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SME REPRESENTATION IN CHAMBERS OF COMMERCE BODIES – A MODEL PERSPECTIVE

Abstract

Background: The research analyzes the formal representation of micro, small, and medium-sized enterprises (SMEs) in the bodies of chambers of commerce in a model-based approach.

Research purpose: Chambers of commerce are managed by their bodies (board, general assembly, *etc.*). Their composition is most often chosen by members in elections. It should reflect the structure of the associated enterprises – at least in terms of industry and size classes. The division of mandates affects the operational activity of the organization – including the content of positions developed in consultation processes and services provided to entrepreneurs. The aim of the study is to verify whether in the countries selected for analysis (representing different models of functioning of chambers of commerce) there are regulations securing the formal representation of SMEs in the bodies of chambers. And if they do exist, what form do they take? In addition to determining the actual situation, the advisability and possible way of regulating the SME parity in several model scenarios is analyzed.

Methods: Using the deductive method and critical analysis, the study analyzes the statutes of chambers of commerce in selected countries and reviews sociological, economic and legal literature.

Conclusions: The findings indicate that there are only a few examples of regulations protecting the representation of SMEs in chambers' bodies. It was also found that the rules for representing different sized enterprises in the bodies and task groups of chambers of commerce are closely linked to the model of these organizations. In the Anglo-Saxon private law model, business owners primarily participate voluntarily in selected organizations. However, in countries with a single chamber per region, free choice of organization does not in fact exist. In the continental public law model, where membership is universal by operation of law, statutes focus primarily on mapping the structure of dominant industries in a region and usually omit other criteria. The sectoral model offers the greatest potential for balancing the representation of every size of industry and enterprise.

Keywords: chambers of commerce, representativeness, membership groups, SME representation, business organizations.

JEL classification: K20, K23, L31, L33, L38

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1. Introduction

Chambers of commerce are member organizations that bring together companies¹ and operate based on private or public law, depending on the country. These organizations serve a dual purpose: supporting members and representing their interests in dialogue with public administration, for which they also often provide advisory services. In some countries, they also carry out tasks assigned by public administration.²

One of the primary functions of a chamber of commerce is to represent companies in public consultations. The principles governing dialogue processes on economic matters between public institutions and chambers of commerce depend on a country's chamber organization model, legal regulations, needs, practices and customs. While public consultations are also conducted by other business environment organizations, voluntary chambers established under private law primarily aim to represent their members' interests.³ But they can also develop opinions in the broader interest of the industry, region, or business conditions in general. Chambers operating under public law are obligated to represent all business owners who are legally members.

These are primarily the management board, the general assembly and control bodies supported by various types of working groups. Their composition influences the decisions made and organization priorities. Balancing the representation of different groups of members is not an easy task and may be implemented using different tools. From a legal perspective, a key research

¹ In literature and legal acts, terms such as: company, firm, enterprise, entrepreneur and business owner may have different meanings, but are sometimes used interchangeably. The second variant was adopted in this study due to the lack of universal definitions common to the analyzed countries.

² **M. Pilgrim, R. Meier**, *National Chambers of Commerce – A Primer on the Organization and Role of Chamber System*, Washington 1995, p. 3.

The definition of chambers of commerce may be constructed slightly differently – check: **D. Sack** (ed.), *Chambers of Commerce in Europe. Self-Governance and Institutional Change*, Cham 2021, p. 5; **P. Bernhagen**, *Chambers of Commerce as Political Actors: Theoretical Perspectives on Their Organization and Influence*, pp. 25–26, in: **D. Sack** (ed.), *Chambers of Commerce in Europe...*

³ Ex. Article 2 of Polish Chambers of Commerce Act states directly: “The Chamber of Commerce [...] represents the economic interests of its associated entrepreneurs”. Article 5.5 of Law of the Chamber of Commerce, Industry and Crafts of the Republic of Lithuania: “represent its members in cooperation with state, public and management authorities, foreign operators and public authorities”.

question is whether formal regulations (laws or statutes) in the reviewed countries protect the representation of small and medium-sized enterprises (SMEs) in the bodies of chambers of commerce. It is also important to consider what these regulations should be, remembering differences in models, especially in the absence of legal standards.

Before proceeding, it should be noted that only single references to SME representation in statutes and acts have been identified, limiting the number of examples that can be discussed. In the case of public law chambers, the advisability of ensuring formal SME representation in chambers' bodies at the statutory level is not in question, as these organizations are obliged to represent all enterprises. However, for private law chambers, the issue is more complex due to the diversity of national ecosystems. Therefore, a significant portion of this study focuses on discussing private law chambers.

2. The ecosystem of chambers is highly heterogeneous

Depending on the country, the term “chamber of commerce” applies to organizations that can vary significantly. The most common taxonomy defines two opposing models: the continental model and the Anglo-Saxon model. Between these extremes lies a wide range of hybrid solutions that combine elements of both models, collectively known as the mixed model.⁴ Even within a single country, these classical models or the aggregate definitions may not be enough to accurately describe chambers.

There are many reasons for this. First of all, chamber systems differ across countries. The greatest diversity can be observed in private law systems. For example, in the UK, chambers can be set up as either limited companies or associations, and only some of the first group are accredited in national umbrella organizations (separate for England and Scotland). Poland has hundreds of private law chambers (50/50 local or industry-specific), along with two public law chambers (for agriculture and insurance). Moreover many associations there use the word “chamber” in their name, but they are not based on the Polish Chambers of Commerce Act. In the interwar period, Poland had several sectoral chambers for industry, trade, crafts, and agriculture, among others, similar to many other countries).⁵

⁴ M. Pilgrim, R. Meier, *National Chambers of Commerce...*, pp. 4–5.

⁵ P. Marciniak, *Sektorowy model samorządu gospodarczego. Założenia i perspektywa wprowadzenia w Polsce*, Warszawa 2023, pp. 219–342.

In Canada, chambers can be found based on two different acts. In Belgium, there is no Chambers of Commerce act. While the biggest regional chambers there are accredited by the national umbrella organization, there are also some small organizations (mostly industry-oriented) that also use “chamber” in their name but are not part of the accreditation system.

When analyzing the representativeness of enterprise-size classes in private law systems, it is important to remember that the structure of enterprises and the membership level⁶ vary significantly across countries. This impacts the position, available resources, political strength, and type of activities undertaken by organizations.

There are also significant differences within systems based on public law. Comparing public law chambers in Germany, Austria, France, Spain, or Hungary reveals distinct structures, tasks, activities, financing, political influence, social perception, and relationships with other business environment associations. Membership rules and fee collection (if applicable) also vary.

Comparative considerations based on aggregated definitions have a slightly different context and perception in each country. This is evident in discussions about the sectoral model, which is usually overlooked in the literature. However, it is not a new concept. Such chambers operate or have historically operated in some countries around the world. This model also corresponds to the structure of governments and central institutions dedicated to specific sectors or even industries. Its aterritoriality and verticality (sector-based) create frameworks and possibilities (including much deeper decentralization of public tasks) that differ significantly from the well-known, horizontal continental model.⁷

More discussion is needed before this model is more widely incorporated into scientific and political discussions. In private emails or conference discussions about models (there are no comparative publications that consider the sectoral model apart from the author’s own studies), supporters of the “continental” approach generally believe that expert/sectoral tasks should only be performed

⁶ 1–2% is typical for most private law chambers (Switzerland, UK, Poland, Lithuania) but there are exceptions in some states in Asia, where membership in a chamber is obligatory for exporting companies – Pakistan, Bangladesh and Bhutan. Source of data: own calculations of data available on chamber’s webpages and information from personal conversations with chambers’ representatives. More: **P. Marciniak**, *Sektorowy model samorządu gospodarczego...*, pp. 145–162.

⁷ **P. Marciniak**, *Sektorowy model samorządu gospodarczego...*, pp. 343–528; **K. Dąbrowski**, **T. Dorożyński**, **P. Marciniak**, *The Justification of the Sectoral Model of Chambers of Commerce – Polish Perspective*, *Studia Iuridica Lublinensia* 2023/32 (5), pp. 53–75.

by private law organizations, which may also influence the activities of regional chambers. However, the sectoral model seems to be more natural in countries where strong industry chambers have existed historically, for example, some Central and Eastern European countries.

The second problem connected to this research concerns the definition of SMEs. An important question arises whether sole proprietorships should be considered when evaluating the formal representation of SMEs in the bodies of chambers. More broadly, is there a size threshold that should be considered when establishing chamber policies? Another question concerns the classification of farmers, who are not recognized as entrepreneurs in all countries. Again, the answers depend on the country. Even the definition of an enterprise and entrepreneurs (business owner) differ significantly between countries and at the European Union (EU) level.

3. Classical models of chambers of commerce

The starting point for analyzing the representativeness of SMEs in the bodies of chambers of commerce is to determine the method by which these chambers are established, as well as the scope of legal (statutory acts) and regulatory (bylaws, internal rules, customs) frameworks governing them. In each case, the issues under examination vary in nature, significance, and applicable regulations.

There are several model taxonomies. The simplest was proposed by Rehker, who divided chambers into two categories: public law and private law.⁸ Later, the most frequently used taxonomy in the literature was introduced by Pilgrim and Meier, who characterized the continental, Anglo-Saxon, and mixed models.⁹ Moreover some publications add an administrative model¹⁰ or propose several variants of mixed models.¹¹

The classification can be briefly summarized through the lens of chamber autonomy and the way they are established.

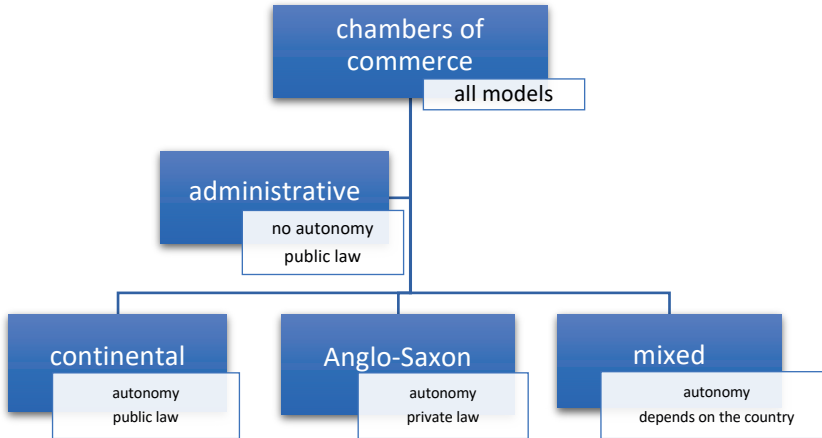
⁸ **H. Rehker**, *Chambers of Commerce under Public and Private Law*, Geneva 1982, pp. 5, 13–19; **V.I. Fedotov**, *Organizational and Legal Models of Chambers*, Washington 2007, pp. 3–4, 59.

⁹ **M. Pilgrim, R. Meier**, *National Chambers of Commerce...*, pp. 7–10 and onwards.

¹⁰ **K. Bandarzewski**, *Samorząd gospodarczy w prawie polskim*, Kraków 2014, p. 289; **P. Marciniak**, *Sektorowy model samorządu gospodarczego...*, pp. 199–205.

¹¹ **V.I. Fedotov**, *Organizational and Legal Models of Chambers...*, pp. 11–58.

FIGURE: 1. *Classification of chambers of commerce in terms of their autonomy and the method of establishment*



Source: own study.

Assigning national systems to models – especially distinguishing between “pure” and mixed models – can be controversial due to significant differences among countries and preferences among researchers. For example, Poland is usually categorized in the Anglo-Saxon model;¹² however, some authors classify it as a mixed model.¹³ Additionally, this distinction does not account for the parallel public law sector or industry chambers, such as the Polish Chamber of Insurance¹⁴ and agricultural chambers, which are mandatory public-law entities for farmers in most Central and Eastern European countries.

The existence of such entities – both historically and currently – as well as the complexity and evolution of economic processes today suggest that incorporating a sectoral model into this discussion is advisable. The foundational principles for this sectoral model were developed by the author of this study.¹⁵

There is a clear need to develop a more detailed taxonomy of chambers that considers a broader range of differences than only those outlined above. The common division into continental and Anglo-Saxon models (explained below)

¹² It is especially common in Polish literature.

¹³ D. Sack, *Chambers of Commerce in Europe...*, p. 6.

¹⁴ *Polish Chamber of Insurance*, <https://piu.org.pl/en/home/>; accessed: 22.07.2024.

¹⁵ P. Marciniak, *Sektorowy model samorządu gospodarczego...*; K. Dąbrowski, T. Dorożyński, P. Marciniak, *The Justification of the Sectoral Model...*, pp. 53–75.

tends to obscure the rich heterogeneity present in the global chamber ecosystem. In the context of this analysis, two aspects are particularly important:

- The method of establishing chambers – whether through private law or public law
- The awareness of the significant diversity of chambers, which can significantly impact assessments regarding the importance of formal guarantees for SME representation in organizational bodies.

Nevertheless, due to the way chambers are discussed in the literature, we will also refer to these established models.

4. Private law models (Anglo-Saxon group) – various solutions

There is no single pattern for establishing private law chambers. Therefore, it is more appropriate to discuss a group of private law models rather than a singular Anglo-Saxon model.

In some countries, chambers are established based on specific legislation governing chambers of commerce, which defines the nature of these organizations to varying degrees. This is true in countries such as Poland¹⁶, Canada¹⁷ and Lithuania.¹⁸ However, the laws in these countries differ significantly. Additionally, the scope of statutory regulation does not need to be wide. For example, in the United Kingdom, regulation is limited to rules regarding the registration of organizations that use the term “chamber of commerce” and similar equivalents (like Welsh: “siambr fasnach”) in their names.¹⁹

Moreover, many countries have no dedicated legislation for chambers at all. They are established under civil code provisions, laws on associations, or even tax regulations.²⁰ This is the case in Belgium, Switzerland, and the United States, among others.

¹⁶ Act of 30 May 1989 on chambers of commerce, Journal of Laws 1989 No 35 item 195 (pl: Ustawa z dnia 30 maja 1989 r. o izbach gospodarczych (Dz.U. z 1989 r., nr 35, poz. 195 z późn. zm.)) – Poland.

¹⁷ Boards of Trade Act (R.S.C. (Revised Statutes of Canada), 1985, c. B-6) and Canada Not-for-profit Corporations Act (S.C. 2009, c. 23).

¹⁸ 14 November 1995 No I-1093 Law on the Chamber of Commerce, Industry and Crafts of the Republic of Lithuania (lt: *Lietuvos Respublikos prekybos, pramonės ir amatų rūmų įstatymas, 1995 m. lapkričio 14 d. Nr. I-1093*).

¹⁹ Company and Business Names (Chamber of Commerce, Etc.) Act 1999, c. 19.

²⁰ **M. Pilgrim, R. Meier**, *National Chambers of Commerce...*, pp. 14–15.

The size of private law chambers of commerce also varies greatly. In most countries, they represent no more than 1–3% of companies (as seen in Latvia, Lithuania, Poland, Belgium, Switzerland, and the UK). In some instances, this may reach several percent (as in Estonia and Canada).²¹

The organizational structure of these chambers also varies. In some countries, such as Belgium, regional chambers operate one-chamber-per-region basis and all of them may be associated in a national umbrella organization.²² A similar rule of one-chamber-per-region exists in Lithuania, but it is defined by law. The Article 4 outlines regional boundaries; however, entrepreneurs still have the authority to decide on the establishment (Article 8) and liquidation (Article 11) of each chamber. Additionally, these regional organizations may join the Association of Lithuanian Chambers of Commerce, Industry, and Crafts (Article 9), although it is not obligatory.²³

Regional divisions, which are determined by law, custom, or priority of registration, are not the only factors at play. In Poland, approximately half of 443 chambers are industry-specific and typically operate nationwide. There is no prohibition against establishing multiple chambers for a region or a city (for example, several can be found in Warsaw) nor industry (there are four chambers for telecommunication companies).²⁴ However, only some are associated with the Polish Chamber of Commerce.²⁵ It should be noted that this national organization may also accept other business environment organizations as members (Article 11.1). And according to the Article 11.2 it represents not all businesses, but its members. Therefore, it is not a typical umbrella organization dedicated to chambers.²⁶

A heterogeneous ecosystem also exists in the United Kingdom and Canada. Lord Heseltine lists four types of British chambers, although only some are

²¹ Source: Chambers pages and data from discussions with chambers.

²² *Belgian Chambers – The Chambers in Belgium*, <https://belgianchambers.be/en/the-chambers-of-commerce/the-chambers-in-belgium/>; accessed: 28.07.2024; **P. Marciniak**, *Five key differences between chambers of commerce in United Kingdom, Belgium and Poland*, *Studia Prawa Publicznego* 2023/4 (44), pp. 95–97.

²³ *14 November 1995 No I-1093 Law on the Chamber of Commerce, Industry and Crafts of the Republic of Lithuania*, <https://www.chambers.lt/en>; accessed: 29.08.2024.

²⁴ **P. Marciniak**, *Organizacja i zadania krajowych izb gospodarczych sektora telekomunikacji*, Toruń 2019.

²⁵ *Krajowa Izba Gospodarcza*, <https://kig.pl>; accessed: 29.08.2024.

²⁶ Polish Act of 30 May 1989 on chambers of commerce. More: **K. Dąbrowski**, **T. Dorożyński**, **P. Marciniak**, *The Justification of the Sectoral...*, pp. 62–63. **P. Marciniak**, *Five key differences...*, pp. 98–99.

accredited by the British Chamber of Commerce (BCC)²⁷ or the Scottish Chamber of Commerce²⁸ (both are umbrella organizations for accredited local/regional chambers). According to his report, the BCC acts as a national umbrella organization for 51 affiliated chambers, although it also notes 500–600 local non-affiliated chambers and 63 unaffiliated overseas chambers. The report overlooks the Scottish Chamber of Commerce.²⁹ While all these entities are private law organizations with voluntary membership, many of them are registered as limited companies – a unique characteristic in Europe. They collectively have around 67,000 members. Management of these limited chambers is provided by employed trustees and directors. Most activities rely on employed staff, but some are done in cooperation with committees, councils, sections, task groups and members.³⁰

Some chambers specialize in providing public services and become government contractors. This has negatively affected both the companies' attitudes toward and trust in the chambers and their motivation to pay membership fees.³¹ It is interesting that the literature focuses in fact only on accredited chambers, which constitute less than 10% of their total number mentioned by Lord Heseltine. The smaller entities are not accredited and may overlap territorially with accredited chambers and other local chambers.

In Canada, the situation differs significantly due to the existence of two detailed legal acts that allow the creation of chambers. The first Boards of Trade Act (BOTA) ties chambers to districts, while the Canada Not-for-profit Corporations Act (NFP Act) does not impose such a restriction.³² The Canadian Chamber of Commerce lists 384 local chambers while reporting that over 400 exist in total. They collectively represent over 200,000 business owners of a total of approximately 1.3 million (~15%).³³

²⁷ *British Chambers of Commerce*, <https://www.britishchambers.org.uk/>; accessed: 29.08.2024.

²⁸ *Scottish Chambers of Commerce*, <https://www.scottishchambers.org.uk/>; accessed: 29.08.2024.

²⁹ **Lord Heseltine**, *No stone unturned: Chamber of Commerce – International Comparisons*, Crown copyright, 2012, pp. 14–17.

³⁰ **R.J. Bennett**, *Institutional Change in British Chambers of Commerce*, in: **D. Sack** (ed.), *Chambers of Commerce in Europe*, Cham 2021, pp. 47–48.

³¹ **R.J. Bennett**, *Testing times for business partners in regional and local development: The past and future of chambers of commerce*, Regions, 2011, <https://www.geog.cam.ac.uk/research/projects/chambersofcommerce/regionalstudies.pdf>; accessed: 1.09.2024.

³² BOTA: Boards of Trade Act (R.S.C., 1985, c. B-6) and NFP Act: Canada Not-for-profit Corporations Act (S.C. 2009, c. 23).

³³ *Canadian Chamber of Commerce*: <https://chamber.ca/membership/business-member-directory/> and <https://chamber.ca/membership/chamber-member-directory/>; accessed: 29.08.2024; *Key*

When comparing statistical data, it is important to recognize that definitions of an enterprise can vary significantly. For instance, Canadian statistics refer to “employer businesses,” totaling approximately 1.3 million, while Poland’s PARP report includes the self-employed in the total number of business owners (2.35 million).³⁴ Another notable distinction is the inclusion or exclusion of farmers from the group of business owners, which varies by country.

A degree of uncertainty also applies to membership data of chambers of commerce. In most countries, membership lists are not published, leading to estimates in such cases. Furthermore, calculations may only apply to specific chambers. For example, when Bennett cites 67,000 members of British chambers, but he refers (?) only to the 53 accredited chambers,³⁵ neglecting several hundred non-affiliated chambers mentioned by Lord Heseltine.³⁶ Therefore, it is important to recognize that a lack of a common denominator renders most comparative analyses approximate if they are feasible at all.

Given the diverse picture of private law chambers outlined above, ensuring SME representation on boards carries varying significance, meanings, and possible forms of regulation. A key observation is that in countries lacking dedicated laws, formal regulations can only be found in the statutes of individual chambers or even in customary practices. It can then be hypothesized that the need for such regulations increases in regions governed by a one-chamber system, where local competition is absent. And this also applies to smaller countries with just one national chamber of commerce.

In practice, the issue of SME representation is generally not formally regulated at the legislative level – of course especially when there is no act dedicated to chambers. This does not mean, however, that the issue of parity is completely ignored at the internal levels – in statutes, regulations or customs. For instance, in Belgium the review of the statute of the Voka – Mechelen-Kempen Chamber of Commerce & Industry shows provisions on parity but they do not limit to company size. It states that “in its composition, the management body reflects business ownership in the districts of Mechelen

Small Business Statistics 2023 (Canada), Key Small Business Statistics 2023, Government of Canada, <https://ised-isde.canada.ca/site/sme-research-statistics/en/key-small-business-statistics/key-small-business-statistics-2023>; accessed: 29.08.2024.

³⁴ *Report on the state of SME sector in Poland 2024 is published annually by Polish Agency for Enterprise Development (Polska Agencja Rozwoju Przedsiębiorczości – PARP)*, https://www.parp.gov.pl/storage/publications/pdf/ROSS_2024_02072024.pdf, p. 6; accessed: 29.08.2024.

³⁵ **R.J. Bennett**, *Institutional Change in British Chambers of Commerce...*, p. 48.

³⁶ **Lord Heseltine**, *No stone unturned...*, p. 14.

and Turnhout and thus ensures that economic life is representative in terms of company size, added value, sectoral distribution, and geographical penetration, among other things. In addition, the management body also strives to find a fair balance between male and female directors and to reflect the age pyramid in entrepreneurship.”³⁷ Correspondence with members of Belgian chambers shows that in some chambers, similar regulations are internal or customary. “This is all about an obligation of effort rather than an obligation of result. In practice, the chamber management will make significant efforts to seek a diverse pool of board candidates when presenting a list of candidates to the general assembly. The most common criterion considered in most chambers is gender. And then it depends from chamber to chamber what other criteria they take into account. For some, it might be company size, sector, or geographic location”.³⁸

In countries where the level of association is much lower – typically ranging from 1–3% – and where the ecosystem of business environment organizations comprises many different types of private associations, the problem of ensuring formal representation of SMEs in chambers’ bodies is less important. The representativeness of these organizations is usually quite low, and competition between them allows business owners to choose the organization that best meets their needs.

The scenario differs in countries like Poland, where companies have the freedom to establish new chambers of any type. In this context, formal parity is not necessary. In fact, some organizations may explicitly stipulate in their statutes that they represent only specific groups of business owners defined by industry or size.³⁹ This approach does not raise any concerns in an ecosystem where, for example, out of nearly 450 chambers, four are dedicated to representing various types of telecommunications companies. Additionally, several employers’ unions, associations, foundations, and even limited liability companies have similar goals and members.⁴⁰ The situation is similar across industries and regions. While this system is not objectively effective, it does offer a genuine opportunity to choose an appropriate organization. Consequently, parity between enterprise-size classes is not a primary concern. A much bigger challenge lies in

³⁷ Own archive, translated from Dutch.

³⁸ Own archive.

³⁹ Ex: *The statute of the Krajowa Izba Komunikacji Ethernetowej (National Chamber of Ethernet Communication in Poland) defines in § 12.1 both the industry requirement and the SME affiliation of members*, <https://kike.pl/wp-content/uploads/2024/04/Statut-KIKE-tekst-jednolity-z-16.10.2023.pdf>; accessed: 4.08.2024.

⁴⁰ **P. Marciniak**, *Organizacja i zadania...*

coordinating the positions of business owners who are represented by different organizations during public consultations.

Despite these differences, it is worth putting forward the thesis that in countries where there is a dedicated act and the rule of one chamber per region applies, the existence of regulations that specify the principles of SME representation in the bodies of chambers should be visible in law. The reasons are simple. Companies do not have the possibility to choose another chamber. Because there are no alternatives, public institutions may consult only existing chambers on matters that affect all enterprises, not just their own members.⁴¹ Moreover, chamber services are not exclusively for their own members.

To safeguard against undue influence from certain member groups, particularly large enterprises, formal legal protections are necessary. This imbalance is common in countries with low levels of association and in international chambers, like AmCham EU,⁴² where large corporations dominate chamber activities, using them as another lobbying tool. The nature of these safeguards depends on the country's economic context and chamber ecosystem. Unfortunately the review of laws found no such regulations in any of the examined countries.

5. Continental model (public law)

The public law based continental model has two important common features: chambers are organized regionally, and membership is obligatory for all enterprises in the region. This means that regional chambers focus on ensuring the most cross-sectional representation of key industries within their bodies. This is evident in most German regional Chambers of Industry and Commerce (Industrie- und Handelskammer – IHK), each of which has a slightly different membership group structure reflecting the region's key industries.

While balanced representation based on other criteria is most often not formally considered, exceptions exist. For example, IHK Wuppertal-Solingen-Remscheid prioritizes representation by the county of a company's origin.

⁴¹ E.g. art. 2 of Chambers of Commerce Act in Poland states straight: “The chamber of commerce [...] represents the economic interests of the entrepreneurs associated with it, in particular towards public authorities”. But their consultative tasks are defined much more broadly, encompassing all matters related to the economy – e.g. art. 5 of acts in Poland and Lithuania.

⁴² **P. Bernhagen**, *Chambers of Commerce as Political Actors...*, pp. 38–40.

Electoral regulations § 8 and 9 specify six voting groups and three districts,⁴³ but they lack provisions for guaranteed SME representation in bodies or dedicated standing committees.⁴⁴

In contrast, IHK Hamburg has clear regulations in its electoral code for allocating seats in the plenary elections, which consider both industry and enterprise size (divided into small, medium and large).⁴⁵ The division of seats within each for representatives of small, medium and large enterprises is described in § 8 of the Electoral Code, which matches them with nine industry electoral groups,⁴⁶ while § 5 regulates how the number of seats is then allocated to them in the plenary session.⁴⁷ These unique, detailed provisions are an example of how the representation of SMEs in continental model chambers can be regulated.

In Austria, the number of chamber of commerce members more than doubled between 1990 and 2019, from approximately 300,000 to 660,000, largely due to the rapidly growing number of single-person businesses (SPBs), which have no employees. It significantly impacted the membership structure of Austrian chambers, the economy, and society. Tensions arose between bigger enterprises and SPBs, which have different needs than companies that employ workers.⁴⁸

Austrian chambers maintain an extensive network of foreign , which is an important element of their activities. They are financed primarily by large companies, which are also their main stakeholders.⁴⁹ The evolving membership structure and service expectations of SPBs and small businesses, which have been ongoing for several decades, as well as the extremely complex electoral system

⁴³ *Wahlordnung der IHK Wuppertal-Solingen-Remscheid*, <https://www.ihk.de/bergische/servicemarken/wir-ueber-uns/rechtsgrundlagen/wahlordnung-1405760>; accessed: 1.09.2024.

⁴⁴ *Geschäftsordnung der Industrie- und Handelskammer Wuppertal-Solingen-Remscheid*, § 21, <https://www.ihk.de/bergische/servicemarken/wir-ueber-uns/rechtsgrundlagen/geschaeftsordnung-stand-06-99-1405754>; accessed: 1.09.2024.

⁴⁵ *Handelskammer-Wahl 2024 Kandidatenübersicht IHK Hamburg*, <https://www.ihk.de/blueprint/servlet/resource/blob/5985204/871af22f28d48d6c85f184a312195aee/kandidatenuebersicht-data.pdf>; accessed: 25.07.2024.

⁴⁶ *Wahlordnung IHK Hamburg*, <https://www.ihk.de/hamburg/ueber-uns/rechtsgrundlagen/wahlordnung-1140692>; accessed: 1.09.2024.

⁴⁷ *Satzung IHK Hamburg*, <https://www.ihk.de/hamburg/ueber-uns/rechtsgrundlagen/satzung-1140690>; accessed: 1.09.2024.

⁴⁸ **U.E. Zellenberg**, *Institutional Change in Austrian Economic Chambers*, in: **D. Sack** (ed.), *Chambers of Commerce in Europe*, Cham 2021, pp. 168–171.

⁴⁹ Interview with an Austrian commercial counselor and representative of the WKO. Own archive.

based on industry associations,⁵⁰ suggest a need for formalized representation quotas for different business sizes in the chambers. However, a review of Austrian law, chamber statutes, and electoral lists revealed no such provisions.

The concept of chambers of commerce in Hungary has been substantially redesigned several times since 1989, reflecting the socio-economic changes experienced by countries across Central and Eastern Europe. However, Hungary followed its own path in developing these chambers, with some of the changes determined by the unique political nature of the country. Currently, there are 23 regional chambers and one national chamber. Membership, which includes over 600,000 enterprises (as of 2019/2020), is formally voluntary, which is unusual for the continental model. However, since 2011, enterprises and business owners must be registered in their respective regional chambers. The registration-based system does not provide for formal parity for SMEs in the chambers' bodies. Any possible changes in group affiliation must be preceded by a significant reassessment of the chambers' place in Hungary's political and social systems.⁵¹

A crisis of identity and perception of chambers by business owners and politicians is occurring in countries where the continental model operates, such as Spain, France and Hungary. In these countries, discussions about possible and necessary changes to membership structures require in-depth and effective reflection on the role and operational methods of these organizations, as well as their relationships with various stakeholders. It is surprising that, apart from individual statutory exceptions, there are no general rules securing SME parity, even in countries where continental model chambers have a long history and maintain a strong position.

6. The sectoral model (public law)

Public law chambers of commerce do not need to be organized territorially. Essentially, they are a mandatory association of business owners established by law to carry out specific public tasks entrusted to them.⁵² Territorial organization

⁵⁰ **U.E. Zellenberg**, *Institutional Change in Austrian Economic Chambers...*, pp. 166–168; *2020 election results*, <https://ergebnispraesentation.wko.at/Wahl2020/Wahlergebnis>; accessed: 1.09.2024.

⁵¹ **P.K. Zachar**, *Institutional Changes to Chambers of Industry and Commerce in Hungary after the Transition of 1989/1990*, in: **D. Sack** (ed.), *Chambers of Commerce in Europe...*, pp. 144–145, 152–154.

⁵² **P. Marciniak**, *Sektorowy model samorządu gospodarczego...*, pp. 385–389.

is characteristic of local governments and was historically adapted in the 19th century as part of the continental model's organizational framework. Over time, it has become a generally accepted paradigm that public law chambers "must" be formed in this way.

The sectoral model focuses not on the territorial organization of structures typical of public administration but on the economic connections and specialization that are typical of business. This approach is not revolutionary; Trade and professional associations or guilds have existed in the economic landscape since ancient times. In the interwar period in Poland, there were separate chambers of industry, trade, crafts, hired labor, and agriculture.⁵³ Today, agricultural chambers and professional chambers are common in Europe. Interestingly, in countries where chambers generally operate under the private law model, we can sometimes find public law chambers dedicated to specific industries – for example, in Poland there is already mentioned Polish Chamber of Insurance.

A key observation in discussions about this model is that today's economy is undergoing dynamic changes, particularly in terms of specialization and globalization. This suggests that, at least in some countries, chambers should also consider the merits of specialization. The search for new model solutions may be justified when introducing a public law model instead of a private law one. In addition to expert competencies, sectoral chambers offer a much more effective platform for the broad decentralization of public tasks than the horizontally oriented chambers of the continental model.⁵⁴

The sectoral model eliminates the need to map industries within the governing bodies. This situation allows for greater flexibility in structuring member groups to ensure a balanced representation of all business-size classes and regions. This task is much simpler than in the previously described case of IHK Hamburg because there is no simultaneous need to ensure a balanced representation of industries.

The assignment of chambers to sectors means that the concept of member groups can focus solely on mapping the number of individual size classes of enterprises and their share in GDP. A schematic division of mandates for the general meeting, based on Polish data from 2010 to 2020, could be represented as follows:

⁵³ **K. Dąbrowski**, *Izby przemysłowo-handlowe Drugiej Rzeczypospolitej jako instytucje samorządu przemysłowo-handlowego. Ujęcie doktrynalne i konstytucyjne*, Lublin 2007, p. 307.

⁵⁴ **K. Dąbrowski, T. Dorożyński, P. Marciniak**, *The Justification of the Sectoral Model...*, pp. 53–75.

TABLE 1: *Example based on Polish data from the years 2011–2020*

Enterprise size class	Micro	Small	Medium	Large
Average size of companies	95.92%	3.04%	0.85%	0.19%
Share in GDP of enterprises	41.20%	11.68%	14.01%	33.10%
The average of both values	68.56%	7.36%	7.43%	16.65%

Source: own elaboration.

Analyzing economic problems in Europe and globally reveals growing tensions between business owners and increasingly authoritarian governments, whose socio-economic decisions are leading to an increasing number of protests. Observing the pressure and the way global corporations operate, it is evident that chambers, which should be supporting SMEs and citizens, are largely absent from these events. This absence was particularly noticeable during the “yellow vest” protests in France, as well as protests against lockdowns and opaque policies implemented under the pretext of COVID-19. Currently, we see demonstrations involving broad groups of business owners, farmers, and citizens opposing actions taken by the EU and national governments, which are being pushed through as part of the “Green Deal”.

Given this context, we must consider whether chambers of commerce should evolve into specialized centers of expert competence. They could actively comment on the activities of public institutions from the perspective of the market and business owners, providing an effective platform for decentralization and deregulation, supporting innovation, and securing the position of SMEs in public discourse. SMEs are not only important for economic development – providing jobs and paying taxes locally – but they are also deeply invested in legal and political stability and security.

7. A brief comparison of recommendations

With few exceptions, the review of statutory and statutory regulations indicates a lack of rules ensuring the representation of SMEs in the bodies of chambers, particularly regarding their number and share in GDP. In this context, it is not possible to summarize the solutions used. However, it is possible to compare possible recommendations for each model.

TABLE 2: *Recommendations regarding the rules of formal representation of SMEs in each of the models*

Model	Law (acts)	Statutes and internal regulations
Private law models	Chambers are established based on various regulations. Due to the horizontal consulting tasks processed, if there is a dedicated act defining the one-chamber principle in the region, consideration should be given to introducing a requirement for proportional and effective representation of all classes of enterprises relevant to the region.	Detailed regulations regarding the parity of seats should be included in the statutes, even in the absence of a dedicated law, provided that the chamber system is based on the one-chamber principle in the region.
Continental	Chambers are always established by public law. Given the varying nature of regional economies, national legislation should include a requirement to ensure the representation of all classes of enterprises and possible directions (like in the sectoral model below), leaving detailed regulations to the statutes of the chambers.	The rules for allocating seats in bodies for enterprises of various sizes should consider the specifics of the local economy. A possible example is the solutions adopted by IHK Hamburg, Germany.
Sectoral	Chambers are always established by public law. Due to differences between sectors, the law should define the rules for calculating parity, indicating how factors such as the number of enterprises and their share in GDP impact seat allocation.	The rules for allocating seats in bodies for enterprises of various sizes should consider the characteristics of the sector.

Source: own elaboration.

The above recommendations require detailed analysis in the context of the specific national ecosystem of chambers due to the diversity of solutions in operation and the various tasks carried out by the chambers and other business environment organizations.

8. Conclusions

The review of acts and statutory regulations in selected countries shows that, as a rule, there are no formal regulations ensuring parity in the representation of enterprise-size classes in the bodies of chambers. However, several examples of regulations were found in the statutes of individual chambers of both models, though they were not standardized in any country. Discussions with chamber members and researchers indicate that informal customs exist in some cases, but these practices are not codified.

In the dialogue between business and public administration, as well as legislators, a formally described, balanced representation of all industries and business size classes is undoubtedly important. However, the diversity of chambers means that this requirement carries different weights, and, in some cases, it is not even applicable.

Unquestionably, parity for SMEs should be established as a formal standard in all public law chambers. These chambers are legally obligated to represent all companies, so they are obliged to represent the broadest possible range of interests and needs. In the case of private law chambers, much depends on their number and competitiveness. If they operate under regional exclusivity and include a relatively large number of companies – or if membership is required due to their business activity (e.g., export or insurance) – then they should adhere to the same standards as public law chambers.

Conversely, when numerous competitive chambers are established by small groups of business owners to represent their interests, a natural specialization of chambers defined by the structure of their members emerges. In such cases, there are both regional and industry chambers that include companies of various sizes, as well as entities established by both large corporations and SMEs. Organizations of this type operate similarly to industry and professional associations in countries with continental-model chambers, but formally, they are chambers of commerce. It is worth noting that their existence does not exclude the presence of other well-known business environment organizations, such as employers' associations, business associations, *etc.* The specific characteristics of each country may vary.

It is also crucial to consider other important reasons for formally defining parity in seat distribution in the bodies of chambers between classes of enterprises, including within the private law group. Bennett notes that the specialization of chambers in the UK depends on the composition of their members. In those dominated by large enterprises, the emphasis is on lobbying, while in chambers

representing small companies, services for SMEs dominate. He adds that chambers with an increasing number of “the smallest firms and sole proprietors [...] introduce considerably more instability, as these members tend to be less stable as businesses and less loyal and committed as members.” He also states that it is much easier to achieve consensus with large companies than with small companies, which echo a very wide variety of political goals and views.⁵⁵

This observation is shared by Patrick Bernhagen, who cites research on US chambers. He adds that there are many cases in which they are unable to be successful or unwilling to act at all due to the diversity of membership, which includes large and small companies operating in many different industries. As a result, American chambers only deal with “business-wide issues such as health care costs, labor relations and wage negotiations or safety at work” because it was the only topic that did not antagonize their members.⁵⁶ In such situations, formal parity could help facilitate compromise and effectively balance the influence of companies of different sizes. This observation also merits further verification in the context of public law chambers. While they are generally much bigger, questions remain about their effectiveness in various countries in lobbying on niche issues specific to minority businesses, industries, or small businesses.

The discussion also raises the question of whether parity should be regulated by law or through statutes. The statutory level could be more appropriate, as it would better reflect significant regional differences, such as those related to industry, agriculture, or capital city regions. Ultimately, available solutions will depend on national legislation and the scope of statutory regulation.

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REPREZENTACJA MŚP W ORGANACH IZB GOSPODARCZYCH – PERSPEKTYWA MODELOWA

Abstrakt

Przedmiot badań: Przedmiotem badania jest analiza formalnej reprezentacji mikro, małych i średnich przedsiębiorstw w organach izb gospodarczych w ujęciu modelowym.

Cel badawczy: Izby gospodarcze zarządzane są przez swoje organy (zarząd, walne zgromadzenie i inne). Ich skład wyłaniany jest najczęściej przez członków w wyborach. Zwyczajowo odzwierciedlać powinien on strukturę zrzeszonych przedsiębiorstw – co najmniej w podziale branżowym i klas wielkości. Podział mandatów wpływa bowiem na działalność operacyjną organizacji – w tym na treść opracowywanych stanowisk w procesach konsultacyjnych i usługi świadczone przedsiębiorcom. Celem badania jest weryfikacja, czy w wybranych do analizy krajach (reprezentujących różne modele funkcjonowania izb gospodarczych) istnieją regulacje zabezpieczające formalną reprezentację MŚP w organach izb. A jeśli istnieją, to jaką przybierają formę. Oprócz ustalenia stanu faktycznego przeanalizowana zostanie celowość i możliwy sposób uregulowania parytetu MŚP w kilku scenariuszach modelowych.

Metoda badawcza: W opracowaniu dokonano analizy statutów izb gospodarczych w wybranych krajach oraz przeglądu literatury socjologicznej, ekonomicznej i prawniczej. Wykorzystano metodę dedukcji i krytyczną analizę wybranych aktów prawnych.

Wyniki: Wyniki badań wskazują, że istnieją tylko nieliczne przypadki występowania regulacji gwarantujących reprezentację MŚP w organach izb. Równocześnie możliwe zasady reprezentacji poszczególnych klas wielkości przedsiębiorstw w organach i grupach zadaniowych izb gospodarczych są w rzeczywistości ściśle związane z obowiązującym w danym państwie modelem funkcjonowania tych organizacji. W prywatnoprawnym modelu anglosaskim główna rola pozostaje najczęściej po stronie przedsiębiorców, którzy dobrowolnie decydują o przystąpieniu i udziale w pracach wybranych organizacji. Wyjątek od tej zasady wskazać należy w tych państwach, w których z powodów formalnych lub zwyczajowych obowiązuje zasada funkcjonowania tylko jednej izby w danym regionie, co wyklucza swobodny wybór organizacji. W przypadku publicznoprawnego modelu kontynentalnego, w którym członkostwo przedsiębiorstw w izbach jest powszechne z mocy prawa, przeanalizowane regulacje koncentrują się przede wszystkim na odwzorowaniu w organach struktury dominujących w danym regionie branż. Największe możliwości równoważenia reprezentacji branż i klas wielkości przedsiębiorstw oferują założenia modelu sektorowego.

Słowa kluczowe: izby gospodarcze, reprezentatywność, grupy członkowskie, reprezentacja MŚP, organizacje biznesowe.