

Europeanization of Interest Intermediation (EUROLOB II): A research initiative

Beate Kohler-Koch and Christine Quittkat

(1) Abstract

The research project EUROLOB II investigates if and how national and European business interest associations (BIAs) respond with modified strategies of interest intermediation to the new competitive situation caused by enlargement (reduced “ear-time”) and the new consultation regime of the Commission, which institutionalised the principle of “participatory governance” and new procedures promoting the access of European NGOs. The research will be based on the replication of an earlier survey (EUROLOB I, 1999), addressed to BIAs in Germany, Great Britain, France and the EU. For comparative reasons it will be extended to BIAs in Poland and to European level general interest associations. The quantitative analysis will be supplemented with a series of interviews.

(2) Research question

In the context of a broader research programme on “Interest Intermediation in the European Union” at the MZES we conducted between June 1998 and March 1999 a comprehensive survey on “European strategies of interest intermediation” (EUROLOB) of trade associations in Germany, the United Kingdom, France, and at the European level. Trade associations were asked about their relationship with European and national political institutions and other organisations, the objective of the research being twofold: to give an empirical account of the differences and similarities between organisational patterns and strategies of national and European trade associations, and to explain in theoretical terms the existing convergences or continuing discrepancies after forty years of European integration.

We want to replicate this first survey and generate data which allow, by comparison, an even more solid assessment of path-dependency or – as it may turn out – the impact of a changed environment on the adaptation of business associations in terms of organisation and choice of strategy. Though the focus of our research is on the adaptive behaviour of interest groups, we will also investigate their perception concerning the major changes in the EU system of interest intermediation.

Our main findings from the first survey can be summarised as follows:

1. The logic of influence is paramount and explains to a large degree the choice of lobby strategies and the mode and depth of organisational adaptation:
 - a. National business associations all pursue a two way strategy addressing both the national relevant actors and EU institutions.
 - b. The preferred point of access at the EU level is the responsible GD of the Commission and there is no substitute – in the assessment of associations – to the direct and regular bilateral relations to exert influence.
 - c. With respect to the policy-cycle not the phase of agenda-setting but the early phase of policy formulation is the time to become active.
2. Success in terms of getting access and to be heard is a matter of material resources and administrative capacities:
 - a. Apart from available funds, access is a matter of the professional administration which an association has accumulated over the years.
 - b. When salient interests are at stake, the capacity of an organisation to mobilised ad hoc support is decisive.

- c. The command of administrative resources is not directly correlated with the resources of the respective economic sector.
3. The level of Europeanisation of national business associations in terms of organisational and strategic adaptation differs:
- a. Difference does not correlate with the length of membership or with economic sectors.
 - b. Traditional state-society relations make all the difference; the national comparison revealed that French business associations were “the odd man out” in terms of organisational adaptation and, above all, access strategies.

The first survey underscored the relevance of the conceptual approach suggested by Schmitter and Streeck (1999) concerning the “logic of influence” and the “logic of membership”.¹ Along this line of reasoning we have taken a close look at the changes which have occurred with respect to the two logics. The relevant literature and our own research support the hypothesis that the logic of membership has been less affected than the logic of influence. We assume that three developments in the last decade have changed the European interest intermediation and, consequently, have an impact on interest group behaviour: the enlargement of the EU, institutional reforms and new approaches to governance.

(1) *Enlargement*: The widening of the EU from 15 to 25 member countries in 2004 and to 27 member countries in 2007 and with it the inclusion of countries with a weak tradition of independent economic interest association may have an effect both for the EU umbrellas and the direct lobbying of national associations at EU level.

- i. With the enlargement of the EU “ear-time” for all actors has become scarce and makes it mandatory to look for efficient access strategies such as alliance building and outsourcing to professional public affairs consultants.
- ii. Since EU lobbying is becoming ever more professionalized, interest groups from new member states may find it even more difficult to present their interests directly in EU consultations and thus will put more emphasize on supranational interest representation. It has to be seen how the EU associations meet the challenge to ‘speak with one voice’ in face of growing membership numbers and increased heterogeneity.
- iii. EU level associations have - certainly in different degrees - experienced an ‘upgrading’ just because they are in greater demand from member associations but also because EU institutions, for the sake of reducing transaction costs, prefer to deal with associations which can present an aggregate view. It has to be explored how ‘old’ member associations respond to this upgrading.

(2) *Institutional reforms*: The further increase of decision making by majority in the Council and increasing competence of the EP through the co-decision procedure since the Treaty of Nice (2001) have altered the institutional constraints and opportunities of interest intermediation.

- i. In all fields where majority rule has been introduced we expect a stronger emphasise on approaching the EU directly.

¹ These concepts respectively refer to the institutional structures and prevailing processes within the relevant political arena, to which associations need to adapt if they want to represent their members’ interests successfully (Traxler 1995), and the need for these organisations to respond to membership demand in order to avoid the loss of members and necessary resources (Waarden 1995).

- ii. Also the upgrading of the EP should be visible in lobbying strategies. We expect that in general and not just in cases of co-decision making higher attention will be paid to the EP and that the key players will be targeted more frequently.
 - iii. The proliferation of expert groups, comitology committees and agencies has increased access points. It has to be seen whether or not the emergence of an ‘administrative space’ is also reflected in interest group behaviour.
- (3) *Governance*: The White Paper on European Governance (Commission 2001) and subsequent activities have set off a turn to “good governance”.
- i. The turn to new modes of governance, above all the Open Method of Coordination (OMC), went together with a commitment to strengthen ‘public-private partnerships’. It is an empirical question to what extent interest associations are involved and prefer this soft way of coordination to EU law making.
 - ii. In the last decade the Commission has developed a new consultation regime. It is tuned to the principles of openness, participation, and accountability and has amplified EU-society relations and, above all, has expanded consultations to civil society and gave citizens the opportunity of voicing their views directly on new policy agendas. This has brought about a qualitative change in the competitive environment of business interest representation. The hypothesis is that BIAs pay more attention to their public performance when they are regularly faced with NGO competition and take care to argue their point in public.
 - iii. The Commission’s consultation regime has lowered the threshold of access by introducing new instruments and by institutionalising more transparency. So far we only have scattered evidence that it has produced “consultation fatigue” (Fazi/Smith 2006). It is an empirical question whether or not and if so, to what extent, it has affected the lobby strategies of business associations.
 - iv. EU institutions increasingly pay tribute to the ethical turn in economic governance and advocate a more active engagement of business and business associations in co- and self-regulation. It is worthwhile to investigate how interest associations use these new windows of opportunity and if they develop new patterns of collaboration to meet initiatives such as ‘Social Corporate Responsibility’.

The EUROLOB II project’s objective is to investigate if and how the present system of interest intermediation affects the organisational patterns and strategies of national and European trade associations as compared to ten years ago. In addition, we will use the questionnaire and interviews to explore how business associations assess the change in their lobbying environment. Above all we are interested if BIAs perceive the proclamation of “participatory democracy” and the propagation of concepts like “Corporate Social Responsibility (CSR)” and “Corporate Citizenship” as changing the conditions of interest representation for economic interest groups.

Though in our past project the “logic of influence” turned out to be prevalent and “the logic of membership” did not make any discernable difference, we will again test the impact of membership properties. The most relevant variables are the competitive situation within a business sector (company turn over) and power differentials (oligopolistic or not) within a given market.

We also want to probe again the relevance of the established context conditions in national systems of interest intermediation. We have some scattered evidence that the “cultural factor”, which was so relevant for explaining the different approach to European interest intermediation by French trade associations ten years ago, is not any longer valid in the case of France. Whether it is relevant in the case of the new member states is an empirical question. In view of the missing tradition of interest intermediation we may expect diversity. But keeping in mind the intense efforts to bring also the societal actors closer to the EU during the accession period, including “twinning” programmes between trade associations, we may as well expect a high degree of Europeanization.

Consequently, in addition to the replication of our 1999 survey – with a slightly adapted online questionnaire –, we want to enlarge our study in two directions. First we intend to include Polish business interest associations (BIAs). A comparison with BIAs from the accession countries would be a good test case for the relevance of our variables. Among the new member states Poland is the only case which comes closest to the old members in our survey in terms of country size and level of economic development. In addition, we aim at enlarging the survey to European (level) general interest associations (GIAs). In order to draw a clear line between BIAs and GIAs without getting involved in the debate on what constitutes a “general interest association” and which associations belong to this category, we will adhere to the membership criteria of the Civil Society Contact Group which are, at least implicitly, acknowledged by EU institutions.

(3) The state of research

Research on European interest representation and lobbying has not lost dynamic since the first EUROLOB project. On the contrary, many questions are still on the research agenda and others were added, as is also reflected in the programme of this year’s (2009) EUSA-conference, which has two sections on interest groups (section 5F and section 9E). However, the research landscape is still dominated by case studies rather than “large N” research and confirmatory theory testing, as is documented by the edited volume by Eising and Kohler-Koch (2005) and pointed out in the three latest literature reviews on European interest groups research (Bayers/Eising/Maloney 2008; Eising 2008; Coen 2007).²

With regard to the new accession countries and especially Poland, contemporary research offers first insights regarding the consequences of EU-enlargement on the European interest intermediation system (Blavoukos/Pagoulatos 2008) and on the Europeanization of interest representatives from new EU-member countries, but here again we find more or less exclusively case studies and research often focuses on other interest groups than BIA (for example Kuszniir/Pleines 2008 on trade unions, Gasiór-Niemiec 2007 on civil society and new modes of governance in Poland; Sissenich 2008 on a social policy network between the European Union and Poland and Hungary prior to accession).

Research on European interest intermediation, of course, is much wider, and many existing case studies feed well into our EUROLOB II project. We find, for example, a number of new and relevant case studies on specific aspects of strategy selection of BIAs, comparing lobbying versus litigation (Bouwen/McCown 2007), analysing resource dependencies (Beyers/Kerremans 2007) and networking (Mahoney 2007, Suvarierol 2009), all of which can be tested by the EUROLOB questionnaire for large N (see appendix for the original questionnaire).

There also exists panoply of case studies on the EU and non-governmental organisations (NGOs)/general interest groups (GIAs) or European civil society organisations. Here, two

² The few large N studies draw on data from the turn of the century or the early 2000s.

clusters of research can be distinguished: One strand analyses interest intermediation strategies of GIAs, often focusing on organisations in a specific policy field. For example the avenues to influence EU law-making process used by non-governmental organisations working in the sector of social policy are considered by Butler (2008), whose starting point is the Commission's transparency initiative. Studies on environmental groups include the analysis by Poloni-Staudinger (2008 EUP) on domestic opportunity structures and supranational activities of environmental non-governmental organizations, concentrating on our original countries of comparison UK, France, Germany as well as the study by van der Heijden (2006) on multi-level strategies of environmentalism. Gender is covered by Roth's (2007) analysis on the impact of EU accession on women's NGOs in Central and Eastern Europe, and the study by Agustin (2008) on civil society participation in EU gender policy-making.

The other strand is less oriented towards interest intermediation but concentrates more on civil society involvement in European policy formulation and/or the relationship between democracy and civil society involvement from a normative perspective. In our own DemoCiv project (MZES), focussing on the Commission's new consultation regime (Kohler-Koch/Finke 2007, Kohler-Koch 2008) and the involvement of organised civil society, we came to mixed results. In the case of online consultation participation we can observe that each policy activity mobilises its own characteristic 'community' and next to the large group of business representatives, the Commission has managed to attract a wide spectrum of different actors and the composition of policy communities is marked by the presence of competing issue association groups, i.e. the spectrum of actors offering input to the Commission has widened considerably (Hüller 2008; Quittkat 2008; Quittkat/Finke 2008). However, concerns about the impact of asymmetries of power between different interest groups can not be rebutted, as we find traditional and well-known patterns of EU consultations participation, characterised by the dominance of older EU member countries, especially of the economic "big players" Germany, Great Britain and France, by the over-representation of associations - relative to the population - from northern EU-member countries and, most importantly, by a very large share of business interest representatives (Quittkat 2009). In addition, Greer, Massard da Fonseca and Adolph (2008 EUP) prove in their analysis of the health sector that inequalities between interest groups on member-state level are replicated on EU-level. Indeed, observers increasingly question a gain in the European Union's democratic quality through the involvement of civil society organisations (Kohler-Koch 2007). In her literature review "Interest Groups and Democracy in the European Union" Saurugger (2008) for instance concludes that the elite characteristics of interest groups and civil society organizations, also pointed out by Greenwood (2007) in his review article "Organized Civil Society and Democratic Legitimacy in the European Union", challenges their capacity to increase democratic legitimacy, which is also supported by our own research (Kohler-Koch 2009, Altides/Kohler-Koch 2009, Kohler-Koch/Quittkat/Buth 2008).

Further, we find some research on changing conditions for interest intermediation strategies. A rather specific focus is chosen by Albareda, Lozano and Ysa (2007) who analyse the CSR public policies in the EU-15 countries, underlining how the CSR issue has changed governments' capacity to act and impact on social and environmental issues in their relationship with companies by incorporating multi-stakeholder strategies, a development also reflected at the EU level (Quittkat/Finke 2008). A wider perspective is taken by Mahoney (2004) in one of the few large N-studies; she investigates the ways in which government activity, or demand-side forces, influence interest mobilization and formal inclusion in the policy-making process in the European Union. Drawing on an original dataset of nearly 700 civil society groups active in the European Union, she provides empirical evidence of three routes by which the EU institutions influence interest group activity: (1) direct interest group subsidy; (2) manipulation of the establishment and composition of formal arenas of political

debate; and (3) broader, system-wide expansion of competencies and selective development of chosen policy areas. A study which fits best into the last category is Naurin's (2007) analysis on how a change in the degree of transparency and publicity affects the actions of business lobbyists, comparing their 'backstage' and 'frontstage' strategies.

All these studies either offer important details regarding changed conditions of action or give deep though selective insights in interest strategies at EU level. Yet, as we mostly find case studies, the replication and expansion of the EUROLOB survey from 1998/99 offers the unique chance of a diachronic comparison and the analysis of changes over time based on a large N study. In addition, by comparing EU-level BIAs and EU-level GIAs we bridge the gap in the present literature which is either dealing with one or the other kind of interest groups. However, we ought to mention that we do not aim at measuring influence which is a new strand in EU interest group research (Dür 2008; Klüver forthcoming). We refrain from such an ambitious endeavour because our methodology would not be appropriate and because we have reservations as to the feasibility of such an undertaking.

(4) Research strategy

The main research instrument will be the replication of the survey addressed to business interest associations in Germany, Great Britain and France as well as to EU level BIAs; slight revisions of the questionnaire will take account of changed context conditions.

As mentioned above, new target groups will be included: BIAs from Poland and European level general interest associations.

The survey data will be complimented by a series of interviews, above all with representatives from EU organisations of business interests and public/general interests, but also with representatives of the EU Commission and selected members of the European Parliament.

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