

The third module ended with a lecture by Professor Grzegorz Materna, entitled *Associations of Undertakings: Between Public Tasks, Support of Business Activities of Members and the Threat to Competition*. He began with an observation that the activities of business environment organizations can be assessed from the standpoint of European and national competition protection regulations. This provides a unique but extremely interesting perspective on the activities pursued by chambers. Antitrust rules require competitors to operate independently on the market. For this purpose, a general prohibition of agreements restricting competition has been introduced, which can be enforced not only against undertakings when they collude, but also when anticompetitive objectives are reached through discussions within business institutions. Recognition of the potential anticompetitive activities of business associations does not undermine the generally positive assessment of their role as entities performing public tasks. In this respect, applying antitrust rules can be restricted to providing support for business, including lobbying activities and organizing the operating standards of a given industry. However, limits placed on such activities undertaken by business associations are set by antitrust law and enforcers' activities. Professor Materna explained the next categories of behaviour that give rise to antitrust risks on the part of business associations and pointed that antitrust risks on the part of business associations increase along with the development of competition law. This is due to: (a) more robust enforcement of antitrust rules

regarding information exchange (also concerning the use of new technologies), (b) incentives to approach cartel facilitators and intermediaries (which may be business associations), and (c) rules set by Directive 2019/1, which increase the amount and the effectiveness of financial sanctions against business associations.

To sum up, issues related to chambers of commerce do not feature very often in publications and conference agendas, but effective dialogue between the state and entrepreneurs with the support of business organizations is one of the pillars of economic development and prosperity of societies. Extensive observations of the political and economic situation in the world show that, in general, this dialogue is in crisis. The discussion highlighted three key reasons for this situation: (1) a lack of political will of public authorities to have strong chambers of commerce, (2) limited effectiveness of chambers' activities, and (3) a generally low degree of trust of entrepreneurs (especially SMEs) have in them. Unfortunately, this has seriously undermined professional and substantive support for governments' economic policies. Effective communication is necessary and crucial for democratic societies. In the economy, it provides significant support for competitiveness in a global and increasingly specialized market.

The ecosystem of chambers of commerce generally requires changes in all countries discussed, although specific proposals and action adopted depend on the country. Their common goal is to strengthen and sometimes heal these organizations, as they are extremely important for the economy. This is usually not an easy task, due to the great diversity of socio-political situations in which the chambers operate. The issue could be resolved by designing changes that would meet the requirements of today's economy and that of the future, and which would maintain dialogue with a wide range of stakeholders. This approach might allow the chambers to develop modern and necessary competences and, as a result, obtain broad support for their evolution.

The process of change must confront established paradigms and habits, and the frequent lack of faith in the purposefulness of the existence of chambers or their representativeness for all businesses (especially SMEs). However, it is an intellectually exciting path and, if successfully developed and implemented, extremely beneficial for the economy and society. It is a journey worth embarking upon. Thus, all participants agreed that international research cooperation should be continued and new, more effective solutions for the business environment organizations should be jointly developed and suggested to public authorities. It was also agreed that the next, third edition of the conference will be held on-site in Warsaw in November 2024.

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