

The State of Public Affairs 2011

Results of a survey of public affairs practitioners

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Who are we?

- A leading European provider of market and opinion research
 - Fully bespoke qualitative and quantitative research
 - Reputation benchmarking research
 - Omnibus surveys of legislators including MEPs
 - Qualitative surveys of “Brussels influencers”
 - Public opinion polling throughout the EU

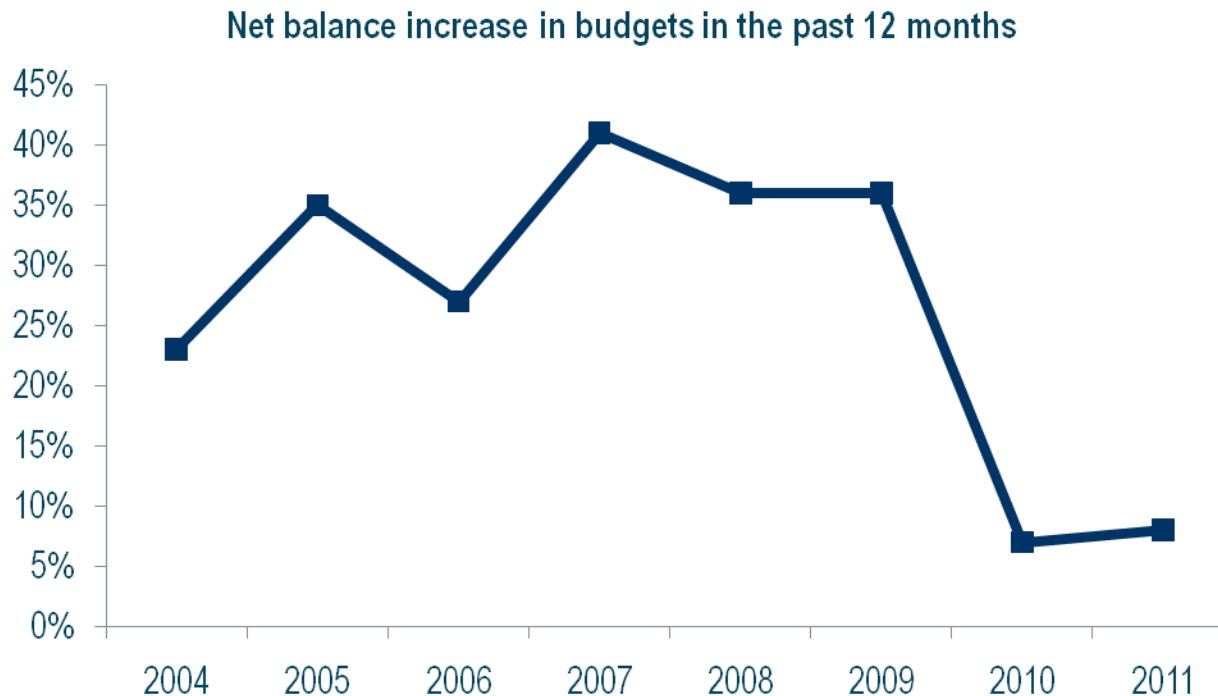
- Clients include public sector organisations, national governments, supranational organisations (NATO), public affairs agencies & their clients, international corporations (Pfizer, RBS, Starbucks, Coca-Cola) and broadcasters (BBC, ITV News, CNN)

About the survey of EU public affairs practitioners

- Online survey conducted during February 2011
- Three main areas of the survey
 - Overview of the industry
 - Assessment of EU institutions
 - Looking beyond the EU
- 148 practitioners have taken part, of which
 - Almost half (49%) have more 10 years' experience working in PA
 - 67% do not belong to any PA bodies/associations
- Broad sample
 - 27% consultants
 - 23% industry and trade associations
 - 20% corporations
 - 10% NGOs

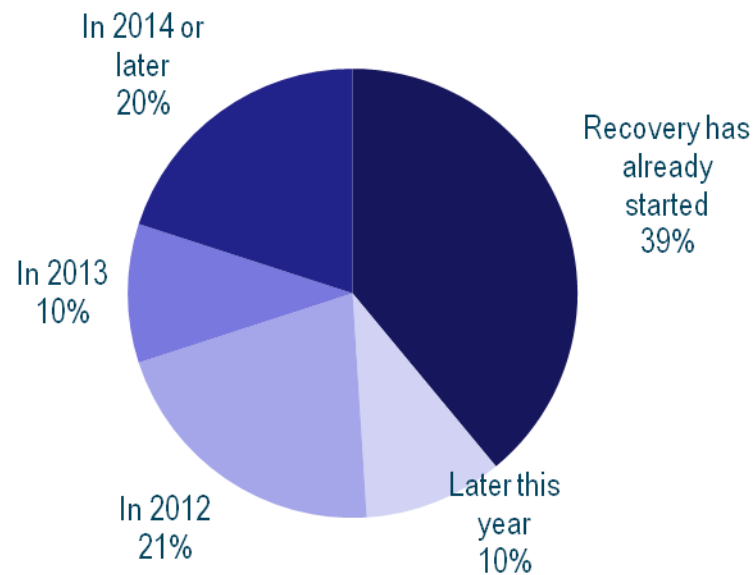
Overview of the industry

After the sharp decline in PA spending in 2009 the sector seems to be starting to recover slowly



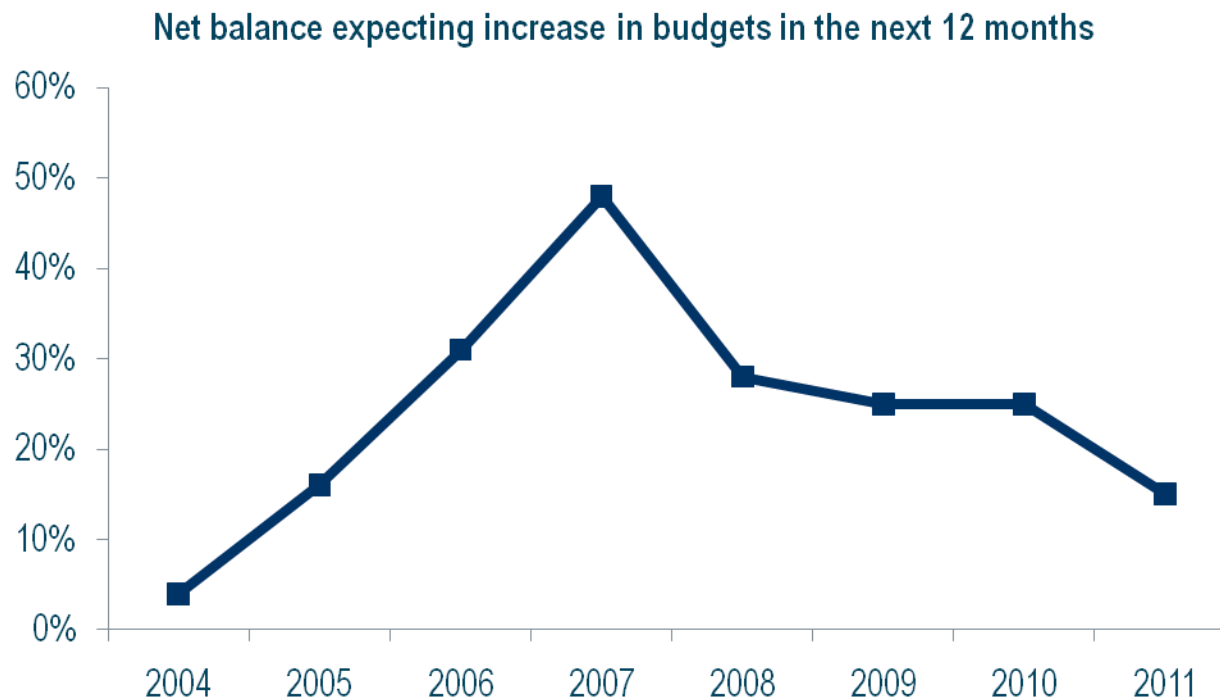
Overall, there is a level of optimism among the respondents – majority believe that recovery has already started

When do you anticipate economic recovery being felt by your organisation?



However, practitioners remain cautious with modest budget increase expectations

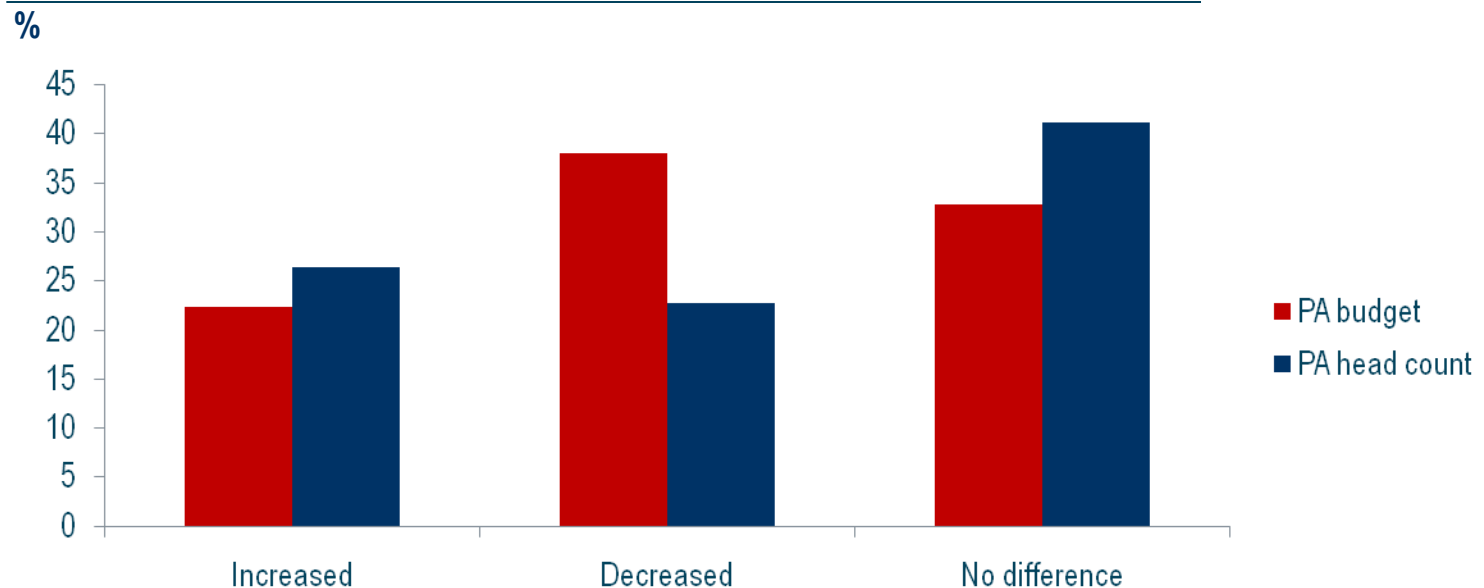
Half of respondents expect their PA budgets to stay the same



More than a half maintained or increased their PA budgets while 38% of practitioners observed a decrease in their budgets as a result of the recession

Headcount has not been as affected with almost a half of practitioners reporting no difference and 26% reporting it has increased a little/a lot

Effects of the recession



Response of PA agencies to the recession

Activities abandoned

Participation in other organisations

Decline in
advertising/marketing/campaign
spending

Reduction in sponsorship

Reduced participation and exhibiting
at events

Activities started

Shift to PA activities relating to
financial regulation

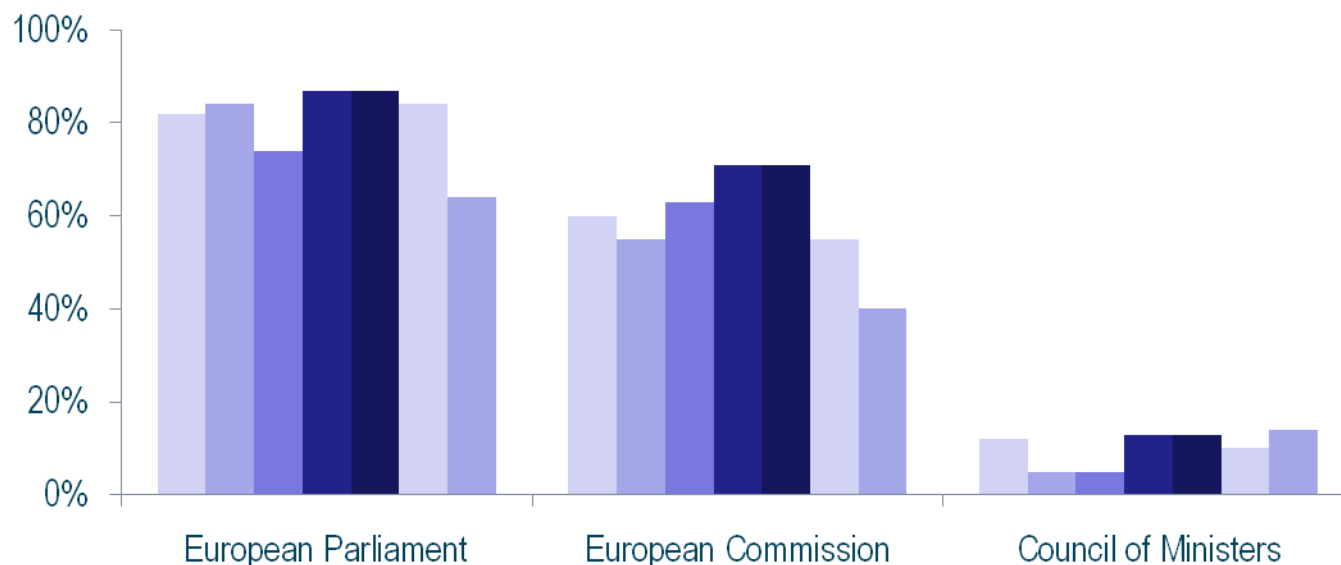
More targeted one-to-one
networking/PA campaigning

Extended lobbying activity

Perceptions of EU institutions

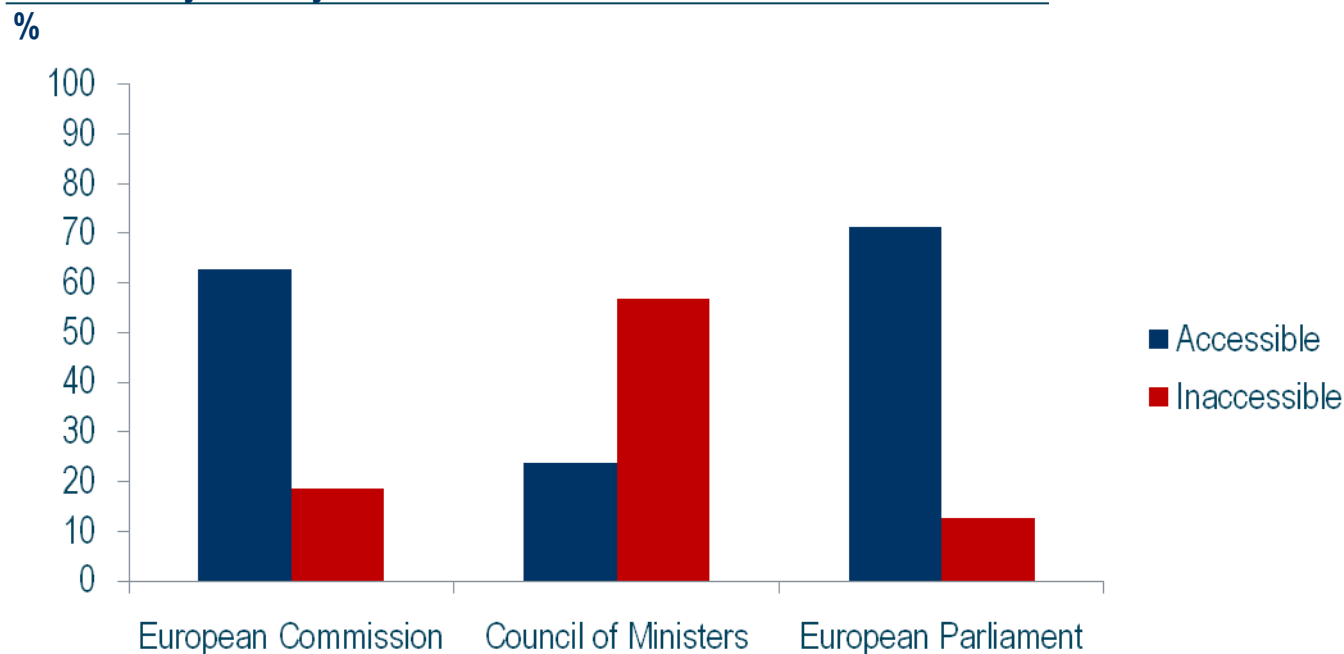
Council is continuously viewed as secretive and obscure with only 14% considering it very/fairly transparent, while Parliament is seen as highly transparent in its decision-making (64%)

General levels of transparency in decision-making (very/fairly transparent)
2005 - 2011



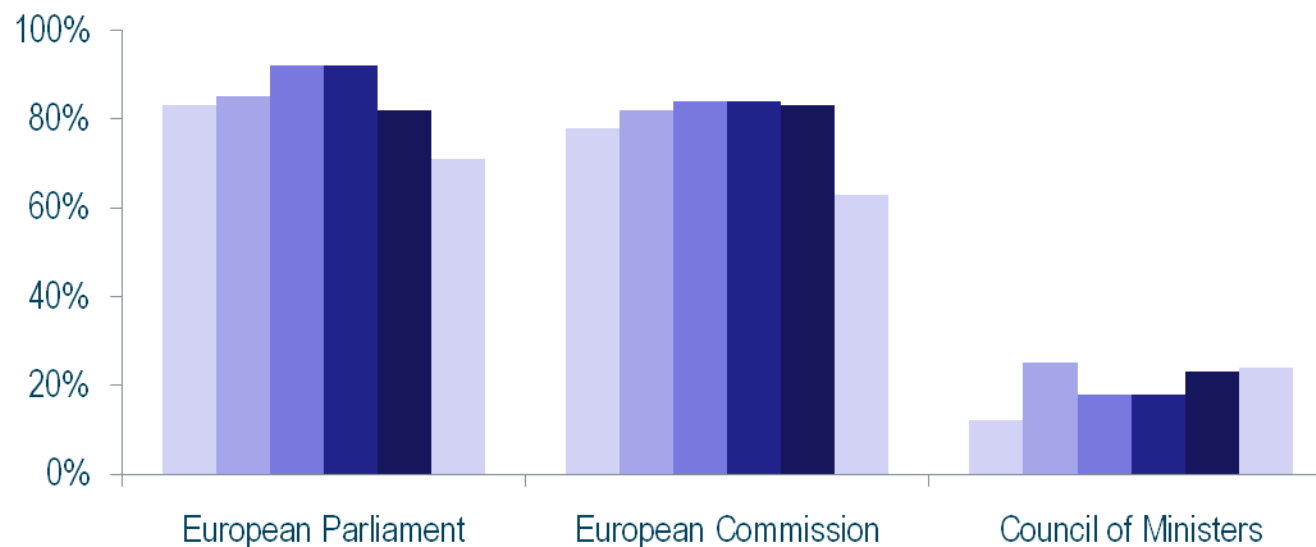
Similarly, the Council is also seen largely inaccessible to lobbyists compared to the very open Parliament (71% rating it fairly or very accessible) and Commission (63%)

Accessibility to lobbyists



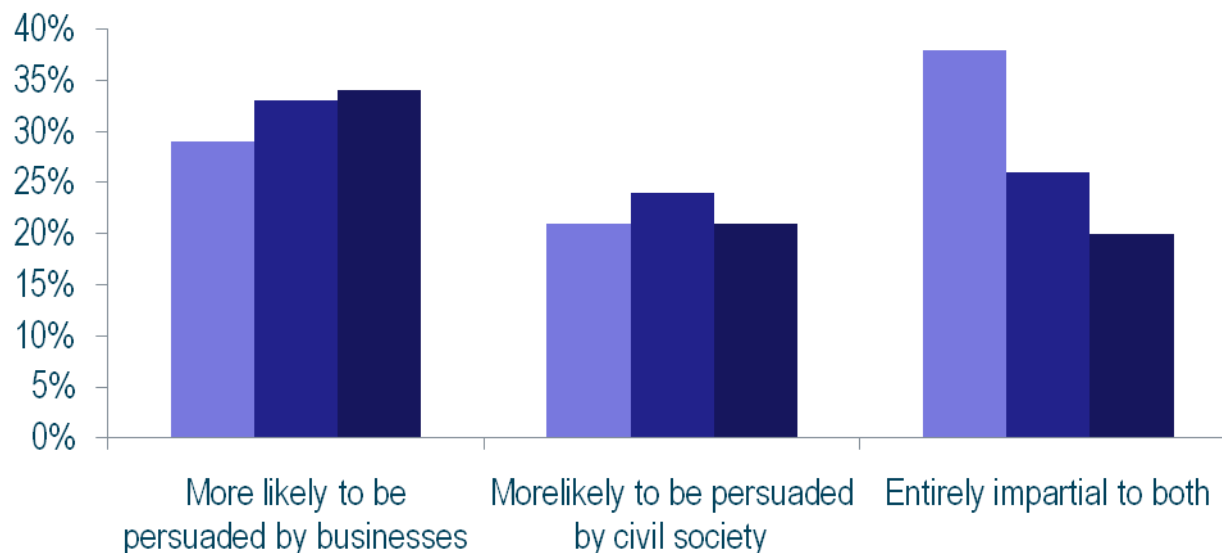
This is a long-term trend where Parliament tops the charts followed closely by the Commission and the Council remaining on the other end of perceptions of accessibility

Accessibility to lobbyists (very/fairly accessible)
2006 - 2011



Compared to the other institutions, Commission is viewed as fairly balanced in its treatment of businesses and civil society – however a decline in the perception of its objectivity/neutrality can be seen

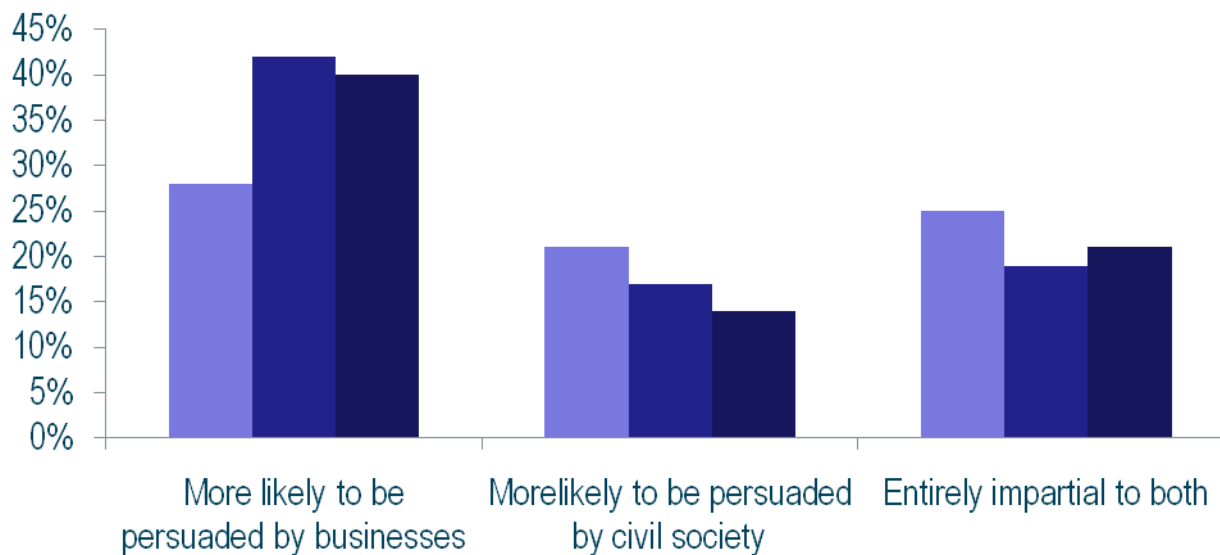
Which of these is the Commission more likely to be persuaded by?
2009 - 2011



Council is increasing viewed as biased in favour of business at the expense of civil society

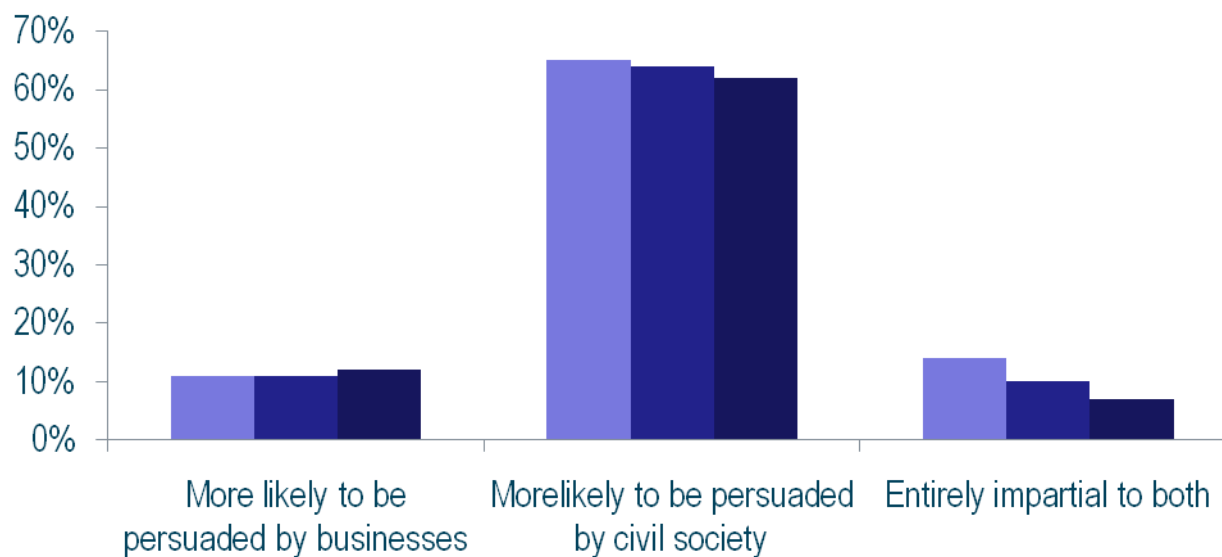
Which of these is the Council more likely to be persuaded by?

2009 - 2011



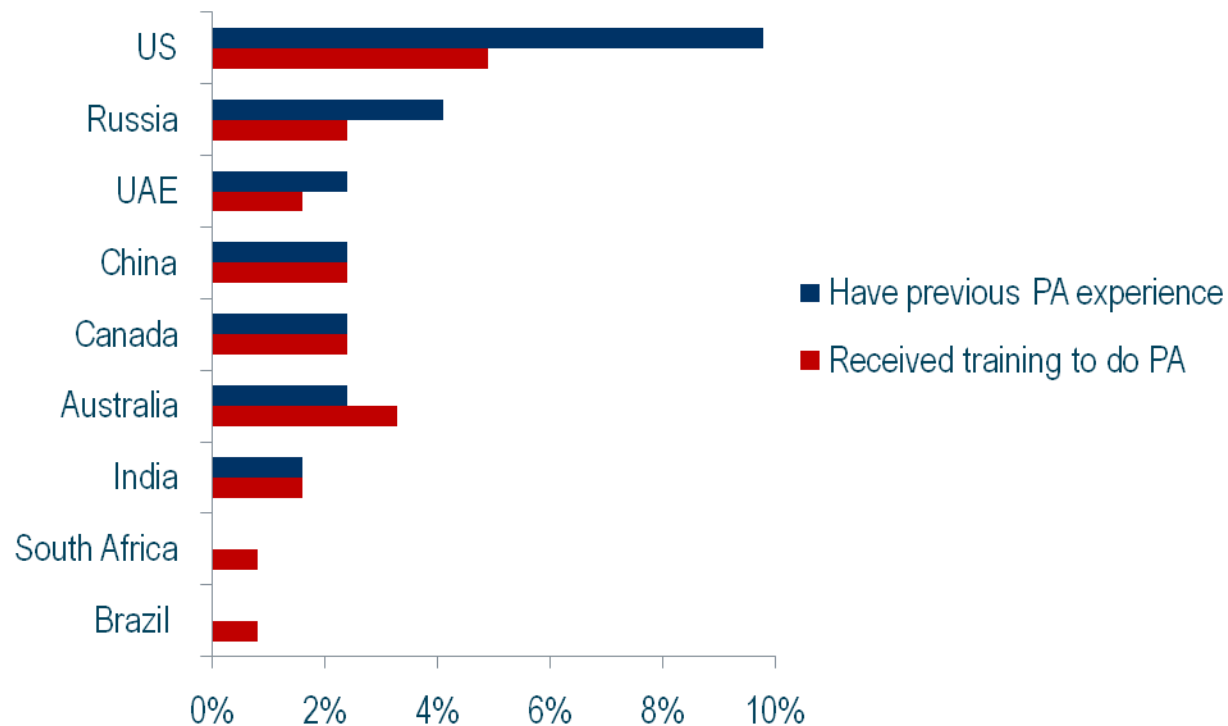
Parliament is continuously viewed as extremely biased in favour of civil society

Which of these is the Parliament more likely to be persuaded by?
2009 - 2011

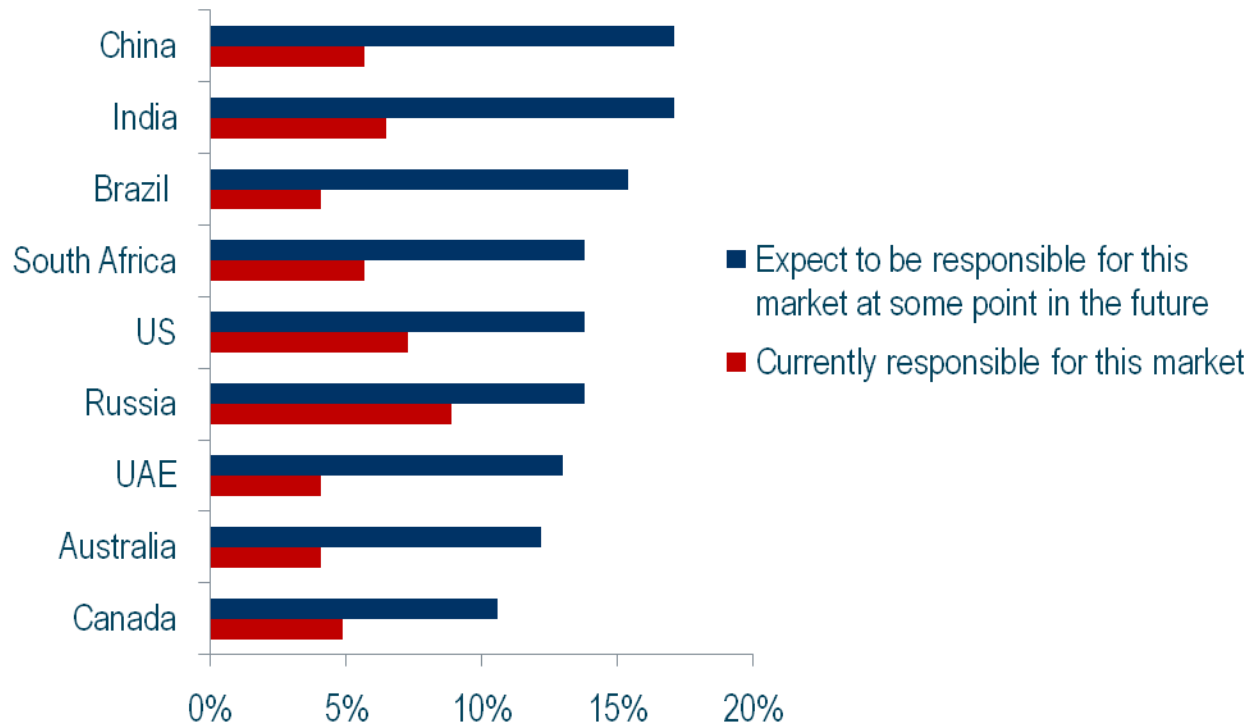


Looking beyond the EU

Looking outside public affairs in the EU practitioners are most knowledgeable of the PA practice in the US, Russia, Australia and UAE ...



... yet China, India and Brazil already are within the practitioners' remit or are expected to grow in importance



Conclusions

- The industry seems to have resisted the worst effects of the recession and remains optimistic about the future
- Average net budgets keep slowly increasing
- Perceptions of the Council remain constant - it is perceived as an non-transparent and inaccessible institution by vast majority
- Over the last three years there are indications of a decline in the perception of both Commission and Parliament as neutral in their treatment of business/civil society as well as transparency of their decision-making
- Discrepancy can be seen between training/practical experience in non-EU markets and the remit of PA practitioners at the moment and in the future



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