Change and continuity in the composition of the lobby community in the European Union: lobby explosion and lobby tourism?

Berkhout, J.

Publication date
2015

Document Version
Submitted manuscript

Published in
Lobbying the European Union: changing minds, changing times

Citation for published version (APA):
Change and continuity in the composition of the lobby community in the European Union: Lobby explosion and lobby tourism?
Joost Berkhout

Has there been an ‘explosion’ of lobbyists in the European Union? Is the average EU lobbyist a temporary ‘tourist’ or a permanent resident? Why do we find a large number of interest representatives in some economic sectors and only a few in others? These are essential questions relating to the population of interest organisations in the European Union.

Why study the numbers and types of organizations that seek to influence public policy? First, the interests represented through the system of interest groups never precisely matches the universe of preferences and interests of citizens or society more broadly (Lowery & Gray 2004). There is always ‘bias’ and that bias favors some interests over others. The most commonly cited, but not exclusive concern, is about an ‘upperclass’ or ‘business’ bias (e.g. Schattschneider 1960). In particular, the challenges of collective action predict that the groups most likely to be represented will have concentrated economic interests (Olson 1965) or intensely held beliefs (Oliver 1993). Low diversity in the types of organisations lobbying is commonly taken as an indicator for such bias.

Second, some scholars, most notably Olson (1982), point out that, once organized, interest groups exist perpetually and tend to successfully defend their narrow interests in specific existing policies, at the cost of public interests. Such defenders of status-quo policies make it very difficult to adapt policies to changing circumstances, and through policy inertia potentially produce economic decline. Large and growing numbers of interest organizations may be indicators of such problems.

The European Union (EU) is not immune to these concerns: recurring protests against the EU ‘lobby community’ testify of concern about bias or lack of representativeness, and complaints on the part of policy makers about an overly crowded lobby community point to concern about policy deadlock or inefficiency.

One probably cannot provide conclusive resolutions to these concerns. However, empirical research into the numbers and types of lobbyists active in Brussels helps to specify and, when applicable, nuance such concerns. This chapter, first, describes the development of the European Union interest group population since the early 1990s. Then it assesses the more recent short-term ‘volatility’ (entry and exit) of the European Union population more recently. Finally it seeks to provide several explanations for differences in the numbers of interest organizations per economic sector. These are sometimes direct restatements of arguments and findings I published elsewhere (Berkhout & Lowery 2008, Berkhout 2009, Berkhout & Lowery 2010, Berkhout & Lowery 2011, Berkhout et al. 2015, Berkhout forthcoming).

Tradition of studies on the contours of the EU lobby system

Compared to lobbying in national capitals, the lobbying community of the European Union is

More generally, over the past decade, there has been an increase in research attention to lobbying in the European Union (Beyers, Eising & Maloney 2008, Coen & Richardson 2009, Dür & De Bièvre 2007). A substantial proportion of this research deals with research questions about interest group strategies, and to a lesser extent, policy influence. Among others, these are questions about the relative importance of ‘voice’ and ‘access’ strategies, and the choice for ‘national’ versus ‘European’ channels of influence (Beyers 2004, Beyers & Kerremans 2007, Bouwen 2004, Eising 2007, Pappi & Henning 1999). As part of this increase in large-n research attention to EU interest representation, several studies address the numbers and types of interest organizations in the EU (Broscheid & Coen 2007, Messer, Berkhout & Lowery 2010, Wonka et al. 2010). Within this work there are distinct foci on data issues, population description and the assessment of explanatory frameworks.

**Counting interest organizations in the EU**

Berkhout and Lowery (2008) note the major data challenges involved in the construction of a relevant census of active interest organizations that covers multiple EU venues and that is consistent over time. They point to the substantial differences between, among other data sources, the register of lobbyists accredited to the European Parliament, the ‘official list’ of the European Commission and the European Public Affairs Directory published by Landmarks (currently Dod’s). This makes especially the survey research mentioned above based on the umbrella-group-oriented, official or CONECCS register very vulnerable to selection bias. Wonka et al. (2010) address this issue by combining a snapshot of different data sources (the register of the European Parliament, the Public Affairs register and CONECCS) and make them publicly available for the research community.

The inconsistency among data sources may be somewhat alleviated as the European Commission and the European Parliament have, as part of the ‘European Transparency Initiative’, initiated a joint voluntary register of lobbyists. This fully downloadable Register of Interest Representatives provides new research opportunities but requires cleaning and reclassification before it may be used for specific studies (Greenwood & Dreger 2013). When one accounts for this, this means that there are currently several ways to produce general counts of interest organizations in the EU. However, all of these data sources provide snapshots in time, whereas some of the most
interesting research questions require time-series. The data issues are not unique to the EU and the lack of overlap among sub-populations points at the importance of mixing or careful selective sampling of organizations.

Long-term change: Lobby Explosion?

As regards the descriptive work, Berkhout and Lowery (2010, 2011) provide both a long-term as a medium-term analysis. As regards the longer term, first, they show that there has not been a recent ‘explosion’ of lobbyists in Brussels. The aggregate, snapshot number of interest associations, i.e. not counting non-membership organisations, in the EU grows from around 800 in the early nineties to around 1200 in the mid-nineties (Berkhout & Lowery 2010 454). That number stays more or less constant from then onwards. The key growth in the number of interest associations seems to have occurred in the early Nineties rather than recently. This finding nuances the Olsonian argument mentioned in the introduction about an ‘indeterminate growth’ of self-serving interest representation potentially deadlocking the policy process.

Commonly, such aggregate numbers increase when polities expand in terms of policy competence or scope. The substantial differentiation of policies the EU and its eastern enlargement does not seem to have had such an effect on the EU interest system. The tentative interpretation of this is that the broadening of the policy-scope of the EU, firstly, is mainly manifested in the type of interests represented by the interest groups (diversity) rather than in aggregate numbers, and that, secondly, the Eastern enlargement primarily led EU umbrella groups to accept ‘new’ members rather than produced the establishment of new EU-level groups (e.g. Berkhout & Poppelaars 2009). For instance, the proportion of EU umbrella groups with Polish membership increased from 46 per cent to 59 per cent between 2002 and 2009 (e.g. Berkhout & Poppelaars 2009 38, Eising 2009 76). Others have pointed to the relatively ‘weak’ development of civil society in several Eastern European countries to explain their relative minor presence in EU lobbying.

Second, their findings indicate that there is a long-term change in the types of organisations lobbying the EU. There has been an increase in the numbers of non-business interest associations and non-membership organisations such as regional governments. Figure 1 presents the aggregate number of both membership and non-membership organisations recorded in the European Public Affairs Directory in 1996 and 2007. The number of non-business interest associations grew about 60 per cent from 288 to 466. Since the mid-Nineties, the diversity of interests represented increased with a notable larger share of ‘public’ interests present. The number of National and European business associations stayed constant at around 1100 over that time period. But note that some 100 national associations seem to replace European associations. Non-membership organisations with lobby presence in Brussels have increased in number (from 829 to 975), especially those that do not represent individual businesses. That is, think tanks (from 13 to 110), regional representations (from
106 to 189) and international organisations (85 to 117) have all seen a substantial increase in their numbers. Each remains a minor category compared to the others. Business interest representatives still easily outnumber the others (1660 out of 2550, 65 per cent in 2007). However, it seems that broadening of EU competences into non-market regulation areas such as anti-terrorism seems to have attracted a broader range of interest organizations rather than a larger number.

**Short-term dynamics: Lobby tourism?**

Berkhout and Lowery (2011) examine the shorter-term turn-over in the EU interest group population. They use both the EP register and the EC CONECCS list and show that there are substantial turn-over rates in both of them (Berkhout & Lowery 2011 7-8). The number of interest organizations accredited to the European Parliament (EP) has been constant at about 1500 organizations over the past decade or so (confirming the abovementioned finding of long-term stability). Only around thirty per cent maintains their registration at the EP for the full 2003-2009 time period studied. The other seventy per cent is registered for shorter time-periods, with about half the organizations staying shorter than two years.

![Figure 2&3 about here](image)

Analysis based on the new INTEREURO dataset (e.g. Berkhout et al. 2015) confirm this pattern. The administrators of the EP provided us with an anonymous list of pass holders for the time period 2005 to 2009. As noted, the number of interest organizations accredited to the European Parliament (EP) has been constant at about 1500 organizations over the past decade or so. This stability masks the pattern of entry and exit from the EP lobby. This is shown in Figure 2 and Figure 3. Figure 2 shows a survival analysis of the organizations on the EP register in January 2006. It shows around forty per cent of the organizations registered in January 2006 is no longer listed in 2007. Repeated analysis show that this pattern is typical also for later moments in time. The distribution of ‘old’ and ‘young’ organizations stays stable at around a 60/40. This indicates that there is a sizable, and probably dominant, core of permanent ‘residents’ of the EU lobby community. Figure 3 shows the numbers of organizations entering and exiting the EP lobby registers for each month. This is usually between the 50 and 100 organizations (with a seasonal dip in entries in the summer), and shows trendless fluctuations over the time period studied. This figure emphasizes that there is also a group of organizations with non-permanent presence in the EU lobby community.

There are a couple of implications that follow from the distinction between a core of policy lobbyists that maintain continuous policy engagement with the EU institutions and more peripheral groups who seem to switch between national and European policy work, and between policy work and membership-oriented activities.

First, substantively, it has consequences for the relative EU-oriented lobby experience of interest organizations with stark contrasts between experienced ‘residents’ and novice ‘tourists’.

---

1 Please note, the number of business interests is calculated as the sum of national and European business (trade and professional) associations, Chambers of Commerce, individual firms and lobby firms.
Lobby experience implies that organizations build networks, learn through strategic trial-and-error and establish a positive reputation. This nurtures the capacity to affect policies and consequently makes residents likely to be more influential than tourists. On-going studies into the EU lobby population seek to map more precisely who belongs to the core and who is more peripheral.

Second, as regards research, the typical distribution in age and experience has been found in the US case as well (Anderson et al. 2004, Lowery, Gray & Cluverius 2013) but the level of turn-over probably varies systematically, but in currently unknown magnitudes, across policy areas and countries. One of such studies that aims to clarify a part of this puzzle has been done by Toshkov et al. (2012). They assess whether the pattern of arrival of new groups is associated with legislative activity of the EP in specific legislative fields. In other words, whether, for instance, new environmental legislation lags, leads or is contemporaneous with the registration of environmental cause groups. Their results are quite sobering. Despite the relatively precise nature of the data per month and legislative field, they do not find a clear relationship in which interest organizational presence lags, leads or is contemporaneous with legislative activity.

Third, the turn-over shown in Figure 2 means that the EU interest population is larger than can be observed through a snap-shot at a single moment in time. The total number of groups accredited to the EP at any moment in time between 2005-2009 is around 4000. In an optimistic view, this indicates a broader openness on the part of the EP towards socio-economic stakeholders than one would have on the basis of a snapshot. In a pessimistic view, such as those in the tradition of Olson (1982), one may be concerned about policy inefficiency arising from ‘narrow’ defenders of status-quo policies and an ‘overload’ of stakeholder input.

Why are some field more crowded than others? Policy demand or socio-economic supply?

There are a couple of recent studies that seek to explain the density differences of sectors within the general EU interest population. Some researchers, such as Lowery and co-authors, emphasize characteristics of the socio-economic base of interest organisations, whereas others, such as Coen and several co-authors, attend more elaborately to the policy-related attraction of lobbyists to Brussels. Broscheid and Coen (2007) seek to explain the differences numbers of interest organizations between Directorate-Generals of the European Commission. Their main finding is that in policy areas where policy makers (i.e. officials of the European Commission) invite interest organizations to participate in the policy process, larger numbers of interest organizations are present. They label this a ‘mutual relationship’ (2007 360). However, they have great difficulty showing statistically significant relationships due to the relatively low number of DG’s (n=21) compared to the number of independent variables (DG staff, Consultative fora, administrative units, distributive nature of policy, age of administrative unit, involvement of national governments). A more or less similar research design is used by Coen and Katsaitis (2013) to explain variation in diversity in terms of the relative presence of NGO’s and ‘in-house lobbysts’. They use the Register of Interest Representatives in
which groups list the DG-policy areas of their interest. Again, they highlight the informational
demands on the part of the European Commission as the critical factor in the explanation of the
relative interest of NGO’s or company representatives.

By making use of online consultations that have a distinctively narrower policy focus than
DG’s, Rasmussen and co-authors are able to better specify the policy interest of interest organizations
and the associated group densities of the 142 consultation studied (Rasmussen, Carroll & Lowery
2013, Rasmussen & Carroll 2013). Rasmussen and Carroll (2013) descriptively compare the
population of consultation participants with the Register of Interest Representatives and seek to
explain the level of business interest participation in policy consultations. Similar to various other
researchers (e.g. Wonka et al. 2010 467) and mentioned above, they find ‘very obvious’ aggregate
business dominance, with even stronger dominance in consultations than in the register. This suggests
that business interests are not only more numerous but also more active. Somewhat similar to Coen
and his co-authors, they expect and find that ‘demand’ generated in the policy process shapes the
numbers and types of interests represented. This ‘demand’ is broader than political-administrative
informational needs, central for Coen, and also includes the conflict structure of the policy area. They
differentiate administrative, regulatory and expenditure proposals, and classify policies in terms of the
concentrated or diffuse cost distribution for those affected. They find that regulatory proposals in
which the costs are concentrated lead to a ‘biased’ pro-business mobilization of interests. Of course,
in the absence of an agreed reference point consisting of the ‘actual’ distribution of interests in society
or on specific policies, this does not answer the normative question how a ‘unbiased’ participation of
groups would look like. It also does not tell whether policy outcomes are actually biased.

In addition to some of the demand-factors mentioned, Rasmussen et al (2013) include several
supply-factors to explain the density of interest associations in 142 EU consultations. Most
importantly, they include data on the relative importance the public attaches to certain policies and
interest guild density measure from the Register of Interest Representatives. They find that ‘more
interest organization mobilize on issues with consequences for public budgets and that fall within
policy areas regarded as important by the public’ (2013 16).

density between economic sectors. By relying on economic sectors rather than DG’s of the European
Commission, consultative issues or legislative fields, they are definitively closer to the members-
resources dimension of the selective environment of interest organization than the other studies
mentioned. This increases the theoretical and empirical plausibility that ecological phenomena, most
notably density dependence, occur. It also provides substantial number of cases which gives the
statistical leverage needed to assess several potential explanations. However, this also necessitates the
researchers to empirically link the ‘demand’ in the policy areas to interest organizations mobilized
through the ‘supply’ of resources in economic sectors. This can only be done in an imperfect manner.
The focus on economic sectors also leads to the exclusion of the substantial, ‘social’ or ‘public’ part
of the EU group population (but note the relatively unsuccessful inclusion of such sectors in Messer et al (2010)). Both studies show that the characteristics of the economic sector, most notably its size, the number of companies and its EU cross-border activity largely account for the number of interest representatives in Brussels. Figure 4 descriptively shows the bi-variate relationship between the turnover per economic sector in million euros and the number of organisations registered to the European Parliament. Economically large sectors, such as the car industry and food processors are numerically well represented in Brussels. As Berkhout et al show this is also the case when accounting for the legislative activities of relevance to the sector. With this study, they point to a distinctly different ‘economic’ explanation than the policy-related factors that are so central in the other studies mentioned (but see descriptive analyses in: Wessels 1997, Wessels 2004).

Discussion and conclusion

As regards lobby practice, our findings suggest that Brussels lobbyists are impatient and selective in their attention to public policy. Impatient in terms of the time invested in tracking policies (which seems relatively short compared to the policy process) and selective in terms of their institutional focus (which seems to be either EP or European Commission (EC)). This may be perfectly rational but may also require reconsideration as longer policy presence at multiple institutions may, but this is outside our part of the study, lead to better networks, higher quality policy information and more favorable policy outcomes.

In general, our findings nuance the concerns associated with interest representation about representational bias and policy inefficiency. We note, however, that the Brussels lobby community is more sizable than its ‘residents’ and also includes ‘lobby tourists’ – potentially broadening the scope of the community to such an extent that one may become concerned about policy inefficiency. We also note that business interests are numerically dominant but that over the past two decades the number of non-business interests has increased. This potentially has reduced the ‘pro-business’ nature of the EU lobby community.

What counts as ‘interest organization”? Attributes of interest groups include being organized, not being part of the state and not seeking public office (Beyers, Eising & Maloney 2008 1106, Jordan, Halpin & Maloney 2004). These criteria differentiate interest group studies from other fields in political science such as social movement studies, studies on political parties or policy studies. Within the field of study of interest groups there is distinction between those using ‘behavioral’ definitions, as is used in the underlying chapter, and those relying on ‘collective action’ definitions (and some combining them).

A typical example of recent use of the collective action definition of interest groups is in the
descriptive, comparative study of Jordan et al (2012 143) (also see: Johnson (2013)). The Directory of British Associations used in their study include organizations with (1) voluntary membership and that are (2) organized at the national level (and regional associations with national relevance). This ‘collective action’-oriented definition prioritizes interest aggregation, i.e. acting collectively to reach certain goals, over interest articulation, i.e. participation in the policy process. The authors are not immediately interested in the purposeful political orientation of associations. They intend ‘to capture the entire reservoir of organizations actually and potentially participating in national political processes’ (Jordan et al. 2012 144).

A typical example of the use of the behavioral definition of interest groups are the studies by Lowery and Gray, relying on lobby registration rolls in the US states. They include all organizations showing some political interest. They note that ‘the most valid indicator of broadscale political activity now available is provided by lobby registration rolls’ (Gray and Lowery, 1996, 7). Such ‘behavior’-oriented studies prioritize the political interest or activity over organizational form, and consequently include individual institutions such as hospitals, municipalities or firms who lobby. These are, of course, explicitly excluded from collective action definitions of interest groups. As will become clear below, this inclusive approach requires specific differentiations in the data collection: in other words, data on some variables most notably those pertaining to membership, do not apply to institutional lobbyists.

Text box 1: definition of interest organizations

Interest organizations operating in the same setting and time period are referred to as members of a population (sometimes labelled ‘interest system’) (Gray & Lowery 1996). The ‘population’ of interest organizations is sliced up into domains (or ‘niches’) based on organizational resources such as members and subsidies on which the interest organizations in that domain ultimately rely. These resources may be related to the policy area which is lobbied, the economic sector whose interests are represented, or the socio-political base from which members are attracted. Organisations which are similar in these regards act in the same domain and may be called ‘like-groups’. The number of interest organizations in a domain or system indicates the density.

Text box 2: The population ecology of interest representation: terminology used
Figure 1: Number of interest organizations recorded in the European Public Affairs Directory 1996 and 2007, by category, adapted from Berkhout and Lowery (2011, 455).

Please note that for 1996 the figure presents the numbers from the Alan Butt Philip directory 1996 for the associational categories and estimates the distribution between these categories based on the respective proportions in the European Public Affairs directory 1996. As discussed in Berkhout and Lowery (2011), such an adaptation is needed because of the data collection practices of the older editions of the European Public Affairs directory.

Further note that some of the categories from the European Public Affairs directory have been merged and relabeled: European Business Associations combines category B1 European Trade and Professional Associations and B3 Chambers of Commerce in Brussels, National Business Associations combines category B4 National Federations of Business and Industry, B11 National Trade and Professional Associations and B12 National Associations of Chambers of Commerce.
Figure 2: Proportion of organizations from the January 2006 list, by month, January 2006-December 2009

Figure 3: Numbers of organizations entering and exiting the Parliamentary register, by month, January 2006 - December 2009
Figure 4: Number of interest organizations registered in the European Parliament register 2009 per economic sector by turn-over in million Euros (sectors ‘whole sale trade ’ and ‘retail trade’ with turn-over beyond y-axis not shown) (Data from: Berkhout et al. 2015)


