



# MIXING BUSINESS WITH EUROPE

What Role for Companies  
on the Future of the EU?

Vivien PERTUSOT

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**Ifri**

27 rue de la Procession 75740 Paris Cedex 15 – FRANCE

Tel.: +33 (0)1 40 61 60 00 – Fax: +33 (0)1 40 61 60 60

Email: [accueil@ifri.org](mailto:accueil@ifri.org)

**Website:** [ifri.org](http://ifri.org)



# Author

**Vivien Pertusot** is an Associate Researcher at Ifri. He headed Ifri's office in Brussels from 2011 to early 2017. His work focuses on European Affairs and especially the Eurozone, the future of the European Union and EU-UK relations, and European defence. He has edited an EU-wide study on national perceptions of the European Union, *The European Union in the Fog* (Paris, Ifri, 2016).

He joined Bpifrance Le Lab in April 2017. He writes here in a personal capacity.

He is frequently interviewed by the media (press, web, radio, TV) and has authored articles in a wide array of publications. He can be followed on Twitter [@VPertusot](https://twitter.com/VPertusot).



# Abstract

The European Union is facing what the European Commission President, Jean-Claude Juncker, calls a ‘polycrisis’. The EU is under increasing pressure to deliver and address citizens’ concerns. In a context of mounting criticism, with the spread of eurosceptic arguments in political discourse and the beginning of serious debates on the future of the EU, it is important to question how European companies perceive the EU today and whether there is a distinct role they can play to improve the situation.

A European company is defined broadly as any company founded and headquartered in an EU country which operates in more than one Member State. Regardless of its founding date, its sector or size. This present report also delves into the European company (SE) statute, its relevance both in legal and political terms and its lukewarm achievements 15 years after its inception.

Moreover, the analysis looks at the potential risks that a weakened EU could carry for the business environment, especially with respect to innovation and the EU’s capacity to export its norms abroad.

The argument is that businesses still participate in sector-specific policies but have, on average, disinvested from larger debates on the EU since the launch of the internal market and the euro. Three reasons may explain this situation: a feeling of familiarity, a failure to realise that Europe increasingly poses political risks which could sustainably affect the business environment, and a natural reallocation of resources and intellectual capital toward fast-growing markets.

Considering the possible impact of growing uncertainty in Europe, European companies should re-think their approach to Europe. The current debates are not merely technical or legalistic – they deal with politics. But it is not only the role of policymakers or civil society to be active in them. The business community has a vested interest in participating in these debates. They can approach the issue from a particular field, be it the sector they do business in or a topic that they want to promote, and broaden it to make it more encompassing. Many companies already attempt to promote particular concepts or topics, but too seldom do they link them up with Europe. A strong and reliable EU is not a lofty slogan, it is a business case.



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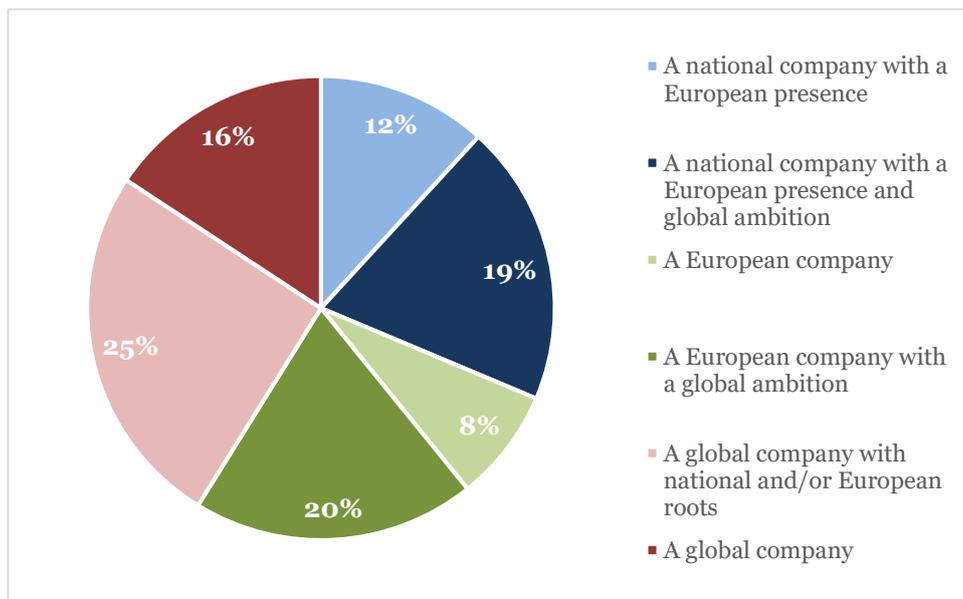
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# Introduction

A study on the European company may appear counter-intuitive. A small survey conducted for this research shows that a clear minority of companies define themselves as “European companies” preferring other labels ranging from “national companies with global ambitions” to “global companies” (see figure 1). It seems that defining itself as a European company relates to being stuck in the middle. On the one hand, Europe represents a step beyond a strictly national market presence, but, in many respects it is often a stepping stone toward a more global footprint. Although even this is changing. Older companies, especially in larger European countries, gradually built their business models by focussing first on the national market before developing a strong European presence - often considered necessary to go global. This model, however, is increasingly challenged by the growth of the Internet and the digitisation of many processes and actions.

**Figure 1 – Reply to the question "How would you define the identity of your company?", in %**



Source: Ifri.

So why discuss the relevance of the European company? Three reasons support this research. Firstly, it is worth pondering the value of the European company statute (*Societas Europaea* – SE) created in 2001. It took the statute more than 30 years to come to fruition but it does not appear to have fulfilled the expectations many of its initiators had. Only 2 658 companies hold this statute today and 1 867 of them are based in the Czech Republic – many of them being empty shells. This can hardly qualify as a success and calls into question the pertinence of the statute. Secondly, Europe, or the West more generally, is not the epicentre of the world any longer. The focus is more diffuse and businesses have been the first to grasp this phenomenon and to take advantage of it. They may start as national or European, but they rapidly grow global, thanks to market or capital opportunities. The diversification trend which has been playing out for quite some time may also affect research and development (R&D). Many companies based in Europe – especially the older ones – often conduct most if not all their R&D activities in Europe. But growing market shares outside Europe may compel them to bring these activities closer to their market bases. This could affect Europe’s image as a centre for innovation and could result in a loss of jobs and know-how. Thirdly, the European Union is in a dire situation. Growth is sluggish and the EU’s legitimacy – and even that of its national governments – is challenged. The rise of populist and eurosceptic forces has an effect on companies. While risk management is usually perceived as an exercise focussed on other regions in the world, it turns out that Europe is slowly becoming a source of concern. Talks of disintegration and the emergence of nationalist forces or movements opposed to free trade could have a disconcerting effect on the business climate. Many companies would qualify as pro-European – at least from a business point of view – but few would present themselves as such. At a time of serious political challenges, it may be relevant to ask whether companies could – or even should – play a more active role in the debates on the European Union, especially when they can present a rather simple and positive case.

This report mobilises elements from different disciplines but does not intend to be a legal or an economic analysis. Treating businesses as political actors is not new but this report departs from previous attempts in many respects. The vast majority of the literature on the European company (SE) has been produced by lawyers and the bulk of the research on companies as political actors focuses on their lobbying activities. Both are obviously relevant, but they do not cover the aspects this research aims to address. At the core of this report lies a straightforward question: as the EU is going through a prolonged ‘polycrisis’, is there a role for European companies in sorting the situation out? A European company is defined

broadly as any company founded and headquartered in an EU country, which operates in more than one Member State. Regardless of its founding date, sector or size. This broad definition therefore includes a wide range of companies, from small start-ups to *Mittelstands* to century-old multinationals. However, using such a large scope presents risks as it is impossible to lump all these companies together. Interviews conducted for this research have served as constant reminders that businesses may be driven by profits, yet their concerns and ways of operating make them all highly distinctive.

Interviews with business leaders were conducted for this report as well as a small online survey<sup>1</sup> to help better capture the essence of how companies approach the questions of identity, their role in Europe and their perceptions about the EU. A word of caution is in order: this survey collects views from companies young and old, small and big, across Europe and across sectors, but can only be considered as a snapshot. The diversity of opinions and the target group are so wide that any assessment can only be tentative.

This research aims to discover whether there is a role for companies in European debates. Most businesses shy away from partaking in public debates on issues they see as political. The reasons typically range from the risks this can represent to their image if it backfires, to a lack of time and resources, to the fact that it is not their role to join in such debates. However, the question of business involvement in strategic debates on what the EU is for and its future is not fanciful. For many of these companies, an EU which is strong internally and externally is a source of stability. It plays against their interest to see the European Union imbued in a long-term economic crisis, undermined by populist forces and challenged by other regions in terms of norms and capacity to innovate. Politicians and policymakers are often blamed for the negative state of affairs the EU finds itself in and the suggestion is always that it is their responsibility to find a solution. The reality is more nuanced. A more positive case for the EU cannot be made only by politicians and policymakers, it requires the involvement of all the actors who share a positive assessment of the EU: from civil society as well as from the business community.

In sum, this research intends to address two issues. Firstly, do companies feel that the EU is strong enough internally to hold together and develop the right policies to favour growth, innovation and job creation,

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1. The online survey was conducted by the author via Google Forms and collects 44 views from companies across Europe and across sectors. The main results are available in the appendix.

and externally to defend its policies, norms and standards in the face of more assertive competitors? Secondly, it aims to analyse the role the business community can play in the debates on the EU, not necessarily on specific sectors or policies, but rather on more comprehensive issues, such as the internal market, trade policy and the euro.<sup>2</sup>

There is no single answer that is applicable to the whole business community, but the conclusions aim to offer a template for an in-depth research agenda on a topic where research and debates are scarce.

The first section will delve into the European company (SE) statute and its relevance both in legal and political terms 15 years after its inception. The second section will address the question of Europe as a possible risk to sustaining growth, promoting innovation and facilitating job creation. The third section will analyse why the proactive business participation in EU debates has decreased since the 1980s and the effects it can have if the trend persists.

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2. See the results of the survey in the Appendix on these issues.

# The European Company: Much Ado about What?

The European company (SE) statute was created in 2001. It took about 30 years to have Member States agree to it. It is safe to say that it has been one of the longest pieces of European legislation to see the light of day. 15 years after its creation, the results are very mixed. Less than 3 000 companies in Europe (the EU and the European Economic Area – EEA) have adopted the statute. This is far below what its initiators had envisaged, but is it far below a realistic target? While it is impossible to answer this question, it is evident that the statute has lost some of the great advantages it had at the beginning. Another important element is that it has not really created a European identity for companies.<sup>3</sup> Adopting the statute for its symbolic dimension has been put forward by some companies, but it would be deceptive to argue that companies have no other ways of promoting a European identity.

## A very long gestation

Without too much exaggeration, it is possible to trace back the origins of the SE statute to the Council of Europe in 1949, although the most serious efforts started in 1959. It is not this report's objective to look back at the genesis of this statute.<sup>4</sup> However, it is worth recalling that Member States have often resisted the idea for very different reasons. Some countries feared that the development of the SE could contain fiscal elements, which could have paved the way for some form of fiscal harmonisation, which they opposed. Others were concerned about the placement of workers, their rights, their obligations and which legislation would apply if they were working for the same company in different countries. Lastly, Germany specifically did not want to compromise on its co-decision system (*Mitbestimmung*), which gives equal votes to employers and employees

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3. This was called for by Noëlle Lenoir in the report she wrote for the French government in 2007. See N. Lenoir, *Societas Europaea : Pour une citoyenneté européenne de l'entreprise*, 19 March 2007, available at: [www.justice.gouv.fr](http://www.justice.gouv.fr).

4. For detailed accounts, see N. Lenoir, *Societas Europaea*, *op. cit.*; S. Schwimbersky and M. Gold, "The European Company Statute: a Tangled History", in: J. Cremers, M. Stollt, and S. Vitols (eds.), *A Decade of Experience with the European Company*, Brussels, ETUI, 2013, pp. 49-66.

within companies. These three obstacles obstructed any progress for the better part of the 1970s and 1980s.

The compromise found in 2001 is not perfect as it tries to accommodate the three main concerns laid out without sacrificing the project's relevance. The regulation and the directive, which form the basis of the statute, reveal the mixed picture that the SE portrayed from the outset.<sup>5</sup> The regulation (immediately applicable contrary to the directive that needs to be transcribed into national laws) indeed contains a great number of exceptions offered to Member States. They render the text particularly hard to read and highly complex to interpret. One example may suffice to show the aridity of the text:

The member or members of the management organ shall be appointed and removed by the supervisory organ.

A Member State may, however, require or permit the statutes to provide that the member or members of the management organ shall be appointed and removed by the general meeting under the same conditions as for public limited-liability companies that have registered offices within its territory.<sup>6</sup>

This kind of language reflects a deeper reality about the SE statute. There are as many SE as there are different regimes of public limited-liability companies (PLC) across Europe.

It would, however, be wrong to ignore the progress the statute represented when it was created – part of which persists today. It is possible to identify five benefits. Firstly, the SE acquires a European nationality. This can be helpful in several instances. When two companies merge and the nationality of the future firm is a source of concern, they can assuage any tension by becoming European. This rationale drove the decision by Unibail-Rodamco to adopt the statute when they merged in 2007. It could also be helpful for a company willing to export to countries in Europe where local authorities are not necessarily familiar with the national laws of the parent company or to do away with the nationality of their holding as Limagrain did in Central Europe with its regional subsidiary. Although it is rarely the sole purpose, the symbolic European dimension of the SE could play a role in a company's decision to convert to a European company. This has been put forward by companies such as Airbus, Allianz, ATOS, BASF, Econocom, Eurotunnel, Schneider Electric,

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5. Council Regulation (EC) No. 2157/2001 of 8 October 2001 on the Statute for a European company (SE), available at: <http://eur-lex.europa.eu>; and Council Directive 2001/86/EC of 8 October 2001 supplementing the Statute for a European company with regard to the involvement of employees, available at: <http://eur-lex.europa.eu>.

6. Article 39.2 of the Regulation.

SCOR or Wendel. The arguments are often similar: either the company or the market has changed to such an extent that it makes sense to adopt the SE statute to reflect the European and international ambition of the firm. In some respects, the choice of a company to become a SE is motivated by the willingness to distinguish itself from both its European competitors but also, and, more importantly, its non-European ones.

Secondly, adopting the SE statute was the first attempt to facilitate transnational mergers. It was indeed a complex endeavour to enter into a merger between companies from different European countries. Relatedly, it became possible for a PLC which had subsidiaries in at least one other country for at least two years to create a SE.

Thirdly, a SE has more flexibility to move its headquarters. Under several national laws, such as in France, the unanimity of the management board is required to make such a decision to transfer the headquarters to another country. Fiscal considerations may apply but are not the only incentive. Aerfinance, for instance, decided to adopt the statute in 2014 to ease the transfer of its registered offices from the United Kingdom to Poland, given that it was conducting most its business in Poland anyway.

Fourthly, the SE allows for the structure of the company to be ruled either by a one-tier system with only a management board or a two-tier system with a supervisory and a management board. Countries like Germany have a two-tier system; the SE statute could therefore appeal to companies interested in moving away from that system. This reason seems to have motivated numerous German companies to convert to a SE.<sup>7</sup>

Fifth, the SE could have a positive effect on the treatment of employees across countries. The transformation of a PLC into a SE requires the establishment of a Special Negotiating Body (SNB). The SNB is composed of employees from all the countries where the company is active. At a minimum, it gives them a right to information, which they do not always have by default. In case an agreement is found between the management and the SNB, it is binding across the countries where the company has employees. This can serve to appease any possible tensions that could arise due to the treatment of workers in different countries.<sup>8</sup>

Those are the most high-profile reasons for a company to adopt the SE statute. A number of more technical justifications exist, but it would

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7. R. Köstler, "SEs in Germany", in: J. Cremers, M. Stollt, and S. Vitols (eds.), *A Decade of Experience with the European Company*, *op. cit.*, pp. 123-131.

8 Despite numerous efforts, we could not find any company specifically putting this argument forward.

require a legal analysis, which goes beyond the scope of this report.<sup>9</sup> One certainty is that the choice to adopt the SE statute can only be done on a case-by-case basis. It is neither adapted to all companies that do business in several European countries nor is it relevant in all circumstances.

As mentioned above, the statute also suffers from initial shortfalls and has experienced drawbacks, which have made it less appealing to companies over time.

For the sake of brevity, let us just mention a few initial shortfalls. It is impossible to create a company and adopt the SE statute from day one. It is imperative to have had operations in more than one country for at least two years. Similarly, the regulation sets a minimum capital of 120 000 euros for any company interested in adopting the statute. This, in essence, excludes all newcomers, which may want to stress the European identity of their new company. In markets where borders have collapsed within the internal market, it is not outlandish to imagine that some companies could see such an approach as an immediate image booster. This could, for instance, be the case in the financial services sector where the European passport applies and the national base does not bring added value from an image or reputational point of view.

Moreover, the legislation is so convoluted than in reality the SE is not fully European. It is deeply anchored in national laws. Nonetheless, it would be very complicated to envisage a European body of law separate from national laws that could govern how European companies function. That proposal was among those made by the European Commission in the 1970s, but Member States will want to avoid the development of supranational laws in that field for the foreseeable future.

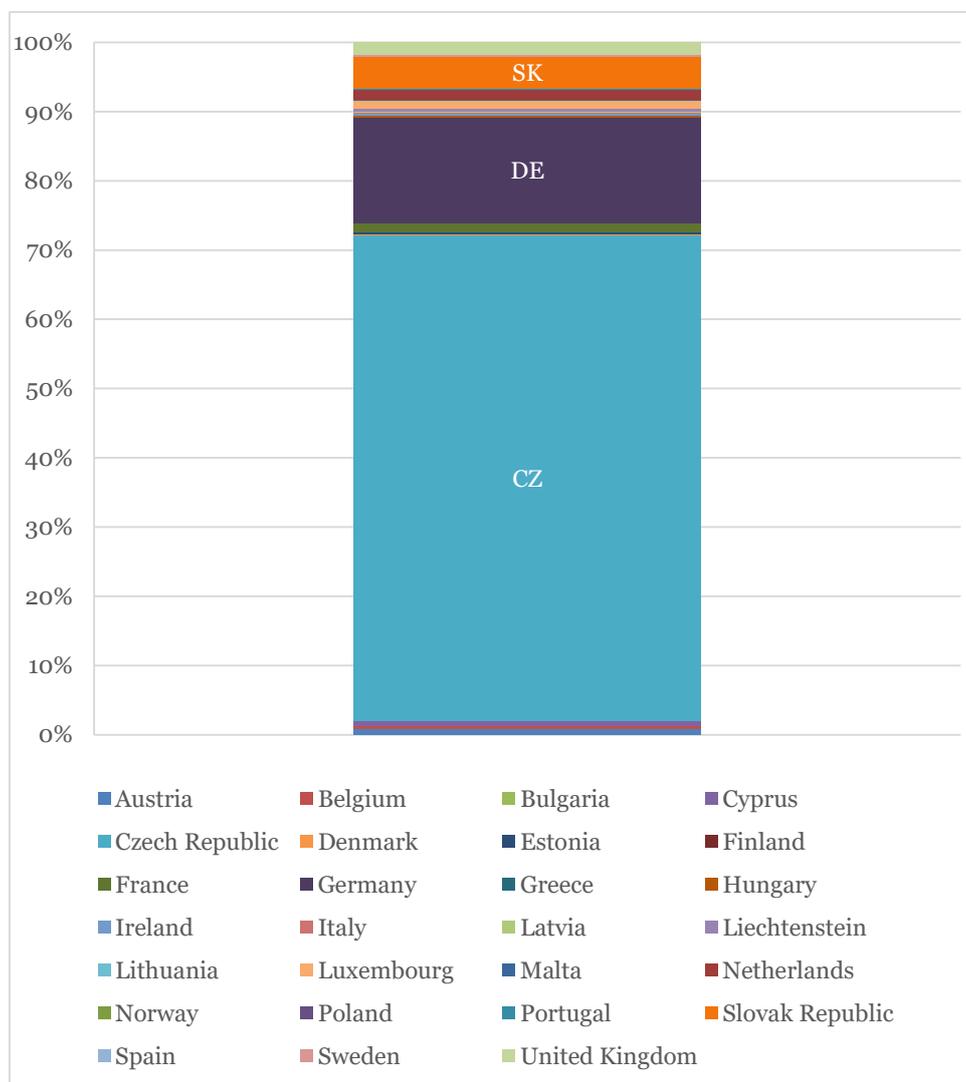
Finally, some of the main advantages of the original statutes have disappeared. When initiated in 2001, it enabled companies to have a European VAT number and facilitated cross-border mergers. However, the EU initiated dedicated directives to deal with these issues outside the framework of the SE statute.<sup>10</sup> The directive on the cross-border transfer of registered offices is unlikely to make headway in the near future, but if it is ever agreed, it would further take away another selling point for the SE.

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9. See for instance A. Cotiga and F. Dekeuwer-Defossez (eds.), *La société européenne: Droit et limites aux stratégies internationales de développement des entreprises*, Brussels, Bruylant, 2013.

10. See Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax, available at: <http://eur-lex.europa.eu>; and Directive 2005/56/EC of the European Parliament and of the Council of 26 October 2005 on cross-border mergers of limited liability companies, available at: <http://eur-lex.europa.eu>.

**Figure 2 – Proportion of SE per country, as of late November, in %**



Source: ETUI.

Other criticisms are also part of the debates, but have to be nuanced. Some emphasise that the constitution and management of the SNB is a thorny endeavour. This may be true for large companies, which operate in many countries, or in companies where the relationship between the management and the employees is already strained. Moreover, all parties are now better trained to deal with this situation. Another common criticism is that the SE statute is reserved for large groups.<sup>11</sup> While it is true that some large multinational companies hold the statute, the vast majority

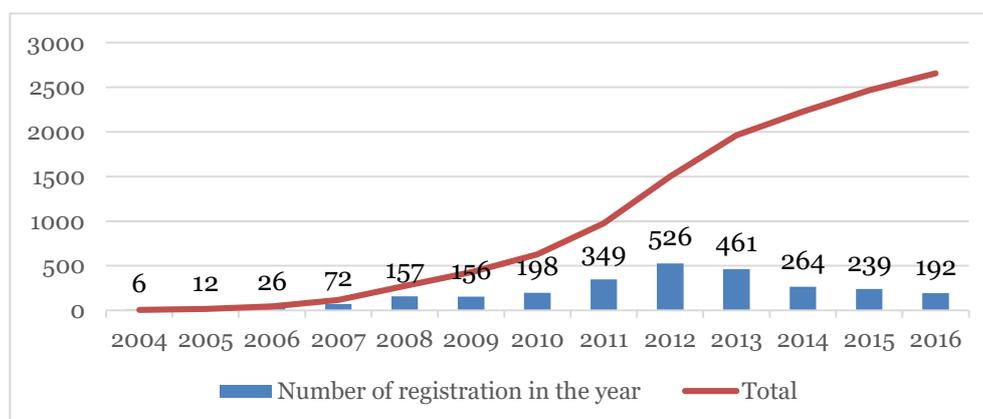
11. In a study commissioned by the European Commission, Ernst & Young stressed the cost, the complexity and the uncertainty associated with the conversion to a SE. See Ernst & Young, *Study on the Operation and the Impacts of the Statute for a European Company (SE)*, 2008/S 144-192482, Final report, 9 December 2009, available at: <http://ec.europa.eu>.

of SEs consists of SMEs. Yet, they will only go through the process of conversion if they have a pressing need or see an immediate return on investment, whereas larger companies can afford to become a SE for perhaps grander reasons. Even though the statute is 15 years old, it remains relatively unknown, both to companies and lawyers, and the legal texts not being straightforward, adds a layer of complexity. Moreover, whether the adoption of the SE statute changes the nationality of the company in the eyes of the public is debatable, especially when it has been in existence for several decades.

## Failure to attract

The legal texts were published in 2001 and entered into force on 8 October 2004. Since then, 2 658 companies have adopted the SE statute according to a database maintained by the European Trade Union Institute (ETUI).<sup>12</sup> This is a meagre result more than 10 years after the legislation was adopted. In addition, 1 867 of them are based in the Czech Republic. A great number of them are shell companies with no employees – a strange phenomenon, which does not appear to have a clear-cut rationale.<sup>13</sup>

**Figure 3 – Number of conversion into SE per year**



Source: ETUI.

Figure 2 shows that outside the Czech Republic, Germany (406) and Slovakia (122), the SE does not attract much interest. In 14 out of the 26 Member States, there are less than 10 registered SE. Moreover, the

12. The European company database is available at: <http://ecdb.worker-participation.eu>. The figure was taken in October 2016.

13. For an attempt to understand this phenomenon, see H. Eidermüller and J. Lasak, “The Czech Societas Europaea Puzzle”, *ECGI Law Working Paper*, No. 183, December 2011.

database lists companies that have indeed adopted the statute, but does not always take out those which have either filed for bankruptcy or been acquired by another company for instance.

Moreover, it seems that the statute's attractiveness is decreasing in absolute terms. The strong peaks in new registered SEs of 2012 and 2013 were followed by a steady decrease (see figure 3). No clear explanation comes to mind to explain this decrease. One could argue that dealing with the economic crisis has been the primary concern for many companies which could otherwise have been interested in the statute.

However, it is quite clear that the SE does not live up to the potential some observers hoped for. Interviews conducted for this research show that some companies have not adopted the statute in large part because it presented no specific interest to them. For instance, it has no fiscal appeal for companies. The SE statute was indeed designed to be fiscally neutral since several countries, especially Ireland and the United Kingdom, did not want their national regimes to be challenged by an alternative and potentially attractive model.

Moreover, the publicity around the European company statute has been kept to a minimum. It is astonishing that the European Commission does not maintain an up-to-date database of all SE registered companies. Information available on the Commission website is scarce.<sup>14</sup> It seems that the European Commission swiftly moved on to other issues after the statute was implemented. Other statutes have been tested since then, but progress has been limited. Until recently, there was no business organisation representing the interests of the SE registered companies or at least publicising the potential added value of the statute. The newly created Alliance for Societas Europaea Promotion (ASEP), whose president is Atos CEO Thierry Breton,<sup>15</sup> will have to fill that gap. It is far too early to assess its influence, but its membership is very small for now, has a distinctly French connotation and consists only of large multinationals. The priority should therefore be to diversify the membership to ensure that its scope, legitimacy and influence can grow across the EU policy makers and within the business community.

In a report for the French government, former Europe Minister Noëlle Lenoir pleaded for the SE statute to be perceived as a form of European label for companies. It seems that mostly large companies have used it to that end. The fact that so few companies have adopted the statute should

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14. The webpage on the European company is available at: <http://ec.europa.eu>.

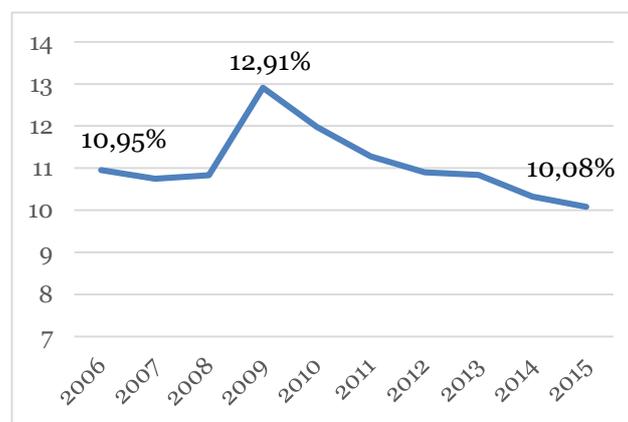
15. It is perhaps no surprise that Thierry Breton initiated the project. He was Economy and Finance Minister when the directive was transcribed into French law in 2005.

not be seen as a reluctance on the part of companies to put forward European constitutive traits. Many firms consider that other means exist to advertise their European core. There may be ways to show them that adopting the SE statute is a necessary building block in that direction. Besides, in most cases, companies are simply unaware of the existence of the SE statute. More publicity could help but is unlikely to be enough. For companies that do not have a specific interest in making the conversion, the European label could only work if it is part of a broader dynamic – and this has been severely lacking in the way it has been portrayed.

# The EU: Rediscovering its Risks?

Geopolitical uncertainty has become a feature of international business.<sup>16</sup> Most would think of the increase of terrorist attacks, the fragility of many countries, the flailing Chinese growth rate, the “Brexit” vote or the election of Donald Trump as president of the United States. Less would think of the EU as a political risk.<sup>17</sup> Yet, it is now becoming a source of concern with the emergence of strong populist movements in several EU countries, a constellation of anti-free-trade supporters, slow growth, and unpromising demographic prospects.

**Figure 4 – Household saving rates within the EU, in %, between 2006 and 2015**



Source: Eurostat.

The European Union faces a tidal wave of challenges, which can have far-reaching consequences for many actors, including businesses. Policies such as the internal market, the euro or trade policy, are considered very important for companies that trade across borders. Departing from those policies and others at the European level could consequentially be detrimental. For many companies, especially those active at the global

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16. PwC, *Redefining Business Success in a Changing World: CEO Survey*, 2016, available at: [www.pwc.com](http://www.pwc.com).

17. An interesting exception is a report published Citi group in 2016. See T. N. Fordham and J. Techau, *Global Political Risk: The New Convergence between Geopolitics and Vox Populi Risks, and Why It Matters*, January 2016, available at: <https://ir.citi.com>.

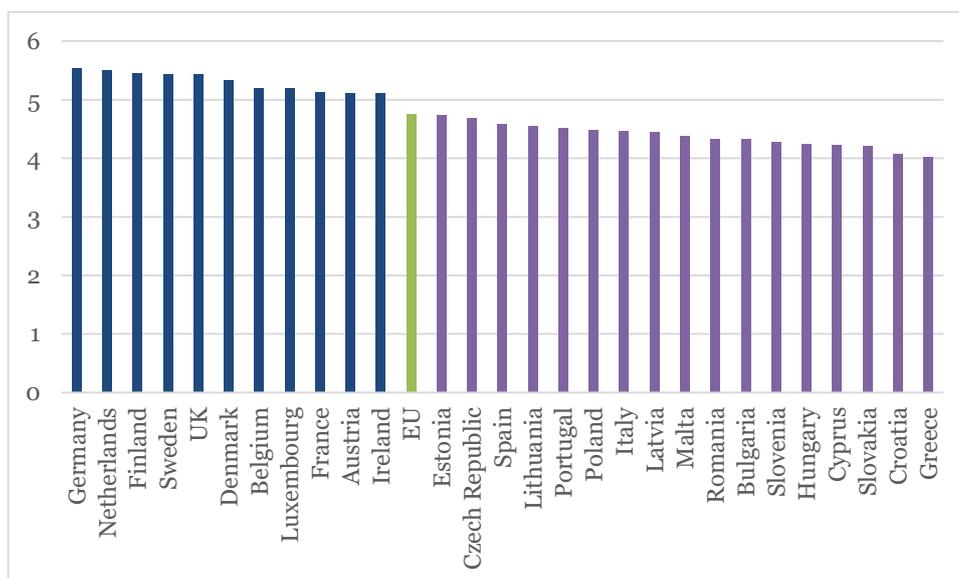
level, Europe has not been a source of concern for the growth of their business in a long time. In many respects, Europe is a welcome source of stability, which serves as a solid base, even though growth levels are sub-optimal.

## Economic and political challenges facing the EU

### *Economic fragility*

The European Union has been experiencing an uninterrupted series of economic and political shocks for the past eight years. They have put a strain on the EU’s capacity to stay strong, outward-looking and sometimes even cohesive.

**Figure 5 – Ranking of EU countries from the Global Competitiveness Index in 2016, between 0 and 6**



Source: World Economic Forum.

Despite a recent return to growth at the EU level, the economic situation remains very fragile. The unemployment rate has been decreasing for the past year. It reached 8.3 per cent in the EU in October 2016, its lowest level since February 2009.<sup>18</sup> But household saving rates are still below pre-crisis levels and marked a continuous decrease in 2015 (see figure 4). Public investment has equally been hit by the economic crisis.

18. Eurostat, Unemployment by sex and age - monthly average, online data code: une\_rt\_m.

The ratio to GDP is above the pre-crisis level, but the late 2000s saw a spike in public investment which was then followed by a still ongoing dramatic downward trend.<sup>19</sup>

Moreover, gaps between European countries remain quite striking. From a competitiveness point of view for instance, data shows the great differences among Europeans, illustrating the limit of convergence policies both at the EU and Eurozone levels (see figure 5).

Martin Sandbu identifies three main challenges for the Eurozone in particular: the need to better deal with balance-of-payments crises (fix the system and make it resilient); to ensure that resources are fully employed so that the ‘real economy’ feels the recovery; and to make labour and capital as productive as possible to guarantee long-term improvements.<sup>20</sup> These are not easy tasks in a world where central governments are less powerful, the economic centres more spread out and the dynamics quicker to evolve.

### ***The mainstreaming of euroscepticism***

At the political level, the EU is also going through a rough period. The EU’s legitimacy has been put under serious stress.<sup>21</sup> This is reflected at various levels. Eurobarometer polls were consistent in showing that trust in the EU was higher than trust in national institutions. However, the crisis has impaired the EU’s reputation. From 50 per cent in 2008, trust in the EU has plunged to 33 per cent today.<sup>22</sup> Similarly, the EU’s image is very much in flux. It was hit in the first years of the 2010s, recovered in 2015, but it has once again fallen in 2016. The most concerning factor, however, may be the high neutral opinions on the EU – currently at about 38 per cent. For a political endeavour as wide ranging as the EU, such high levels of neutrality are not a positive development.

The popularity of eurosceptic positions is rising across Europe and translates into different phenomena. In some countries, it manifests itself in the guise of rising support for far-right parties, such as in Austria, Finland, France, Germany, the Netherlands or the United Kingdom. In others, nationalist forces have gathered pace, such as in Hungary and

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19. See for instance European Central Bank, “Public Investment in Europe”, *ECB Economic Bulletin*, Issue No. 2/2016, 2016, available at: [www.ecb.europa.eu](http://www.ecb.europa.eu).

20. M. Sandbu, *Europe’s Orphan: The Future of the Euro and the Politics of the Debt*, Princeton, Princeton University Press, 2015, pp. 188-213.

21. For an EU-wide analysis of national contexts on the European Union, see V. Pertusot (ed.), *The European Union in the Fog*, Paris, Ifri, 2016, available at: [www.ifri.org](http://www.ifri.org).

22. European Commission, Standard Eurobarometer, No. 85, “Public Opinion in the European Union”, May 2016, available at: <http://ec.europa.eu>.

Poland. In others still, populist iconoclast parties have emerged, as is the case in Italy with the Five-Star Movement. And in some countries, far left parties have gained ground, such as in Greece and Portugal. In other words, mainstream parties are increasingly challenged from the fringes within their own parties as well as by other political forces critical about the European Union and its integration process. This has led to much more polarised discourses on the EU and the diffusion of eurosceptic arguments in mainstream debates.

The consequences of this political shift have been mitigated so far. 2017 has also been a challenging year with tensed elections in Austria, the Czech Republic, France, Germany, the Netherlands. In all those countries, eurosceptic forces have made headway in national parliaments. The Brexit negotiations also take up a lot of energy. Moreover, it looks increasingly possible that debates on the future of the EU and the Eurozone could start in 2018 in the midst of a complicated European political landscape. Discussions on the freedom of movement, financial solidarity, and the relations between the Euro-ins and outs are likely to be heated.

### ***Europe: a no-innovation's land?***

Political and economic shocks can greatly affect the way the EU functions in the future, Europe's capacity to generate growth and to remain a beacon of innovation. This latter aspect is crucial for the EU to emerge successfully from the latency it has been in for the past few years. Without innovation, entrepreneurship and investment, the EU countries will face insurmountable competition from other countries and will have to adjust to a new and unpleasant reality of steady slow growth where know-how and capital may leave Europe. If this happens, it could further amplify a diversion of R&D efforts away from Europe. This could happen much faster than we may imagine following the fourth industrial revolution with the rise of the Internet of Things (IoT), additive manufacturing, nanotechnologies, and new business models based on digital innovation where speed, efficiency, know-how and innovation are critical. Those awesome developments will reshape the world economy and the balance of economic power and could make slow-to-adapt companies, small and big, new and established, tremble and fall. According to Boston Consulting Group, only 10 companies based in Europe are in the top 50 of the most innovative firms worldwide.<sup>23</sup> Relatedly, PwC noted a radical shift in corporate R&D spending between 2007 and 2015. Asia now ranks first

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<sup>23</sup> Boston Consulting Group, *The Most Innovative Companies 2016: Getting Past 'Not Invented Here'*, 2017, available at: <https://media-publications.bcg.com>.

whereas Europe is third; it was the other way round ten years ago.<sup>24</sup> This trend is unlikely to change without fundamental reforms. As explained elsewhere, innovation is a primary political objective for the EU and its Member States.<sup>25</sup> It also requires the society, both existing businesses and future entrepreneurs, to rise up to the challenge. The EU has several tools at its disposal to facilitate innovation through an appropriate regulatory framework and financial mechanisms. In the past few years, EU legislative acts have dedicated more focus on innovation. This is helpful in order to steer directives, regulations and decisions in the right direction. However, this is unlikely to be enough, given that innovation cannot be the sole guiding principle for the European Commission. Moreover, the initial version of any legislative act greatly evolves before it is adopted, possibly undermining elements conducive to innovation which were present at the outset.

As part of its innovation policy, the EU also deploys three funding mechanisms to help companies: financial support, state aid exceptions, and public procurement.<sup>26</sup> Driven by the same rationale, the EU has attempted to shape up the venture capital (VC) environment in Europe. VC investment remains marginal in Europe compared to the United States. It reached USD 4.2 billion in Europe in 2015, palling in comparison with the USD 59.7 billion invested in the US.<sup>27</sup>

Perhaps the greatest political challenge for the EU lies in the establishment of the Capital Markets Union (CMU). The CMU aims to create a legislative environment supportive of European companies hoping to tap into the potential of capital markets. The economic crisis has highlighted European business' dependence on banks, which has proven detrimental. The banking sector has indeed been severely hit by the financial crisis and banks have consequently reduced risk-taking activities, such as credit lending, and have also had to adapt to new legislations, namely a significant increase of their capital requirements.

The CMU should not be seen as the absolute fix or the short-term solution to a financing shortage in Europe.<sup>28</sup> Yet, it could spread risk-

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24 PwC, *The 2015 Global Innovation 1000: Innovation's New World Order*, October 2015, available at: [www.strategyand.pwc.com](http://www.strategyand.pwc.com).

25 V. Pertusot, "The EU and Innovation: When Business Meets Politics", *Éditoriaux de Ifri*, 16 November 2016, available at: [www.ifri.org](http://www.ifri.org).

26. For a detailed list, see V. Reillon, "EU Innovation Policy – Part II: EU Policies and Instruments Supporting Innovation", *EPRS In-Depth Analysis*, May 2016, pp. 14-20

27. OECD, *Entrepreneurship at a Glance 2016*, Paris, OECD Publishing, 2016.

28. N. Véron and G. B. Wolff, "Capital Markets Union: A Vision for the Long Term", *Bruegel Policy Contribution*, April 2015, available at: <http://bruegel.org>.

taking in Europe and bolster alternative funding schemes beneficial to businesses and innovation.

### ***Still a transforming power?***

The European Union prided itself on being able to export its norms and standards abroad. The sheer weight of its 550 million consumer market was such an asset that once standards were agreed within the EU, it was likely to be replicated in other countries. This soft power tool proved very effective in many fields, such as in the chemicals sector with the REACH directive.<sup>29</sup>

The crisis has modified this state of affairs. It does not only result from a relative weakening of the EU's soft power, but also from the more consolidated influence of others, such as China and India. Due to the severity of the economic and financial crisis, the EU turned inward to fix its problems. Meanwhile, other actors have grown in importance in the global economy and Europe's weakened economies needed investment from non-European sources and to export to emerging markets. That made Europe's voice less cohesive.

However, EU regulation remains very important in sectors where international regulatory standards are not the primary source of norms. Interviews with leaders from companies operating in different sectors confirm that EU regulation is still used as a template in many corners of the world – often with the exception of the United States. According to them, it doubles down on the importance of a sound EU regulatory framework.

### **Europe: so familiar, or is it?**

The EU is familiar to many companies. It is not perfect and complaints about over-regulation are frequent. Yet, it works, thanks to the internal market and the fact that EU countries have stable political regimes. That being said, the business community is aware of the magnitude of the challenges faced by the European Union. 89 per cent of the companies surveyed for this research think that the EU may face some form of disintegration in the future (see figure 6).

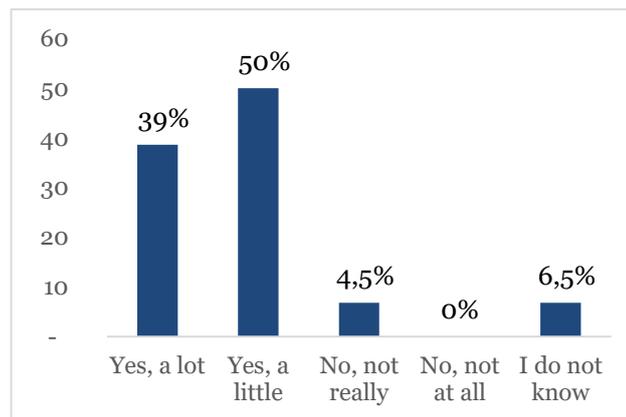
Paradoxically perhaps, this widely shared concern regarding the future of the EU translates in different ways. It has compelled 36 per cent of the respondents to diversify their market shares. 18 per cent even say that as a

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<sup>29</sup> On this, see for instance Z. Laïdi, *La norme sans la force: l'énigme de la puissance européenne*, Paris, Presses de Sciences Po, 2005.

result of those crises they have been striving to rely more on non-EU markets. However, 32 per cent do not feel that this situation is affecting their business (see figure 7).

**Figure 6 – Reply to the question “In a context of growing discontent *vis-à-vis* the EU, do you consider that policies, such as the single market and the euro, are under threat from some form of disintegration?”, in %**

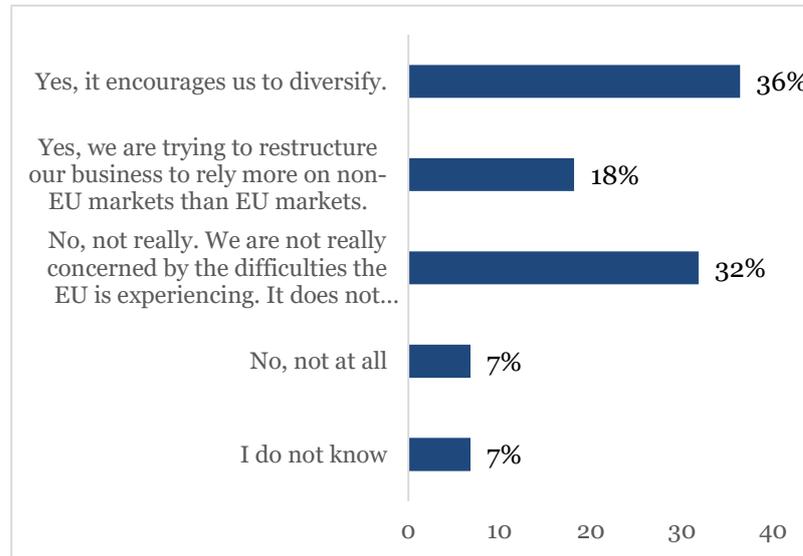


Source: Ifri.

The different conclusions drawn by businesses regarding the impact the “polycrisis” has on their activities reveal only part of the story. For many companies, Europe will remain an essential market, but companies are primarily driven by profits. Therefore, a low-growth and mature European market offers less opportunities than emerging markets where competition is fierce but where they can gain market shares. In other words, those who ignore the impact that the political and economic challenges hanging over the EU’s head can have on their business may still seek opportunities outside Europe, but this reflects a different approach.

The familiarity displayed by many *vis-à-vis* the EU has had a clear disadvantage. It has led many within the top management of large multinational companies to invest less intellectual and strategic capital in Europe. This has been reflected in interviews conducted for this research, but reflects a broader paradigm shift. Europe is not the epicentre of growth and winning market shares in faraway regions demands tremendous resources and investments.

**Figure 7 – Reply to the question “Do the difficulties that the EU is experiencing politically (see previous question) and economically (slow growth) push your company to look beyond EU’s borders?”, in %**



Source: Ifri.

From a business perspective, the bulk of the work at the strategic level has already been achieved in Europe with the creation of the internal market and the euro currency. Sector-level policies are, as one would expect, subject to intense lobbying and communication campaigns, but these are less cross-cutting than the business involvement that occurred in the 1980s to secure the launch of the Single Market. Besides, this also means that companies are often defending positions – the regular discourse on less regulation being a prime example – rather than promoting a positive agenda on the EU.

However, the European Union is changing. It is not just about technical or institutional issues. It deals with high politics. A weakened EU politically and economically is not in the interest of European companies, which begs the central hypothesis of this paper of whether the business community has a role to play to improve the situation.

# When Business Meets Politics

The capacity of businesses to sway politics is both revered and despised. On the one hand, some contend that it is part of any sensible decision-making process to include companies because policymakers do not have the expertise required or the time to build it when they have to vote on a legislative proposal. Once informed by interest organisations from various sides, they are the masters of their own decisions. Others, however, argue that businesses have acquired too much influence, their lobbying campaigns have grown out of proportion, questioning the legitimacy of interest groups that partake in the decision-making process when they are only trying to advance their commercial interests.

This report does not intend to focus on lobbying or the extent to which lobbyists participate in the EU's decision-making process.<sup>30</sup> The objective is rather to look at whether European companies have a role to play in the debates on the European Union. This is a much wider issue that is rarely analysed. Moreover, this report does not take a Brussels-centric approach and considers that debates on the EU are neither an exclusive competence of the 'Brussels bubble' nor should they limit themselves to national capitals.

## Distribution of roles

The intervention of a company in politics only occurs when its interests are being discussed or jeopardised. Otherwise, it has by default no role to play in politics. Its primary purpose is to run its business, and to ensure its sustainability and its growth.

So what kind of issues attracts the attention of companies? According to Irina Michalowitz, companies want to influence the decision-making process in two main instances: in cases of an instrumental shift or a directional shift.<sup>31</sup> The former implies an adaptation of existing policies in order to optimise their efficiency, but does not usher in a change of

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30. The literature on lobbying in the EU is extremely large. See for instance H. Klüver, *Lobbying in the European Union: Interest Groups, Lobbying Coalitions, and Policy Change*, Oxford, Oxford University Press, 2013; A. Dür, "Interest Groups in the European Union: How Powerful Are They?", *West European Politics*, Vol. 31, No. 6, November 2008, pp. 1212-1230.

31. I. Michalowitz, "What Determines Influence? Assessing Conditions for Decision-Making Influence of Interest Groups in the EU", *Journal of European Public Policy*, Vol. 14, No. 1, January 2007, pp. 132-151.

paradigm. Directional shifts are broad ranging policy changes, which can qualify as game changers for a great number of actors. Mark Smith's classification of the three issues which attract companies' attention complement the instrumental vs directional shift framework. He identifies three types of issues: particularistic, dividing and unifying ones.<sup>32</sup> Particularistic issues are very technical and only concern a handful of companies. This can relate to the specifications of a particular piece of hardware for instance. Dividing issues involve a wider range of actors, which can disagree on the level of regulation or the details of the regulation. However, policy outcomes remain constrained to specific sectors. Finally, unifying issues affect the whole of the business community, which in substantial part agrees to put on a common front. This can for instance be the case when discussing social norms.

This framework helps to determine when companies participate in policy debates and how the broader business ecosystem functions depending on the issue at stake. The European level adds a layer of complexity on top of the local, regional and national ones. It required companies to adapt to a new reality very early on; they needed to invest in Brussels and Strasbourg to participate in the European decision-making process.<sup>33</sup> The Common Market saw the creation of several business associations and today's Brussels counts thousands of associations spanning across all sectors of activities. The European Roundtable of Industrialists stands out among them as it was created in 1983 precisely to stimulate strategic debates on the EU. It was, for instance, instrumental in the shaping of the Single Market.<sup>34</sup> Its peculiarity stems from the fact that it gathers a group of CEOs rather than companies. It continues to participate in the debates with macro-level contributions on the way forward for the European Union.<sup>35</sup> Other organisations, such as BusinessEurope and the European Trade Union Confederation, also strive to participate in debates where they foresee a directional shift. These issues usually require broad-ranging and cross-sectoral coalitions that only they can gather together.

The birth of European legislation has also established a distribution of roles between national and European actors. First of all, European

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32. M. A. Smith, *American Business and Political Power: Public Opinion, Elections, and Democracy*, Chicago: University of Chicago Press, 2000.

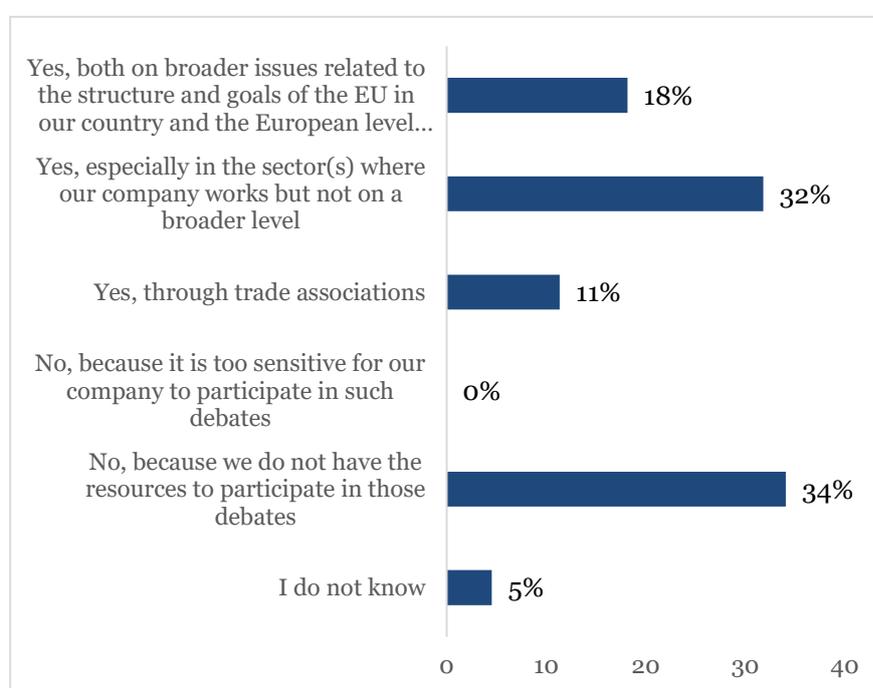
33. L. N. Lindberg, *The Political Dynamics of European Economic Integration*, Stanford, Stanford University Press, 1963, pp. 196-197.

34. M. Green Cowles, "Setting the Agenda for a New Europe: The ERT and EC 1992", *Journal of Common Market Studies*, Vol. 33, No. 4, December 1995, pp. 501-526. This report does not want to enter the scholarly debate on whether the business community, the European Commission or the big Member States were the driving forces behind the Single Market agenda.

35. See for instance ERT, "Building on Europe's Strengths", November 2016, available at: [www.ert.eu](http://www.ert.eu).

associations are more frequent interlocutors to the European institutions than their national counterparts, even when present in Brussels, whereas national associations are more often in contact with Members of the European Parliament or permanent representations.<sup>36</sup> Relatedly, business interests manifest themselves first at the EU level, and then at the national level, but only when Parliaments are in charge of transcribing the European legislation into national law.<sup>37</sup>

**Figure 8 – Reply to the question “Do you consider your company active in European debates (at the local, national or European level)?”, in %**



Source: Ifri.

Companies can themselves participate in the policymaking process. These, however, concern only a small minority of large groups, which have the internal resources to maintain a presence devoted to European affairs, which can range from one person to about ten. Even then, these companies still belong to one or more business associations. Nonetheless, they are sufficiently established actors to want to influence the process on their own. An even smaller minority can have a multi-level presence whereby they attempt to influence policy outcomes at the European level, in their home country and in the other countries where they are active. Yet, such actions require a network that only a handful of companies in Europe have

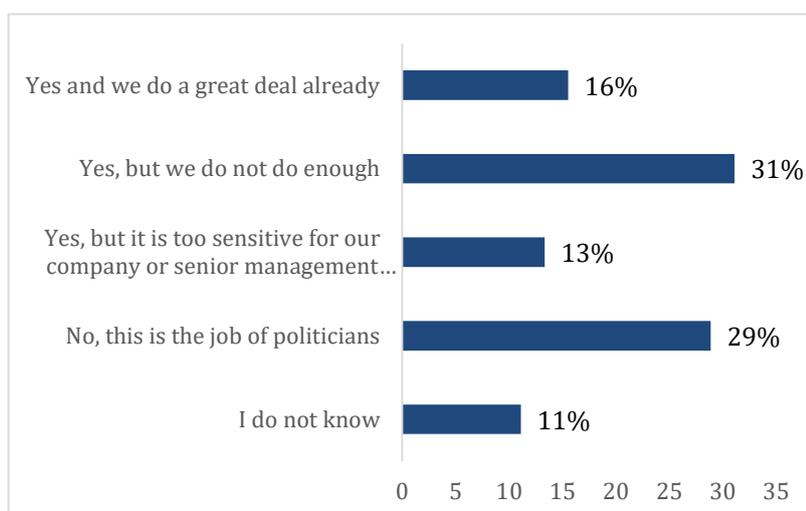
36. R. Eising, "The Access of Business Interests to European Union Institutions: Notes toward a Theory", *ARENA Working Paper*, No. 24, November 2005.

37. *Ibid.*, p. 30.

attained. According to the survey conducted for this research, approaches to participation in EU policymaking vary considerably (see Figure 8).

It is worthwhile noting that no respondent said that it was too sensitive to participate in these debates, but a third said that they lacked resources to do so. In most cases, these are small or young companies (less than 10 years old). Conversely, companies who feel that they participate on broader issues related to their sector are very large and well-established companies (more than 50 years old). The fact that only 11 per cent say that they go through trade associations should not reflect a lack of participation in those forums. It is very likely that firms, which partake in debates related to their sector, do go through trade associations as well.

**Figure 9 – Reply to the question “Do you consider your company active in European debates (at the local, national or European level)?”, in %**



*Source: Ifri.*

However, when asked whether they have a role to play on debates about the future of the EU, companies are more ambivalent (see figure 9). They are split in the middle between companies that say that they do a lot (16) and those that say that they do not do enough (31) on the one hand; and companies that feel it is either too sensitive (13) or the job of politicians rather than theirs (29) on the other. In fairness, it is not because one says it is not doing enough that it necessarily paves the way for a change of course in the near future. However, it shows a possible willingness to do more.

## Scaling up support for the EU

The question of European companies being more active when it comes to the EU is a delicate issue. It can indeed be a double-edged sword.

The instrumental power of businesses has increased. On the quantitative side, the growth of lobbying activity and the constant need from parliamentarians to have access to technical information has provided greater opportunities for companies to sway the decision-making process. On the qualitative side, cross-country and supranational lobbying strategies are expanding the channels through which the business community can increase its influence.<sup>38</sup> Other evidence includes the rise of public-private partnerships. The reliance on private funds to guarantee the sustainability of the European Fund for Strategic Investment, the so-called “Juncker Plan”, is only the most recent and well-publicised example of this evolution.

This report is, however, more interested in the discursive power in the hands of the business community. It may be both the most powerful tool it has to impact public debates – not just policy outcomes – but also the most volatile. Discursive power can maximise the instrumental and structural power of companies.<sup>39</sup> Yet, it can put companies in awkward situations if the sense of legitimacy and authority that has allowed them to speak authoritatively on a matter is undermined by bad press or scandals. This is where it gets complicated for businesses. Their reputation can be at stake, and maintaining a positive reputation is crucial for good business. Reputational risks can therefore be especially costly.<sup>40</sup>

However, businesses are well-placed to give a straightforward positive case in favour of the European project, which in sum would be: the internal market and the euro facilitate cross-border trade and economies of scale, which are necessary for job creation, investment and innovation. And this creates a virtuous cycle. Moreover, the business community is present across all the European territory from urban to rural areas in ways that very few actors are.

Too little has been done to present the SE statute as a perfect vehicle to promote the EU’s positive, yet critical, case. It could for instance be the role of the newly created ASEP to provide arguments to SE companies to make the case to their different constituencies internally and externally. It would initially touch far too few companies, but this can be the start of a

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38. D. Fuchs, "Commanding Heights? The Strength and Fragility of Business Power in Global Politics", *Millennium – Journal of International Studies*, Vol. 33, No. 3, January 2005, pp. 771-801.

39. *Ibid.*

40. See for instance ACE Group, *Reputation at Risk, ACE European Risk Briefing 2013*, 2013.

positive domino effect. Companies tend to give higher regard to other companies in their field than to many other voices. If speaking about Europe becomes a norm among some sectors, it is plausible to imagine that this practice can grow.

The risks of participating in such debates cannot be underestimated. The EU has become a polarising issue in many countries. The fact that eurosceptic arguments have spread out so far in recent years only shows how tricky the issue can be, especially when one considers that pro-EU voices have lost influence in the meantime.

The main point, however, is that, were the business community to indeed do more on the EU, it cannot be limited to multinationals. Firstly, the image of “big business” is not spotless in many European countries. Secondly, most multinationals are headquartered in big cities, which in most cases are already on average favourable to the EU. Sub-urban and rural areas are zones where support for the EU is more volatile. SMEs would need to take part in the debates despite the fact that their resources may be limited, which could also lead them to feel ill-prepared to speak on the EU. It is undeniable that the EU machinery is complex, but anyone in the senior management of a company has basic-to-good knowledge about the EU, which is what is necessary at this juncture.

Moreover, the business community can bring the debate to the local level, which few other actors can. They can talk about jobs, training, and infrastructures in a credible way and without hiding the difficulties or legitimate criticisms against the EU.

Especially as, when resources are stretched out, businesses only engage in debates which can have a return on investment. On the surface, talking about the virtues of the EU may appear to be a lofty exercise, but a weakening of the EU could have a tremendously negative impact on doing business in Europe. It is not a political stance, it is a business case.

# Conclusion

This report has analysed the role of companies in Europe and their perceptions on the EU. The conclusion is rather mixed. While companies do feel the stress the European project is under, it does not necessarily result in a greater participation in European debates.

Tools to shape some possible form of European corporate identity have been rather unsuccessful. This report only looked at the *Societas Europaea* (SE) statute, which has, in the 12 years it has been active, attracted only a little under 2 700 companies. Few could argue that the European dimension of the label was the primary reason that led them to convert from a public limited-liability company to a SE. In part due to a lack of information, this statute remains confidential. But more broadly, it is void of a strategic framework. The SE statute could have purposefully been used as a laboratory for advances toward the emergence of a European business community, but it never was. Its initial advantages, such as facilitating cross-border mergers and an EU-wide VAT number, vanished when the EU agreed on dedicated legislative acts. The European company label that could have been better promoted and publicised was never exploited to its full potential. The SE statute neither benefits from high level support within the EU institutions nor within Member States. As it stands today, the SE statute is appealing only in specific cases.

As Noëlle Lenoir wrote in her report in 2007, “the SE social model is constraining and its fiscal model inexistent”.<sup>41</sup> The lack of fiscal incentives limits the appeal of the statute. Companies in Europe can very confidently say that they feel European and defend certain European values without sensing the urge to adopt the statute.

The SE statute is unlikely to experience a sudden rebirth. Efforts, such as the creation of ASEP to promote the SE more broadly, are welcome, but are unlikely to achieve much on their own. If it were to gain popularity among smaller and larger companies, the statute would need to be revisited – to make it part of the debate again – to possibly include some fiscal incentives. Fiscal harmonisation is an extremely sensitive issue, which divides Member States, but it could make political sense to think of specific incentives for European companies in exchange for certain

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41. N. Lenoir, “*Societas Europaea*”, *op. cit.*, p. 65.

commitments made on investments or innovation for instance. Some argue that reopening the texts could be risky given that it took decades to shape it in the first place. It is a risk worth taking, but only if the intention is to make it more ambitious, not just to apply cosmetic changes. Moreover, it is worth stressing its symbolical nature. Large groups, which have adopted the statute, often refer to it, but this can also apply to smaller companies, providing something more concrete appeals to them in the statute. This requires the statute not to be seen only in technical and legal terms and also promoted by people and institutions that look beyond the letter of the text.

Other initiatives are worth looking into, such as the project to create the *Societas Unius Personae* statute, which would be a flexible tool at the disposal of private limited liable companies, which the SE statute does not cover. The Commission proposed a directive in 2014 and the Council agreed on a negotiating position in May 2015. The project emerged after the failure to create the *Societas Privata Europaea*.<sup>42</sup> But if this statute gets created, it cannot occur outside a broader debate.

The European Union's troubles are far from over both at the political and economic level. Defiance against the EU is not intrinsically linked to a sluggish economy. In many cases, the EU is one aspect of a broader discussion that many Member States have domestically on social protection, immigration, security, and unemployment. National debates on the EU often fail to be cool-headed. This is where companies can pitch in. The pragmatic but passionate arguments that they can put forward could help steer debates onto more concrete grounds. It would certainly not defeat euroscepticism but it could limit its resonance in the public opinion.

This does not mean that companies need to be more political. It would, however, imply that companies or the senior management participate more actively in public debates or take more public stances on the EU – not so much on sectoral policies as on broader issues. They could approach the issue from a particular field, be it the sector they do business in or a topic that they want to promote, and broaden it to make it more encompassing. Many companies already attempt to promote particular concepts or topics, but too seldom do they link them up with Europe. Similarly, knowledge leadership programmes have become important in many companies. It could be worthwhile increasing time devoted to European economic and political issues, especially in European companies.

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42. See B. Lecourt, "La Societas Unius Personae : la nouvelle société unipersonnelle à responsabilité limitée propose par la Commission européenne", *Revue des sociétés*, 2014.

It would ensure that proper knowledge on Europe is shared across the different levels of management.

It is increasingly likely that a serious debate will start in 2018 on the future of the EU. Discussions will take place at all levels of society – in other words they will not be confined to Brussels. They will be bitter and all actors, regardless of their affinity with respect to the European project, will be dragged onto the debate stage. Being proactive can help reduce a potential perception of opportunism and can help fine-tune arguments. The business community maintains an unparalleled access to all levels of society, but, more importantly, is strongly anchored in local communities, especially when companies' headquarters are situated outside the capital. They can make abstract positions about the European Union very concrete – that does not mean that those will always be positive. Debating about the EU is not a mere rhetorical exercise. It may not result in more market shares, but it may ensure that the situation does not deteriorate in Europe and avoid uncertainty becoming a fact of life in the business environment across the EU. It is a cost-benefit equation. Risks remain and not all companies or senior management want, can, or are allowed to participate in those debates. But never since the launching of the Single Market have business interests been so tied with political considerations.



# Annexes

## Methodology

This report used a mixed methodology relying both on quantitative and qualitative methods. As a result, it is based on a literature review on existing resources on the European company, which mostly consists of legal texts, a series of interviews with company leaders, experts, and the European Commission, a brainstorming session with professionals from different backgrounds and an online questionnaire.

The literature reviews looked both at the SE statute and the dynamics between business and politics. They are reflected in the footnotes. However, they illustrated the absence of research on the issue discussed in this report.

The interviews were conducted by the author in Paris and Brussels in person, on the phone or by email. They were semi-conducted interviews to allow continuity between the different interviews and to explore specific aspects depending on the flow of the conversations. They all agreed to speak on the condition of anonymity. They are listed below but not referred to specifically in the study. They have, however, greatly helped to shape the author's mind-set on several issues.

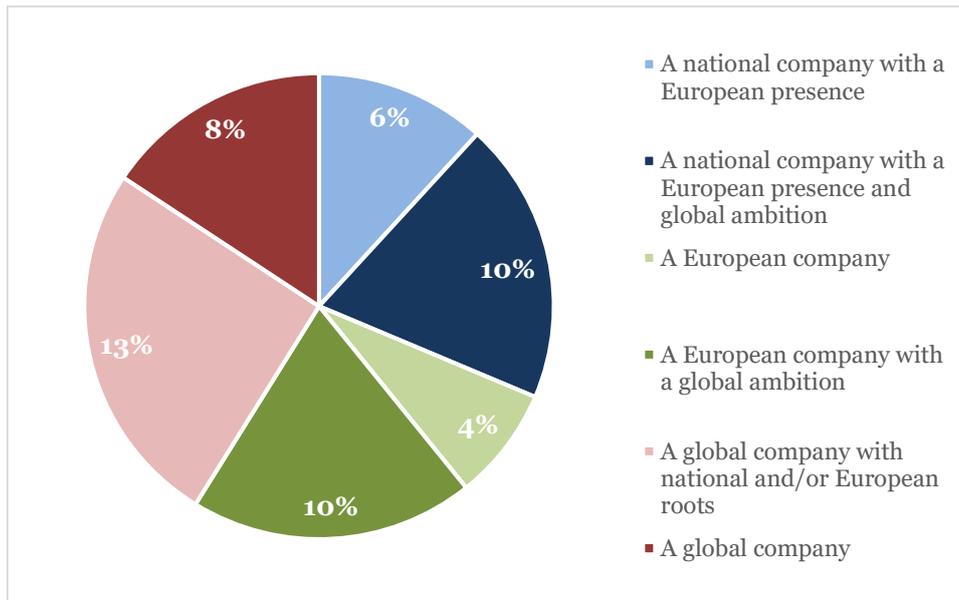
The online questionnaire was built by Ifri and targeted several hundred companies. It was conducted via Google Form. The link and the questionnaire were sent directly to a senior management representative. We gathered 44 replies in total. It is not enough to make it fully representative of the business community, if it is even possible, but the pool of respondents covers companies from many sectors, different sizes and different ages. Most of the replies are illustrated below.

## List of persons interviewed

Alexis Brouhns, Senior Executive Vice President Europe, Solvay  
Philippe Castagnac, Chairman, Mazars Group  
Catherine Cathiard, Lawyer, Fidal, Wildgen  
European Commission, DG Justice and Consumers, Unit A3  
Jean-Michel Chassériaux, ASEP  
Lionel Clary, CEO, Innovatis and Cie  
Ralf Gathmann, CEO, Corys  
Damien Guermonprez, Director General, LemonWay  
Jan Bart Henry, Head of EU Affairs, PostNL  
Claire Le Gall-Robinson, Secretary General, SCOR  
Peter Olson, Vice President & Head of European Affairs, Ericsson  
Galliane Touzé, Secretary General, Econocom  
Marie-France van der Valk, European Affairs Director, Renault

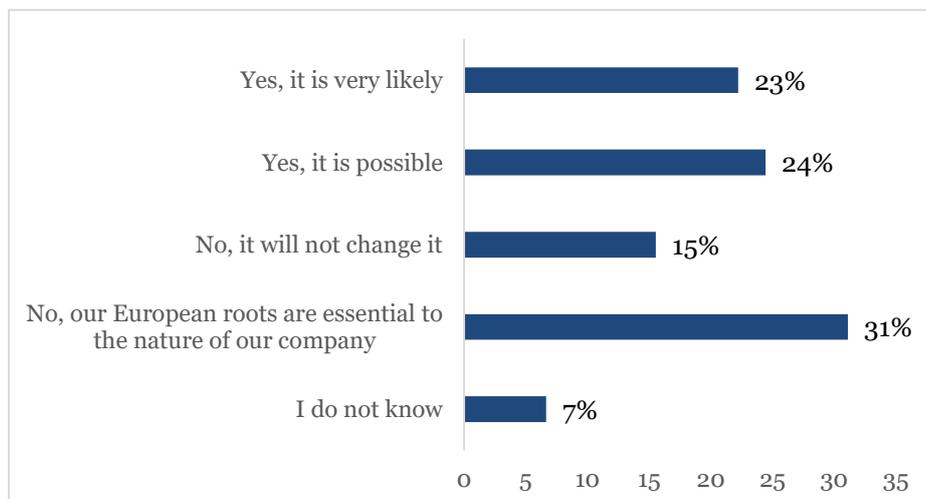
## Other replies to the questionnaire

**Figure 1 – Reply to the question "How would you define the identity of your company?", in %**



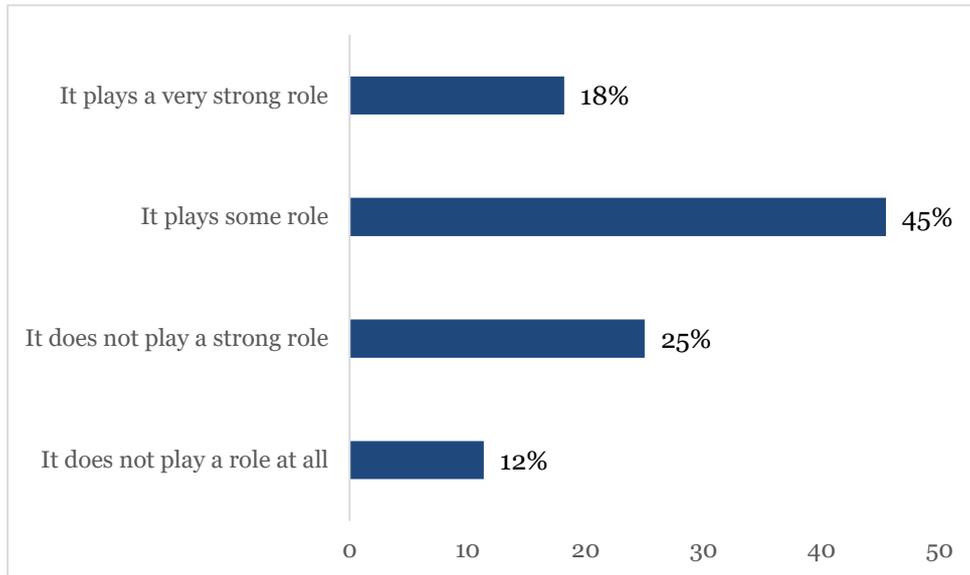
Source: Ifri.

**Figure 2 – Reply to the question "If your company is aiming at global markets, do you feel that your identity today will evolve to make it more global and possibly less European at the horizon of 2020?", in %**



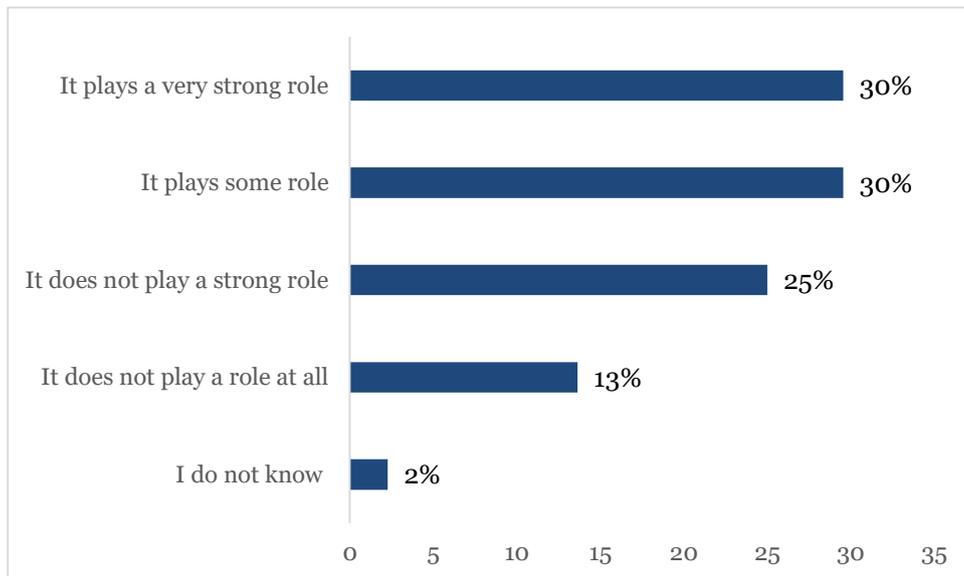
Source: Ifri.

**Figure 3 – Reply to the question "How big a role does it play in the branding of your company to come from a specific country?", in %**



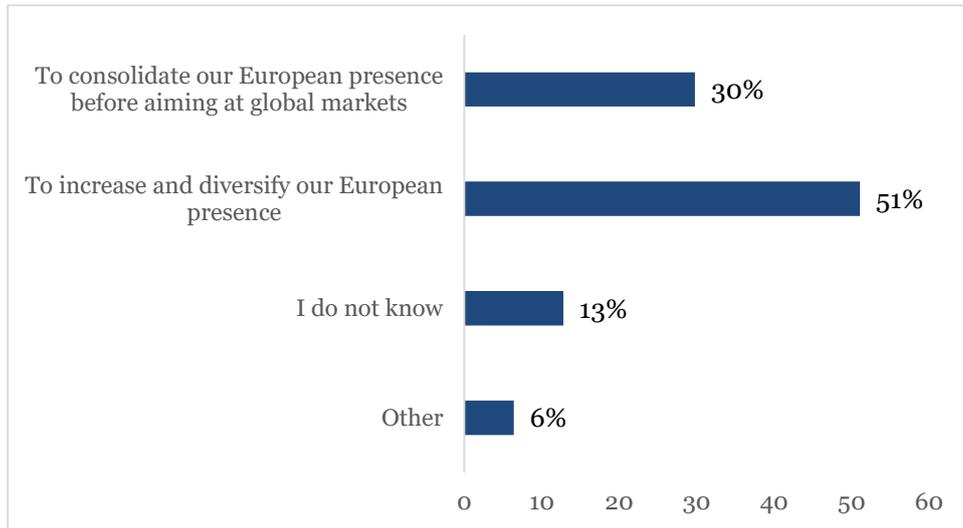
Source: Ifri.

**Figure 4 – Reply to the question "How big a role does it play in the branding of your company to be European?", in %**



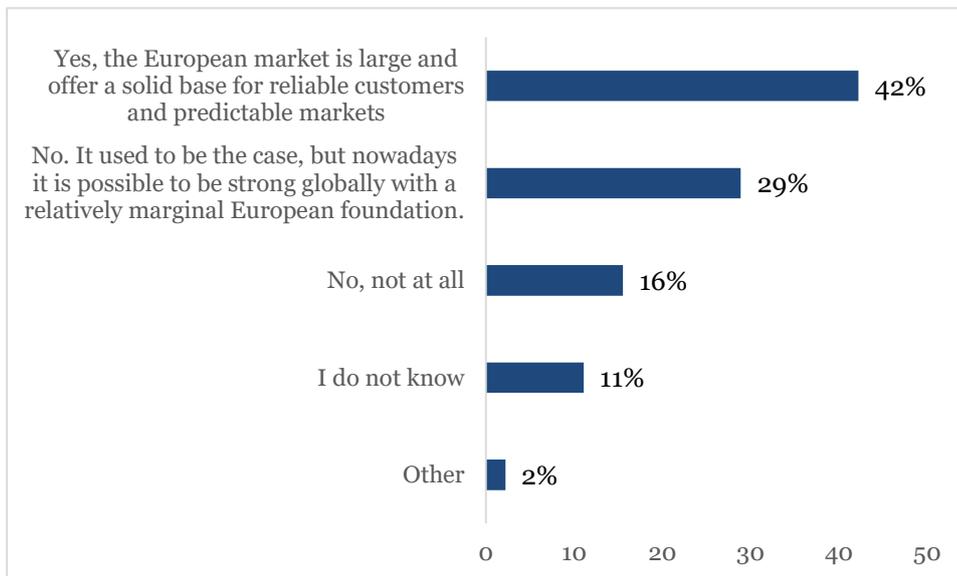
Source: Ifri.

**Figure 5 – Reply to the question "If your company is developing/has developed a strong presence on European markets, the objective is", in %**



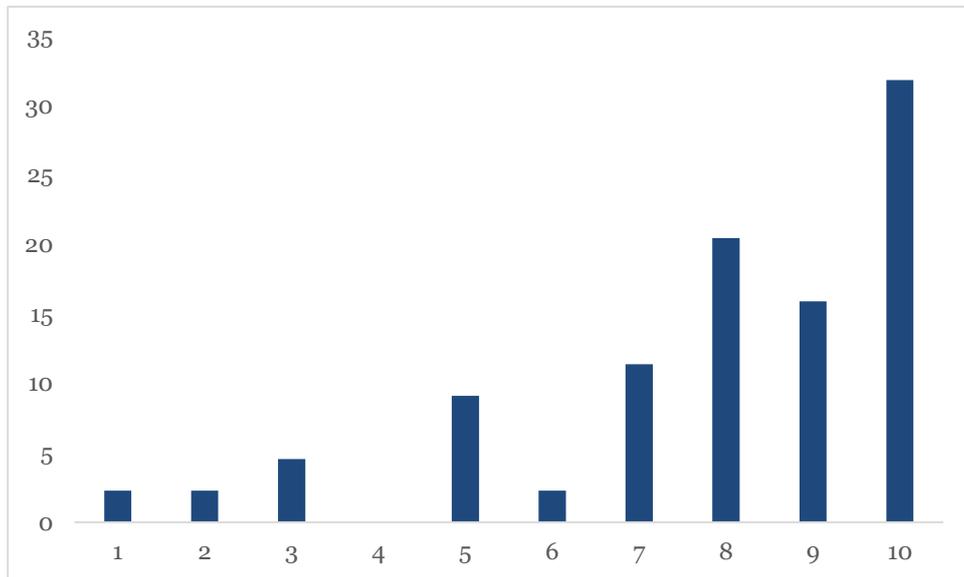
Source: Ifri.

**Figure 6 – Reply to the question "Do you consider that it is necessary be strong in Europe before going global?", in %**



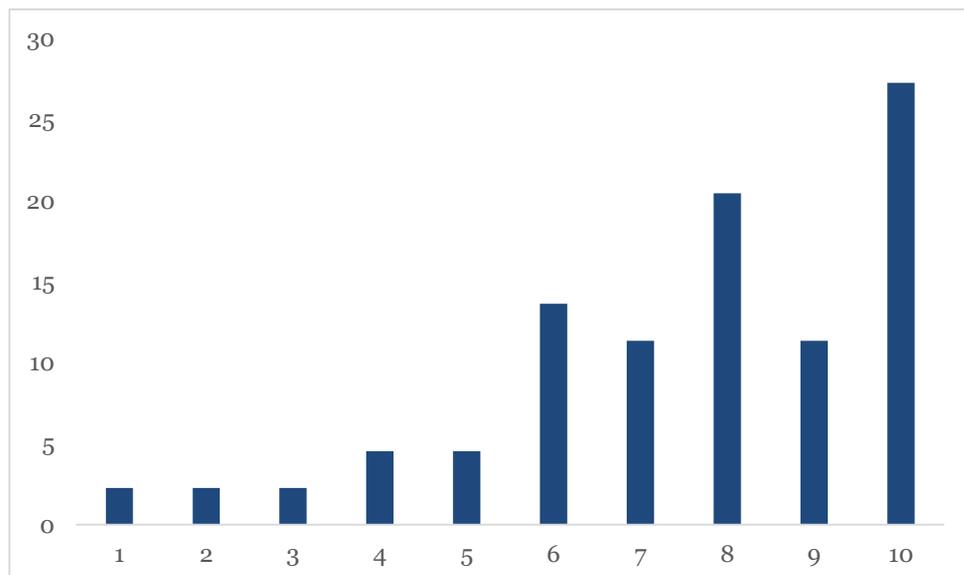
Source: Ifri.

**Figure 7 – Reply to the question "Please rate, when appropriate, from 1 to 10 the importance of EU policies for the development of your company? The single market"**



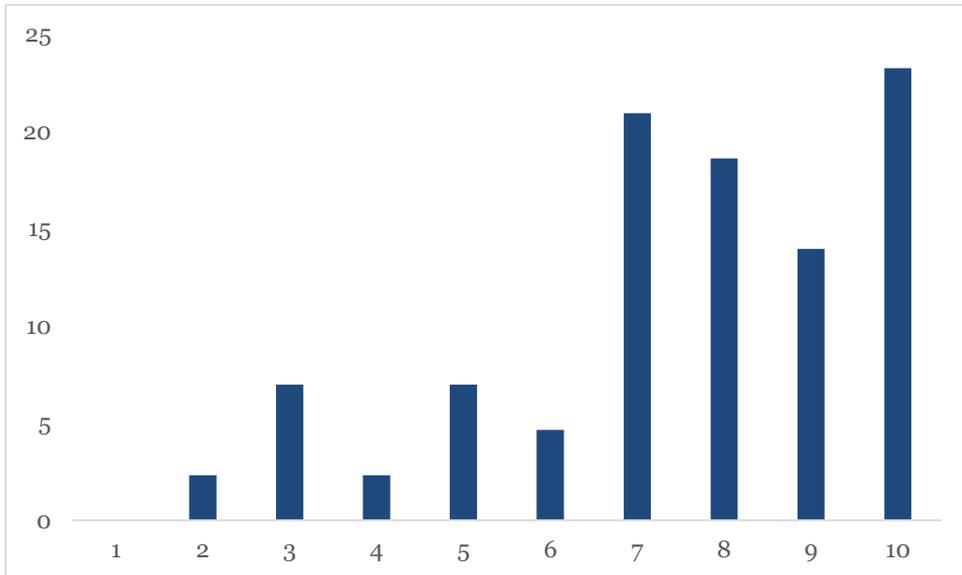
Source: Ifri.

**Figure 8 – Reply to the question "Please rate, when appropriate, from 1 to 10 the importance of EU policies for the development of your company? The euro currency"**



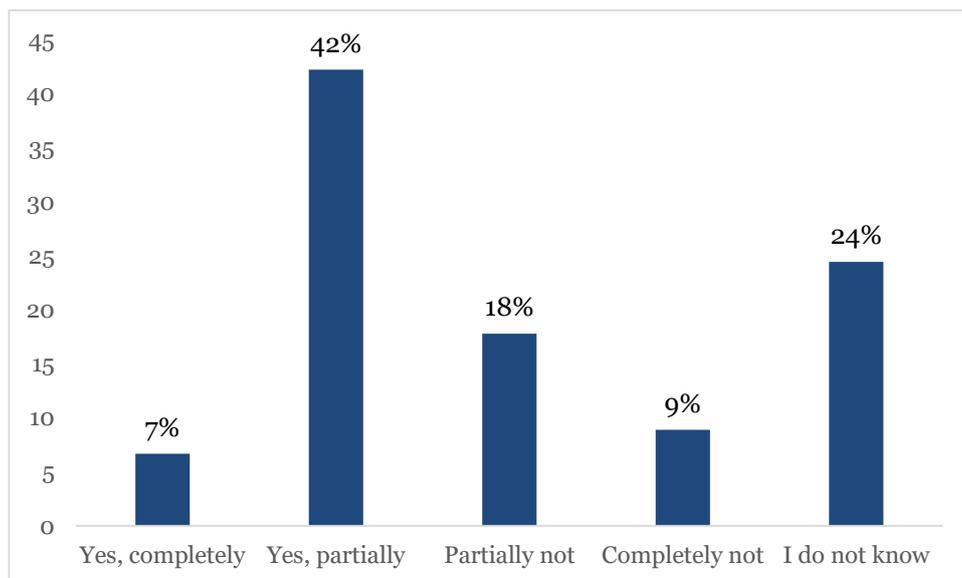
Source: Ifri.

**Figure 9 – Reply to the question "Please rate, when appropriate, from 1 to 10 the importance of EU policies for the development of your company? The EU trade policy"**



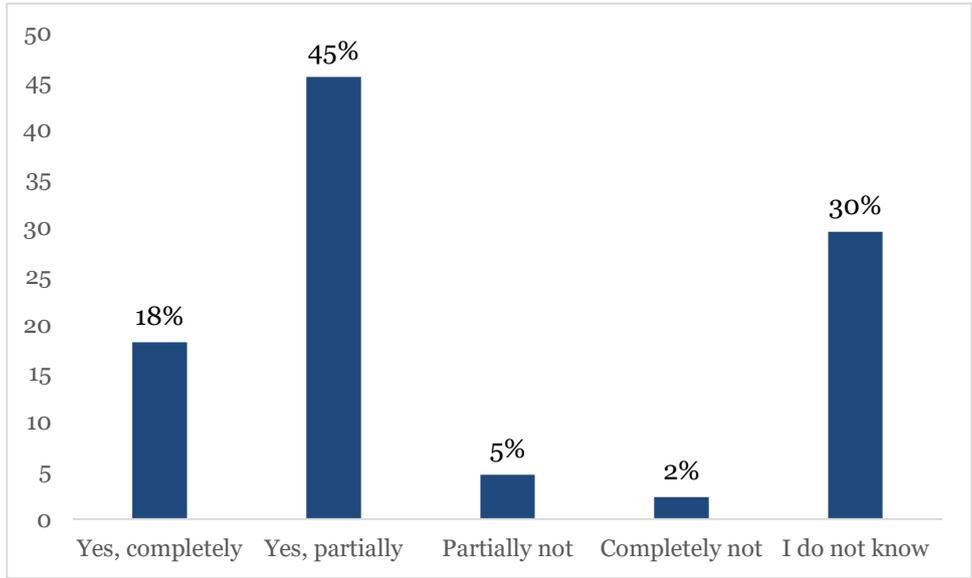
Source: Ifri.

**Figure 10 – Reply to the question "Do you consider that the development of the European Capitals Market Union would benefit the growth of your company?", in %**



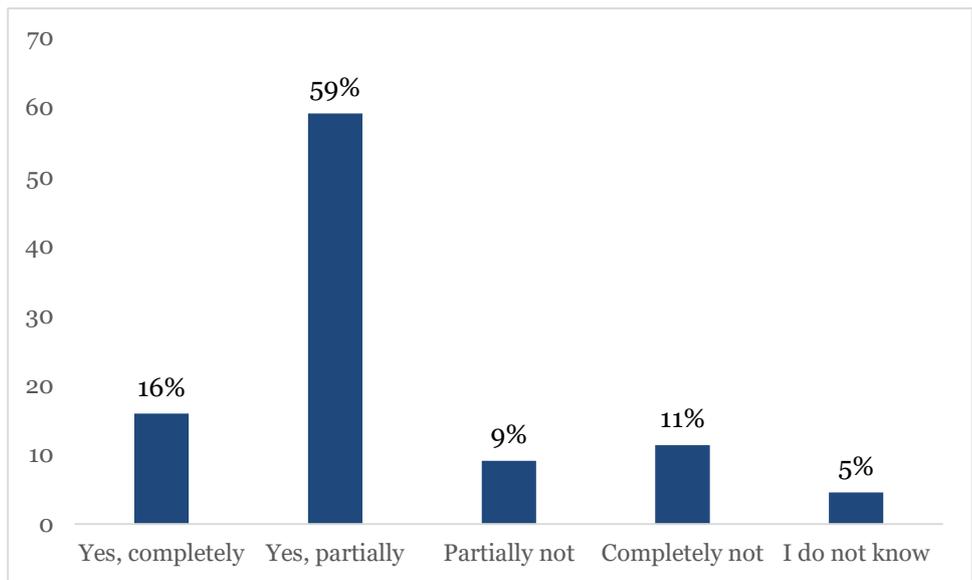
Source: Ifri.

**Figure 11 – Reply to the question "Do you consider that the development of the European Capitals Market Union could fuel entrepreneurship in the EU with a more diverse access to capital?", in %**



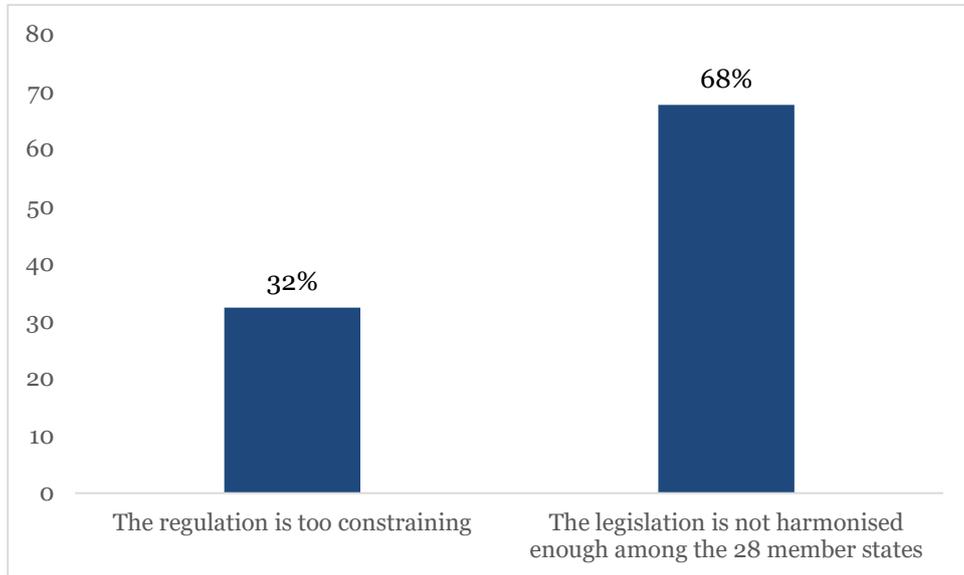
Source: Ifri.

**Figure 12 – Reply to the question "Do you consider that the Single Market is adequate enough for the growth of your company in Europe?", in %**



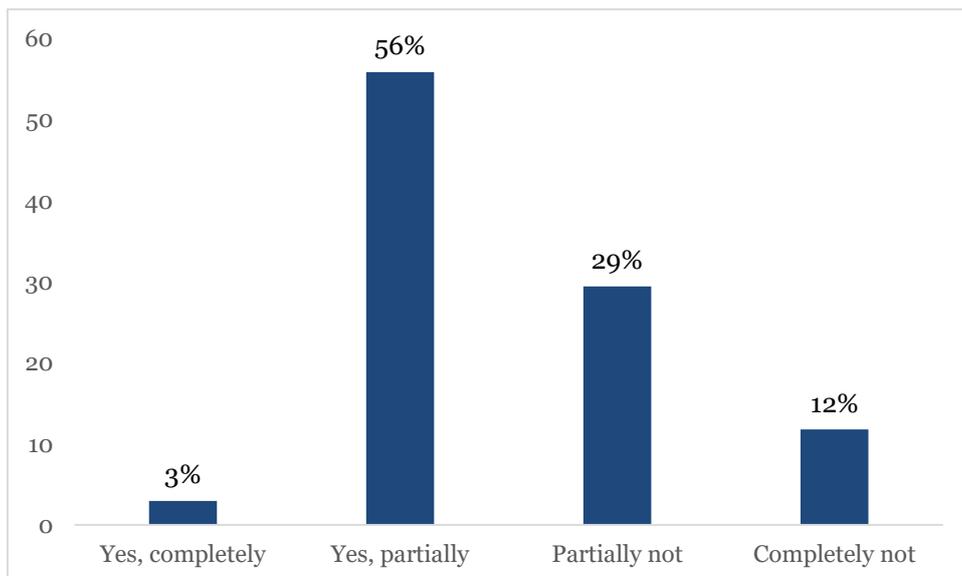
Source: Ifri.

**Figure 13 – Reply to the question "If it is not adequate enough, what should be improved? (select the most important issue)", in %**



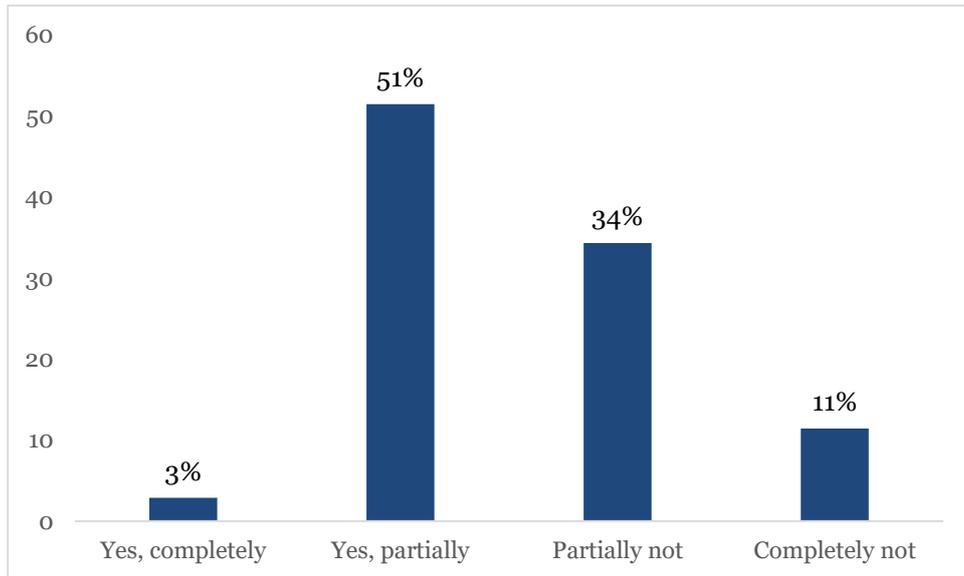
Source: Ifri.

**Figure 14 – Reply to the question "If your company is already well established at the global level, do you feel that European policies are adequate for European companies to compete with non-European competitors?", in %**



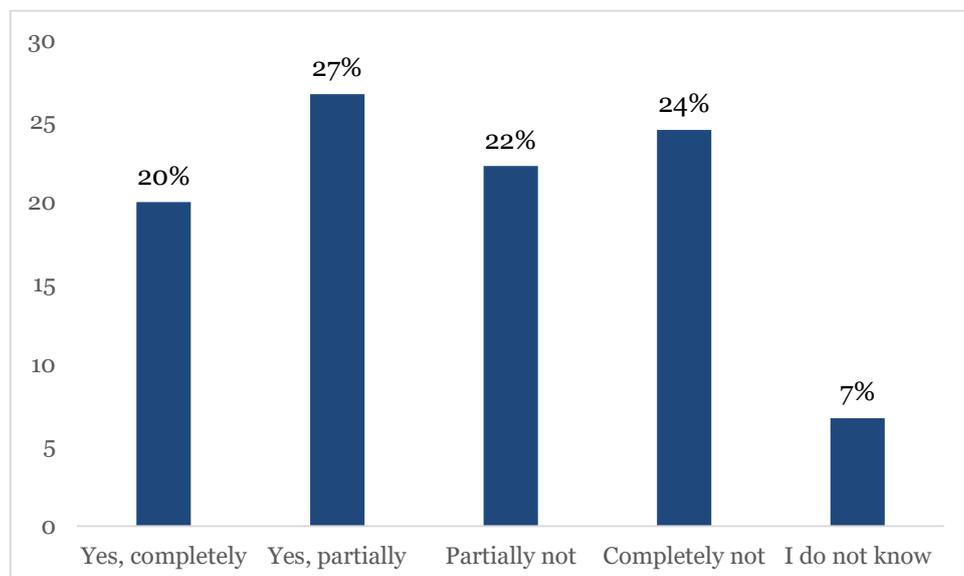
Source: Ifri.

**Figure 15 – Reply to the question "If your company has yet to develop its global presence, do you feel that European policies are adequate for European companies to compete with non-European competitors?", in %**



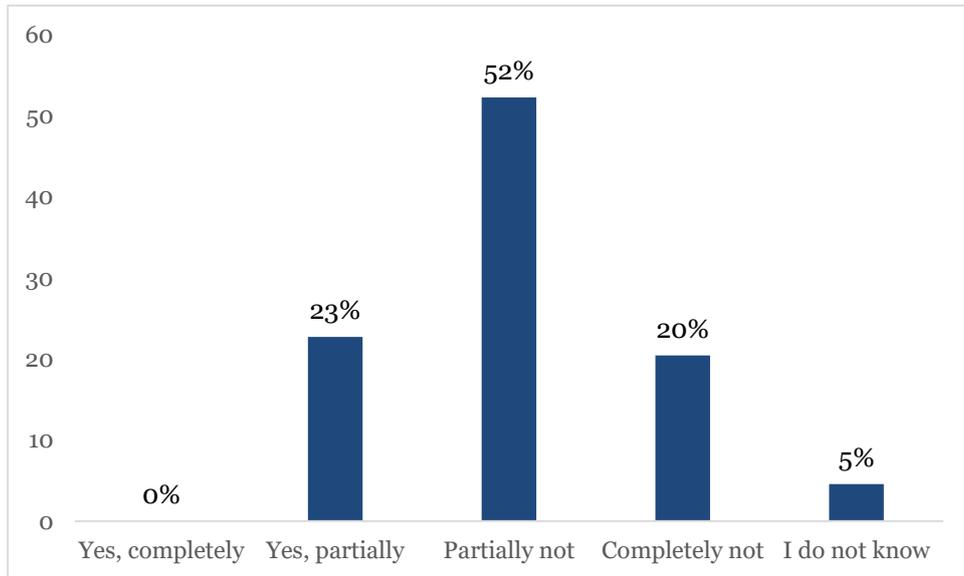
Source: Ifri.

**Figure 16 – Reply to the question "Do you consider that the European market is too open to non-European companies compared to the access European companies have in external markets?", in %**



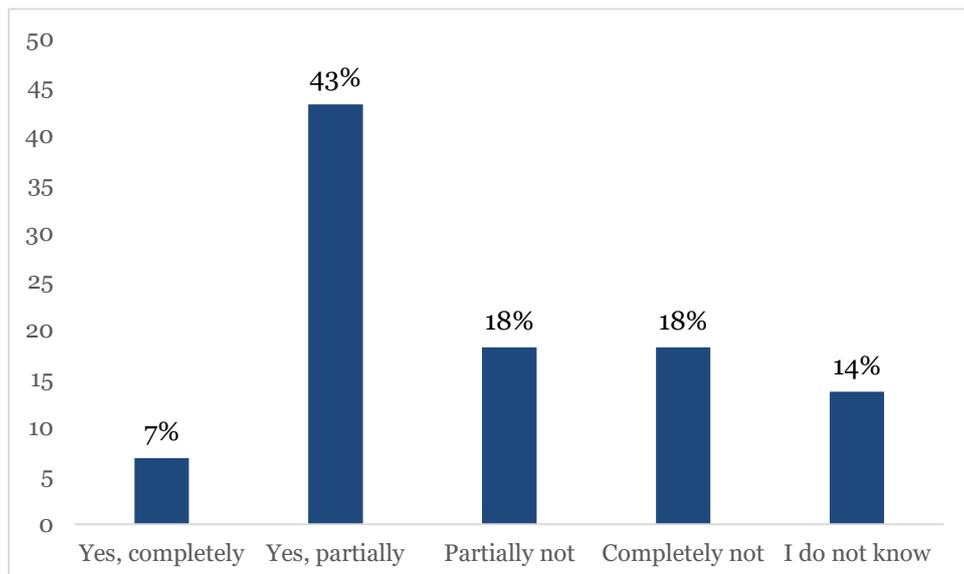
Source: Ifri.

**Figure 17 – Reply to the question "Do you consider that the European Union is strong enough today to export/impose its norms and standards to non-EU countries, such as China and the United States?", in %**



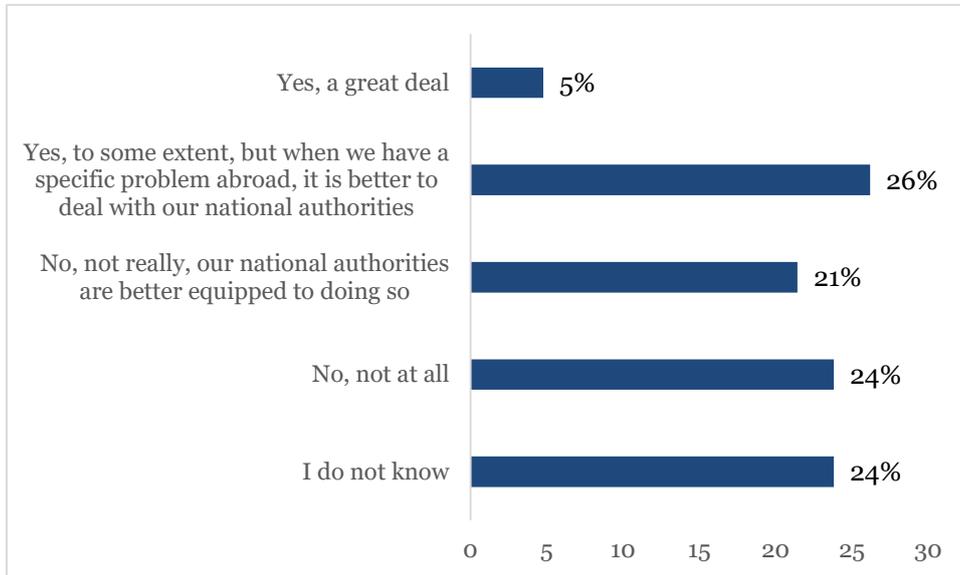
Source: Ifri.

**Figure 18 – Reply to the question "Do you consider that this has changed in the past ten years?", in %**



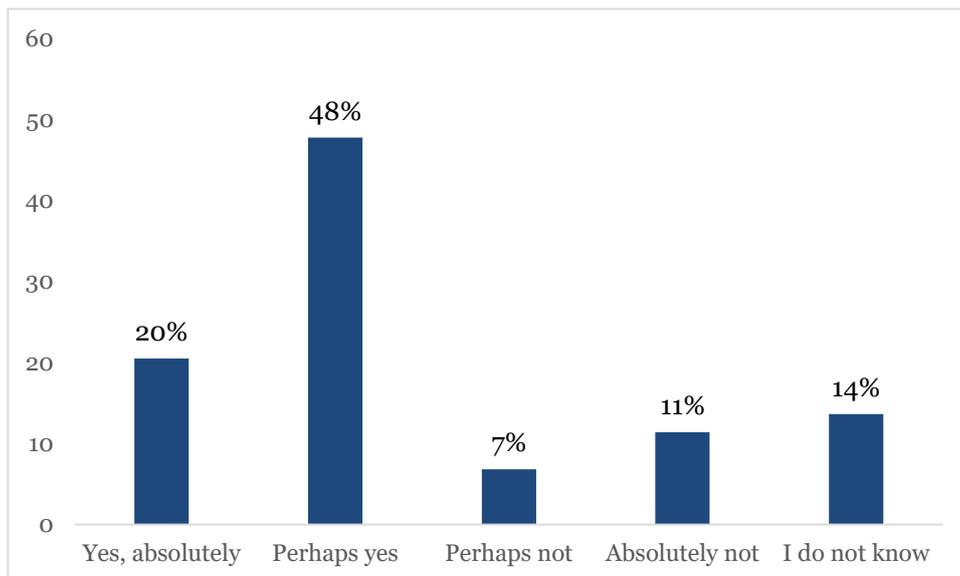
Source: Ifri.

**Figure 19 – Reply to the question "Do you consider that the European Union does enough to support your company to export abroad?", in %**



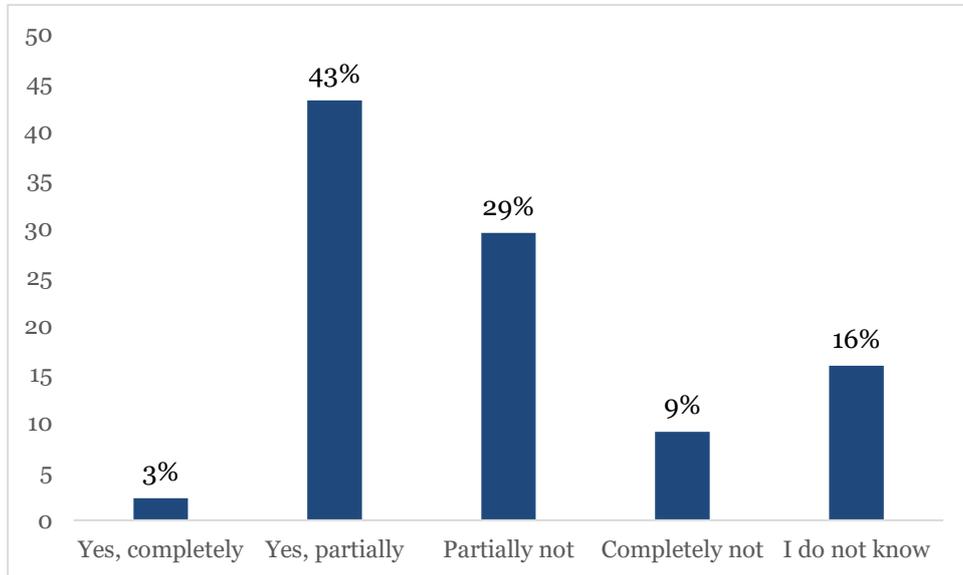
Source: Ifri.

**Figure 20 – Reply to the question "In the face of growing competition at the global level and extremely solid competitors, do you think that the EU should encourage the creation of so-called "European champions"?", in %**



Source: Ifri.

**Figure 21 – Reply to the question "Do you consider that the European Union offers the right policies for the creation of new businesses?", in %**



Source: Ifri.

**Figure 22 – Reply to the question "If your company has opted for the "European company" status, what were the main motivations? Please rank the different options (1 being not important, 10 being very important, 0 being not applicable)"**

	0	1	2	3	4	5	6	7	8	9	10
To facilitate the relocation of our main headquarters	7	2	0	0	0	1	1	2	2	1	3
To facilitate the merger with another European company	10	1	0	0	0	0	1	3	1	0	2
To facilitate the management of our branches across Europe	5	0	1	2	1	1	1	3	3	0	4
To allow our company to change its governance structure	7	0	0	2	1	2	2	1	2	0	3
To better manage the status of our employees across countries	5	1	2	2	3	1	0	1	4	0	1

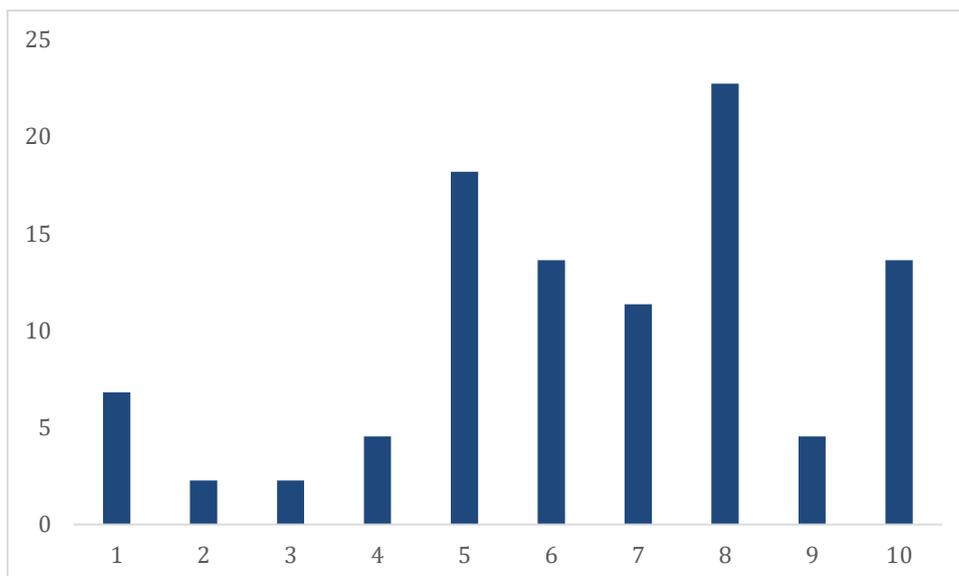
Source: Ifri.

**Figure 23 – Reply to the question "If your company has not opted for the "European company" status, what are the reasons? Please rank the different options (1 being not important, 10 being very important, 0 being not applicable)"**

	0	1	2	3	4	5	6	7	8	9	10
A lack of awareness of the existence of such a status	3	1	0	1	2	0	1	1	7	1	5
It does not apply to our company	4	2	1	2	1	1	2	2	3	0	0
It does not present sufficient incentives	3	2	0	1	2	3	2	0	5	0	0
There is no interest for my company to stress a specific European identity	4	3	2	1	0	3	0	3	3	0	0
I do not know	3	0	0	0	0	1	0	0	2	0	3

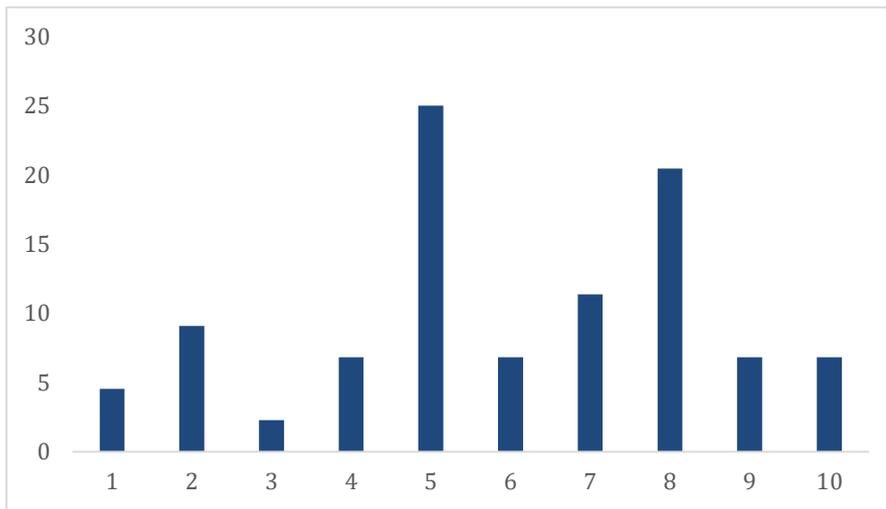
Source: Ifri.

**Figure 24 – Reply to the question "The "European company" status has little evolved since it was created. If it were to introduce fiscal harmonisation across the EU for companies with this status, would it make it more appealing? Please rate from 1 to 10."**



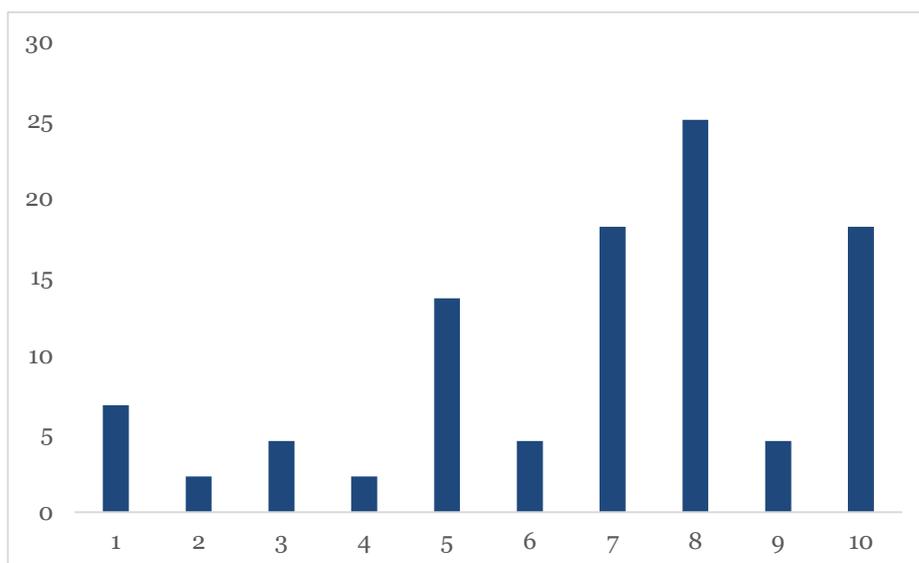
Source: Ifri.

**Figure 25 – Reply to the question "The "European company" status has little evolved since it was created. If it were to introduce social harmonisation across the EU for companies with this status, would it make it more appealing? Please rate from 1 to 10."**



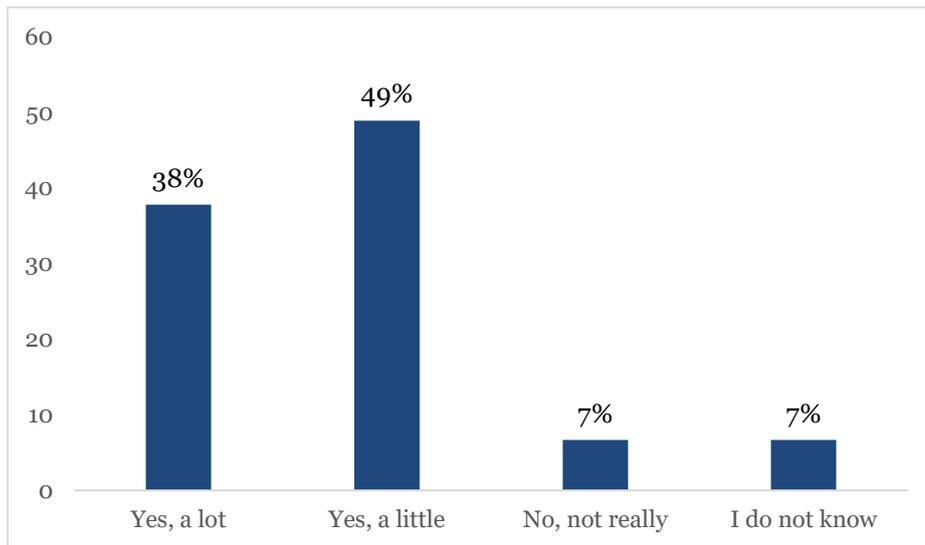
Source: Ifri.

**Figure 26 – Reply to the question "The "European company" status has little evolved since it was created. If it were to allow for a centralisation of payments across the EU (insurance, bills etc.) for companies with this status, would it make it more appealing? Please rate from 1 to 10."**



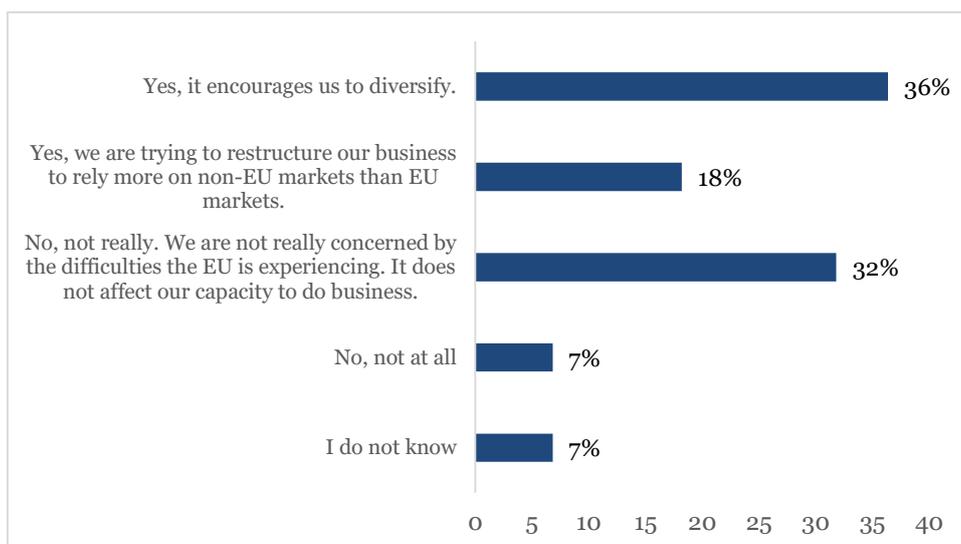
Source: Ifri.

**Figure 27 – Reply to the question "In a context of growing discontent vis-à-vis the EU, the rise of populist parties calling for disintegration, Brexit and other negative elements for the EU, do you consider that policies, such as the single market and the euro, are under threat from some form of disintegration?"**



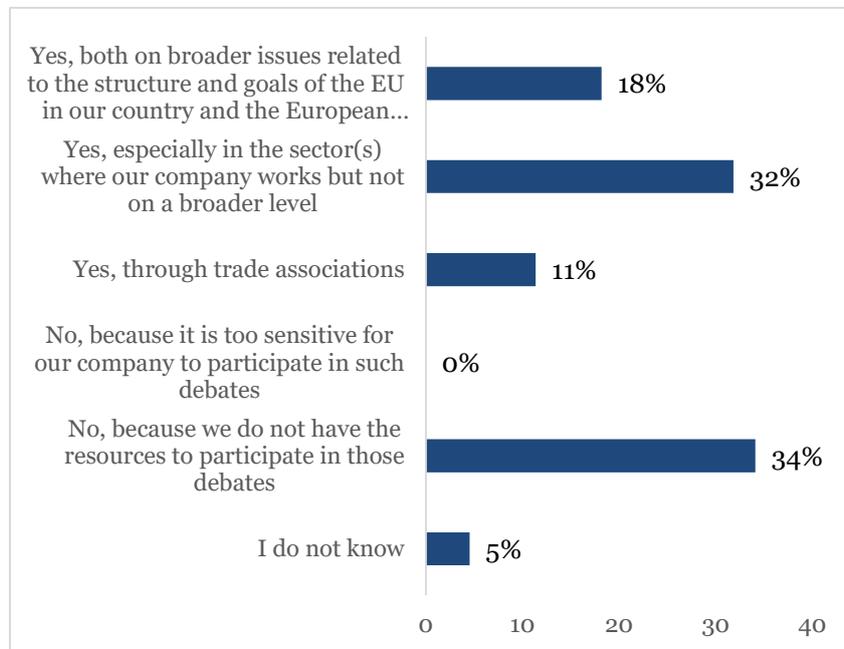
Source: Ifri.

**Figure 28 – Reply to the question "Do the difficulties that the EU is experiencing politically (see previous question) and economically (slow growth) push your company to look beyond EU's borders?"**



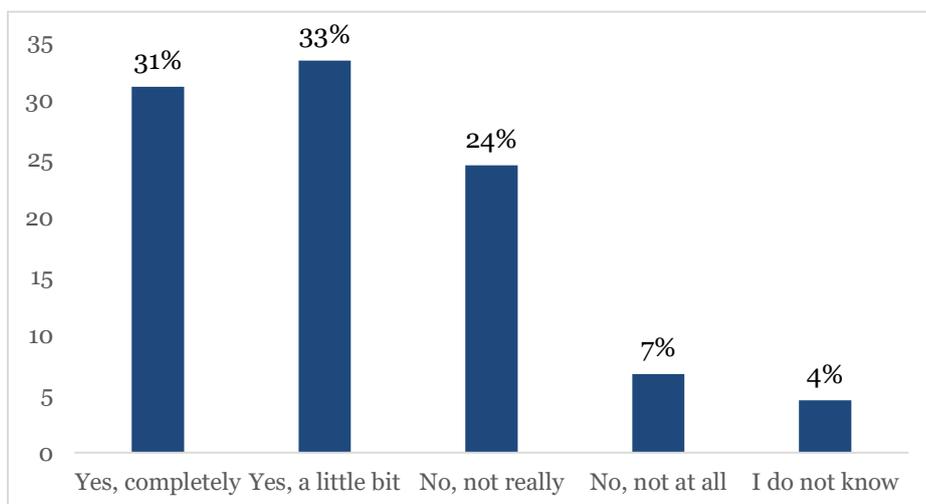
Source: Ifri.

**Figure 29 – Reply to the question "Do you consider your company active in European debates (at the local, national or European level)?"**



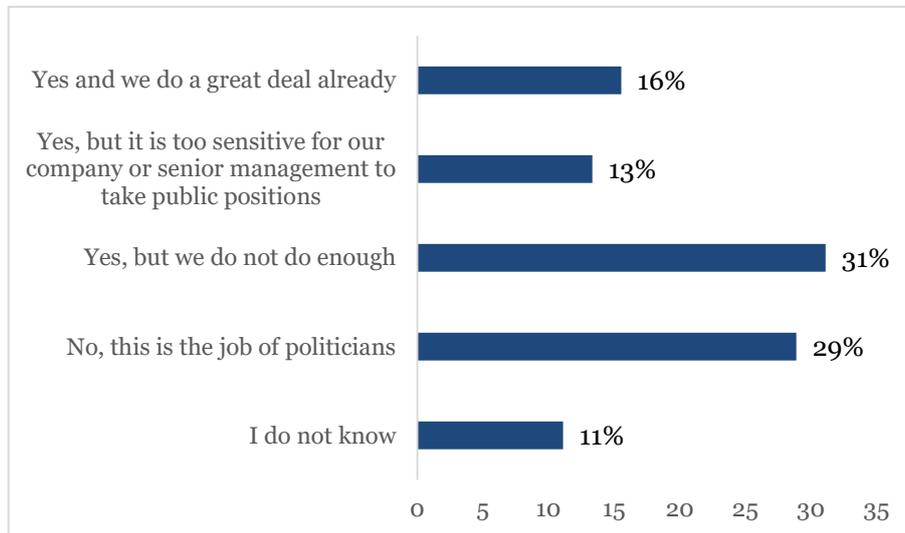
Source: Ifri.

**Figure 30 – Reply to the question "It is often said that the European Union is not legitimate enough in the eyes of European citizens. In that light, do you consider that your company has a role to play in the debates to promote a positive vision of the EU (Eurozone, single market etc.) at the local, national or European level?"**



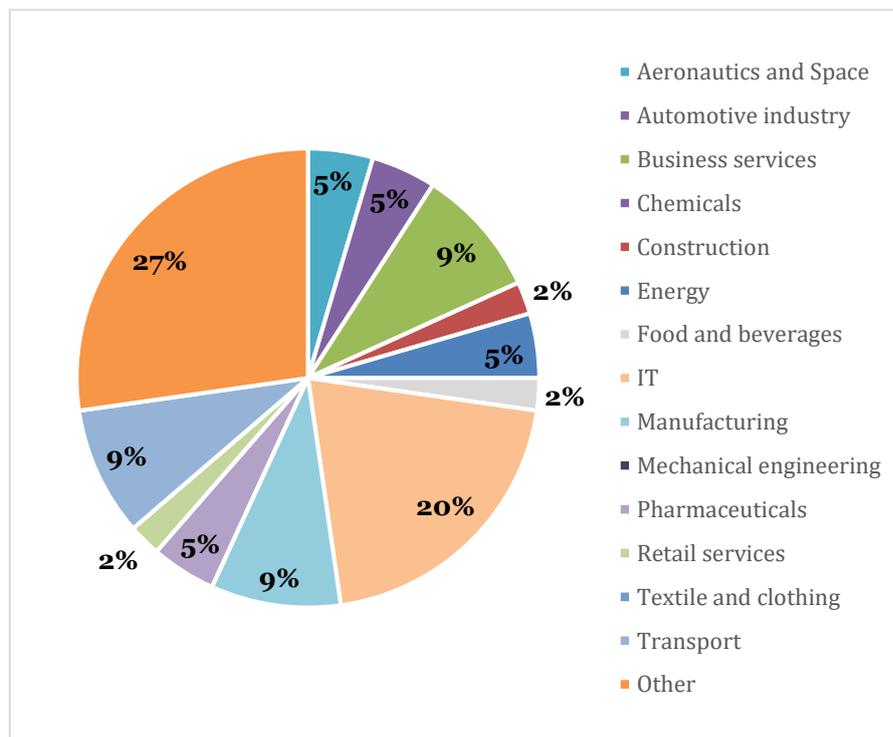
Source: Ifri.

**Figure 31 – Reply to the question "Do you consider that your company has a role to play in the debates on the future of the European Union (its policies, its architecture etc.)?"**



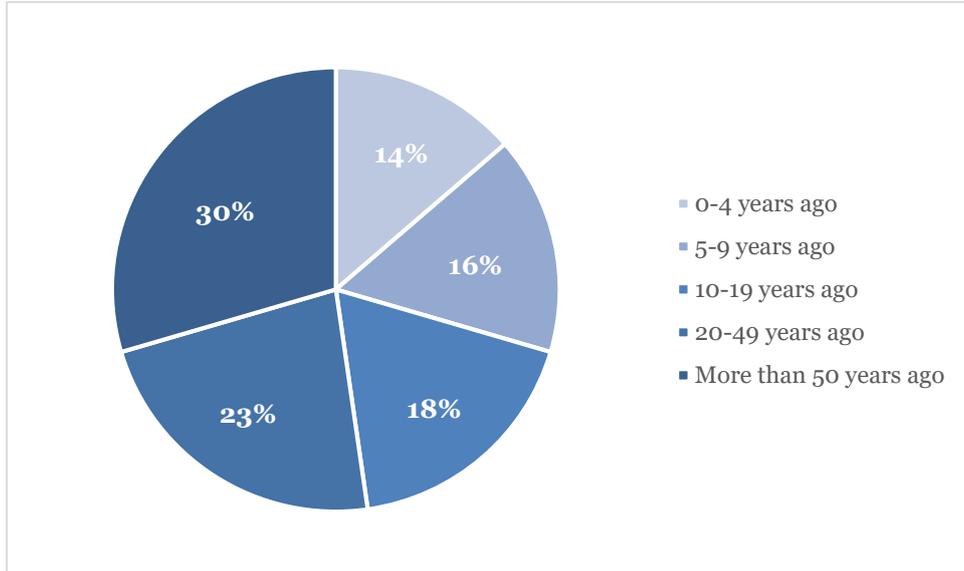
Source: Ifri.

**Figure 32 – Reply to the question "Could you please give us some indications about your company? What is/are your main sector(s)?"**



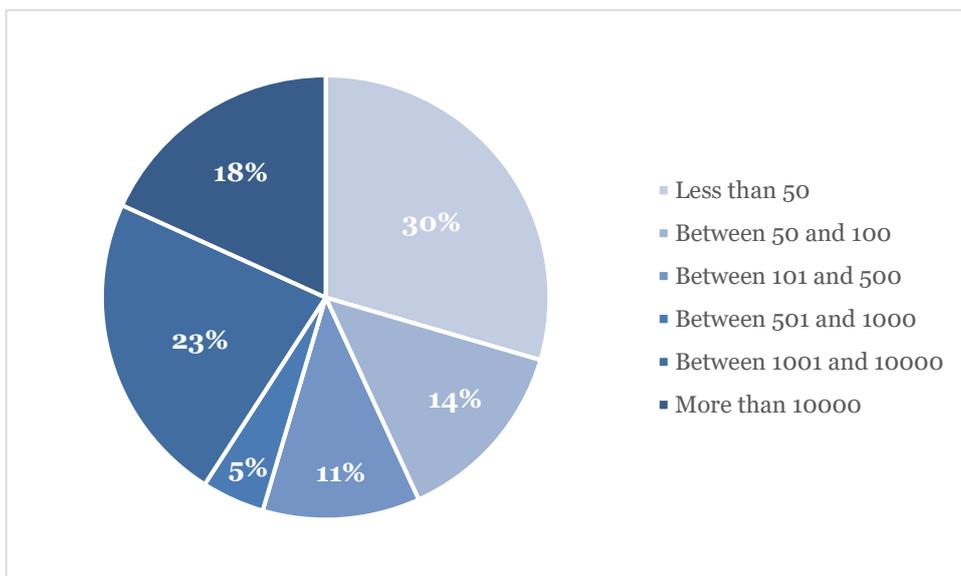
Source: Ifri.

**Figure 33 – Reply to the question "When was your company established?"**



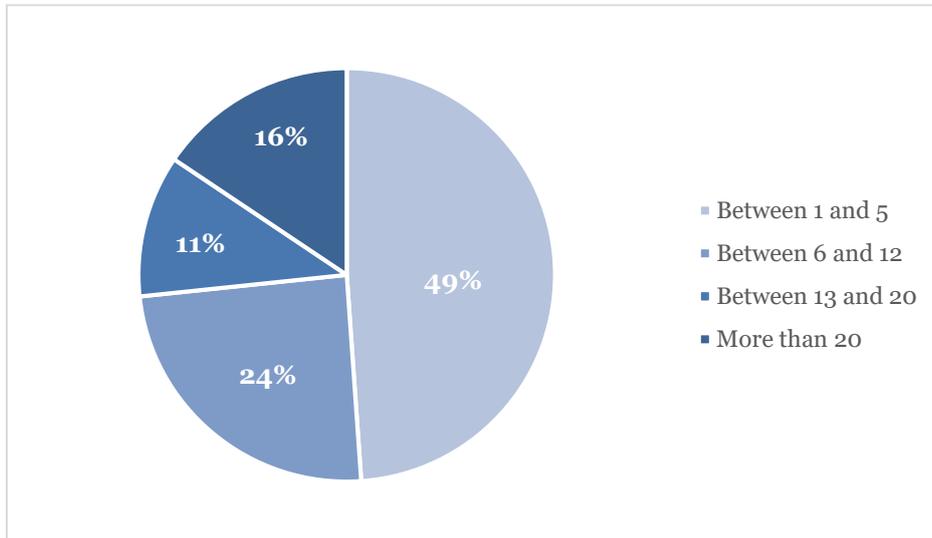
Source: Ifri.

**Figure 34 – Reply to the question "How many employees do you have in Europe?"**



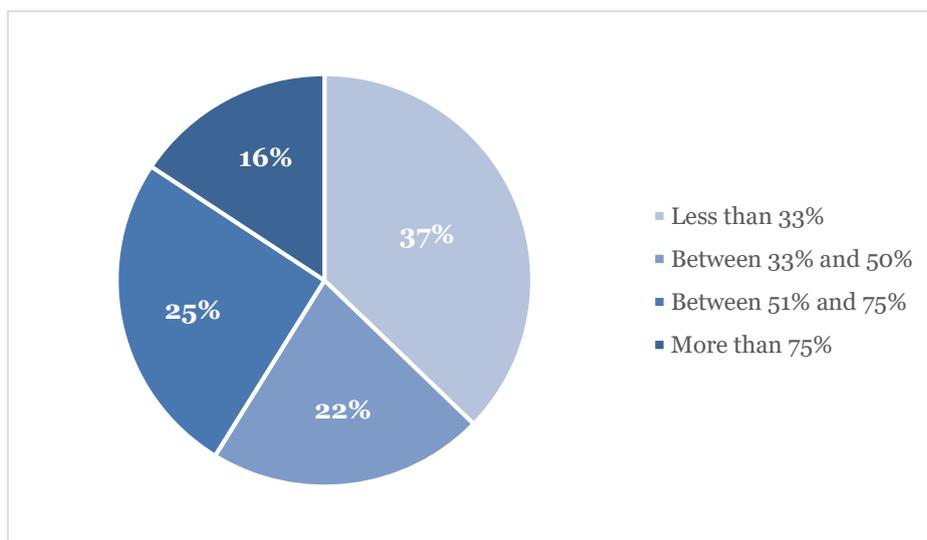
Source: Ifri.

**Figure 35 – Reply to the question "How many EU countries does your company operate in excluding your home country?"**



Source: Ifri.

**Figure 36 – Reply to the question "If you are operating in countries or regions outside the EU, how big a share of revenues does the European market constitute?"**



Source: Ifri.



