

Is High quality policy information key to interest group success?

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This essay forms the basis of a presentation for the INTEREURO outreach conference to be held at CEPS Brussels, 2 December 2014. The discussion draws on aspects of several papers from Andreas Dür, Patrick Bernhagen and David Marshall as well as incorporating some new material.

Introduction

This discussion paper explores the role that interest groups' policy information plays in influencing policy outcomes. We find that there is an association between organisations higher levels of policy specific knowledge and an increased likelihood of them achieving their policy goals. However, this effect is not evenly distributed. On the one hand we observe that business is better endowed with policy information than citizen groups. However, this imbalance appears to be more than compensated for as citizen groups derive significantly more benefit, in terms of policy success, from any given level of policy expertise. The analysis also explores the institutional context, finding that high quality information has a greater effect when applied to both 'friendly' DG's and when policy goals happen to be shared with the European Parliament.

What follows is a theoretical discussion of why lobbyists' policy information plays an important part in the policy-making process. Thereafter a series of empirical findings are presented, followed by a brief conclusion.

The relevance of interest group information/knowledge to policy making

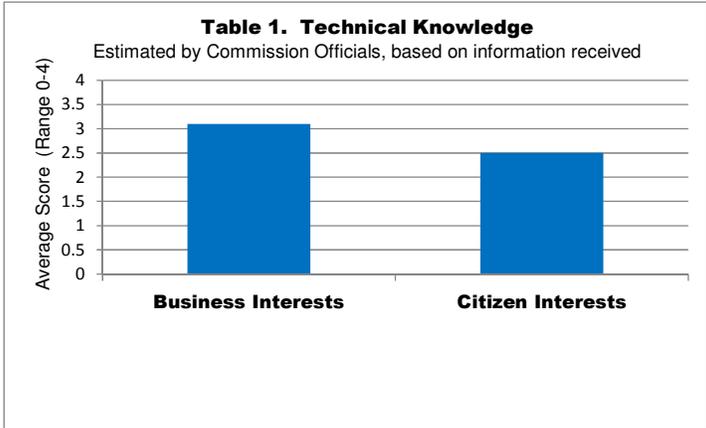
Political lobbying consists primarily of transmitting information to policy-makers. Political decision makers, for their part, need political support and information from societal groups to translate their political goals effectively into outcomes (Austen-Smith 1993; Ainsworth 1993; Lohmann 1993). Importantly, information and expertise enable organised interests to shape the policy-makers' beliefs about which of various policy choices would lead to desired outcomes and which would not – or even have unwanted and harmful consequences.

Lobbying is most effective when applied at the policy formulation stage (Austen-Smith 1993; Dunleavy 1991; Bouwen 2009). In the EU, policy formulation is mainly the task of the European Commission. The Commission is the main agenda setter for the EU's legislative activity and has the prerogative of initiating and drafting legislative proposals. The Commission, like other agenda setting agencies, seeks to formulate policy proposals that will successfully pass the subsequent legislative process (Romer and Rosenthal 1978; Tsebelis and Garrett 2000; Moravcsik 1999). In order to produce such policies, the Commission needs policy-relevant information and support from societal actors represented by national and European-level interest organisations (Crombez 2002; Klüver 2013). While the Commission is a non-elected agency, it has incentives to observe the preferences of the electorates and social groups in the member states. For its policy proposals to become legislation, they have to be approved by the Council of Ministers and the European Parliament (EP). These bodies are indirectly (Council) or directly (EP) accountable to European electorates. Between elections, lobbying provides an important channel through which members of these bodies receive feedback from citizens and organised groups. As an agenda setter, the Commission therefore consults with interest groups to maximize the subsequent success of its policy proposals (Bouwen 2004; Klüver 2013; McLaughlin, Jordan and Maloney 1993).

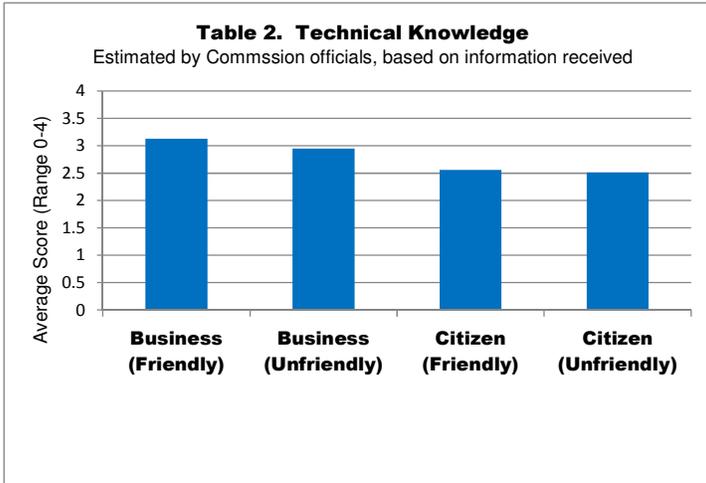
Which types of interest have high quality policy information?

Information is vital to the policy process, and interest groups are central to its transmission, but not all types of interests will be equally endowed. To establish which interests possess high quality information, during each of the 70 interviews we conducted with Commission officials we asked for an assessment of the policy specific technical knowledge of each organised interest that they had identified. We used a 5 point scale ranging from very low (0) to very high (4). We received values for 943 organisations, with a mean value of 2.99 and a standard deviation of 1.14.

When we compare the average values awarded to business interests (3.06) and citizen organisations (2.53) it appears that policy makers perceive that business provides slightly greater technical information. The results are shown in Table 1, below:



However, it is plausible that because perceptions of these group types may vary across DGs the analysis may be misleading, with Commission officials' systematically overrating the technical knowledge of interests they perceive as 'friendly'. This rational is supported by Boswell (2008) who suggests that there is an instrumental use of policy knowledge within the Commission, with policy-makers selectively drawing from the pool of expertise in order to legitimise or validate their existing policy positions. To assess whether this is so, we subdivided the sample on the basis of whether the experts' DG was likely to be more responsive to business or citizen interests. This distinction was established via a panel of EU policy experts from outside of the Commission. The results of this disaggregation, displayed in Table 2, show that any effect is minor, with the perception that business interests provide higher quality information holding.

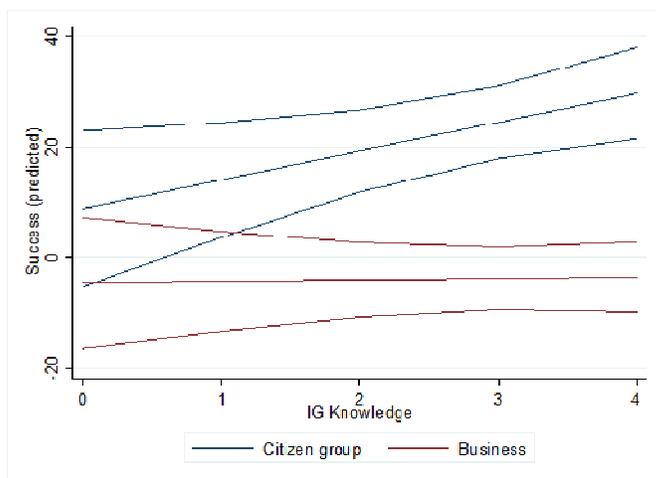


Measuring the effect of knowledge on interest group success

The implication from the literature is that organised interests with high quality policy information should generally be more successful in achieving their policy goals than organisations with poor quality policy information. To test this hypothesis we conducted a multivariate analysis with *success* as the dependant variable, and *igknowledge* as the independent variable of interest (controls: *business*, *other groups*, *igconflict*, *media attention*, and *distance* to: *ep*, *council* & *commission*). The results were significant and in the anticipated direction. Moving from very low to very high levels of knowledge increases an organisations *success* score by 15 points along a 200 point scale.

The substantive effect is relatively modest, but it remains possible that it is not evenly distributed among interest group types. Given that we know business is less successful than citizen groups at the decision making stage (as detailed in Andreas's previous presentation – same panel), and we know that knowledge levels differ between these groups there is reason to compare the effect. To achieve this we interacted *knowledge* with *business* (keeping all variables previously mentioned at their mean or mode), and show the statistically significant results graphically in Figure 1. This makes clear what the additive model obfuscates: whilst business derives some modest benefit from additional information, it is citizen groups that attain the greatest advantage.

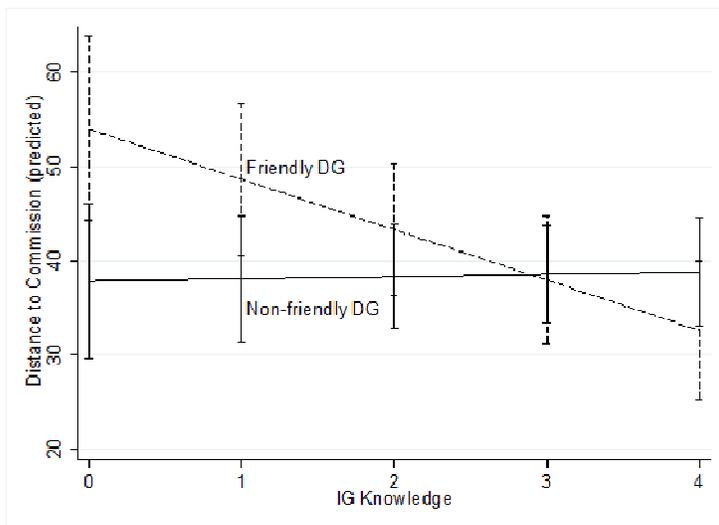
Figure 1: Business and Citizen Group success with different levels of policy information



The effect of knowledge transmitted to a friendly institutional venue

We anticipate that relevant knowledge is particularly effective for actors facing a friendly DG. This is because, as discussed, policy makers may selectively draw on information from likeminded interests. To examine this assertion we interacted *IG knowledge* and *friendly DG*, with *distance to the commission* as the dependant variable. As expected, the coefficient for the interaction term is negative and statistically significant. To facilitate interpretation, Figure 2 shows graphically how the effect of *IG knowledge* on *distance* is conditional on the institutional context: while actors that face a friendly DG benefit from increased informational capacities, actors lobbying a non-friendly DG do not.

Figure 2: Lobbying Friendly/unfriendly DG's with different levels of policy information

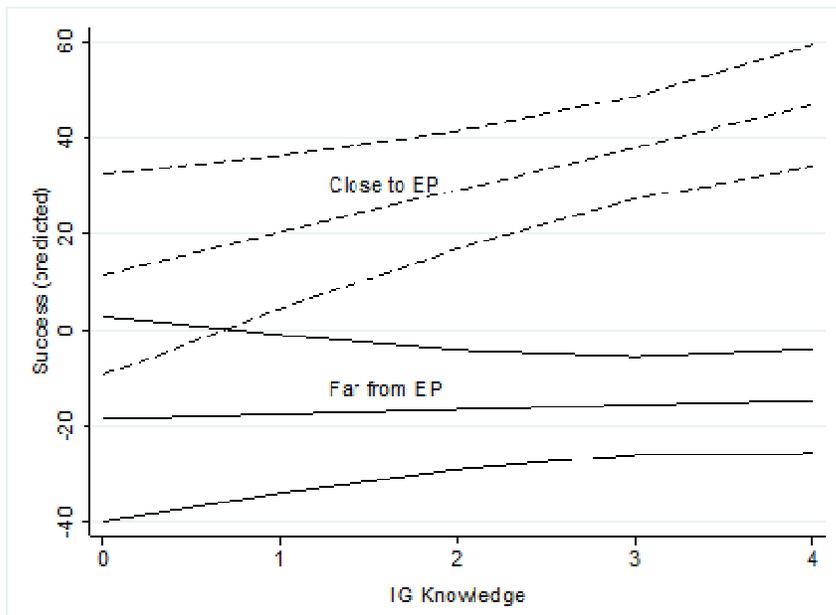


The legislative context: The European Parliament

The European Parliament is an important venue for lobbying, and an increasingly powerful institutional actor. As such we consider the effect of congruent policy preferences between an interest group and that of the EP: the effect of having a powerful ally. Our rationale is, if an interest group holds a particular position on a policy issue and if this also happens to be the position of the EP, then by supporting its own position the EP supports the position of the interest group in the legislative process. Our argument thus puts the apparent 'luck' of an organised interest (cf. Dowding, 1996) sharing the EP's policy preferences in context by explaining how proximity to the EP may moderate the effect that information has on a group's ability to secure favoured policy outcomes or avert adverse ones.

In Figure 3 we show the effect of knowledge on interest group success for organised interests that are both close to the policy position of the EP and far away. The results make clear that the effect of increasing levels of policy information is very slight for interests that do not share the EP's policy position. Whereas organised interests that happen to share the EP's policy preferences, and provide relevant policy information, are more likely to achieve their policy goals.

Figure 3: Interaction of *IG knowledge* and *EP distance* (dichotomised)



Conclusion

Organised interests with high quality policy information are likely to be more successful than groups that lack this commodity. However, in comparison to Business organisations, it is Citizen Groups that appear to gain most from their decision to acquire policy information. But, for all interest groups the lobbying context matters as having institutional support is an important factor. The analysis shows that high quality information has a greater effect when applied to both friendly DG's and a supportive parliament.