The strategies of national groups in the EU multi-level system: Exit and voice as responses to the performance of EU level interest groups

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Introduction

Interest groups exert important functions for their members: they inform them about relevant political developments, they are a platform for their political participation, they take the lead in formulating a common position for their members, they aggregate their members' interests, they coordinate the strategies of their members, and they represent the positions they formed to state institutions. EU level interest groups are supposed to exert these tasks vis-à-vis the EU institutions. However, many studies have pointed out that EU associations have often difficulties to exert these functions. As umbrella organizations of national groups, they often find it difficult to form a common position uniting the divergent opinions of their members and to represent that position to the EU institutions. How do national members respond if they find that EU associations do not perform well? Rather than relying on EU level groups, national interest groups may choose to lobby their national government, they can lobby EU institutions directly, they can also hire law firms or consultancies, start press campaigns, join forces with other groups in coalitions, etc.

More generally, Albert Hirschman highlighted three general responses to organizational failures: loyalty, exit, and voice. Thus, national members remain loyal to an EU interest group until they can no longer tolerate the perceived failures. Wanting 'value for money' others are more alert and choose among two courses of action. They can seek stronger participation in the group in which they are a member, voice their discontent, seek to replace the people that were in charge, or work towards organizational reforms. Secondly, they may exit the group and seek membership in another group. While Hirschman conceives of exit as leaving a group or as selecting another provider of a good, in the context of interest organizations we may also think of 'partial exits': Discontent members do not necessarily join another group because of the costs or the uncertainty involved but choose partial exits: if members are discontent with the information function of their interest organization, they gather information themselves, if they are discontent with the interest aggregation function, they form coalitions, and if they are discontent with the interest representation function, they seek direct access to political institutions etc.

Empirical analysis

I am going to analyze the association between the strategic choices national interest groups make and the performance of EU associations on some of their core functionsl. The presentation is based on the INTEREURO interview data obtained from representatives of national interest groups in Germany, the United Kingdom, Sweden, the Netherlands, and Slovenia. I focus on three core functions of EU level interest groups: (1) their task to aggregate the interests of their members (interest aggregation) , (2) their task to ensure an adequate flow of information to their members (information flow), and (3) their leadership when formulating a common position for their members.

On the information function, we asked our interviewees to state if they agreed or disagreed that the EU association of which they are a member delivered all relevant information on an EU directive proposal to their organization. The EU associations fare quite well on that question: 42 per cent of the national groups agreed that the EU level group had delivered all relevant information, and 43 per cent of them agreed strongly with that statement. Only 2 per cent of the national groups strongly disagreed or disagreed with that statement. 11 per cent of the groups neither agreed nor disagreed with it. Hence, 85 per cent of the national groups that answered this question seem content with the flow of information from EU level groups, only 15 per cent were not really satisfied.
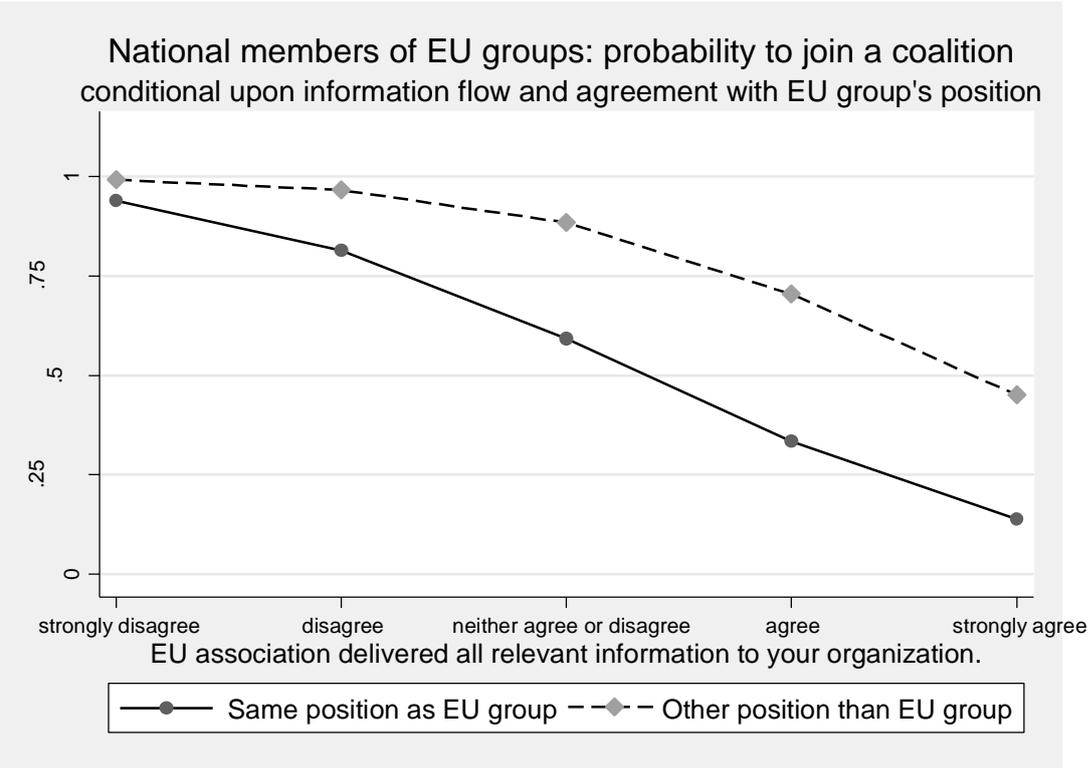
On the interest aggregation function, we asked our interviewees if the EU level group's position on an issue in the directive proposal was identical with, close to, a long way from, or even the exact opposite of the initial preferences of their organization. 48% per cent of the respondents indicated that the EU association and the national group had exactly the same position. However, a majority of 52% indicated that the EU level groups' positions differed from the national group's position. It should be noted, though, that major deviations were quite rare: Only two respondents found that the EU level group's position was a long way from those of the national groups, and just one respondent indicated that it was the exact opposite. However, from these data it is clear that a slight majority of the members have another position than the EU level group that is supposed to represent them. EU level groups perform better on the information function than on the interest aggregation function.

On the leadership function, we asked the interviewees whether the EU level group's leadership or staff identified the common ground of their members' interests and whether the leadership or staff pro-actively defined the common position that was represented to the EU institutions. These two aspects are measured through an empirical index whose minimum of -2.8 indicates very low values on these aspects and whose maximum of 3,2 indicates very high scores on these aspects. On average, the EU groups exerted a medium degree of leadership when defining the common position (the mean is close to 0).

How then are the strategic choices of national members associated with the performance of EU level groups? My dependent variables are the use of two exit options and one voice option: (1) the joining or forming of a coalition (yes/no), (2) the exchanging of information with the European Commission (never, rarely, sometimes, frequently, very frequently), and (3) the representation of the national group in delegations of the EU associations to the EU institutions (yes/no). I expect that members pursue these options more often if they are disappointed by the EU level group's performance. Disappointed national groups join coalitions more often (Hypothesis 1), they seek direct access to the European Commission more often (Hypothesis 2), and they are more likely to seek representation in the EU level group's delegations to the EU institutions (Hypothesis 3) than other groups. I test these

hypotheses in regression models (see Appendix tables 1, 2). These analyses indicate that the performance of EU associations is indeed associated with the usage of strategic options, albeit not always in the ways envisaged. First, I discuss the coalition patterns of the national interest groups. Then I briefly outline their access to the European Commission and their presence in delegations.
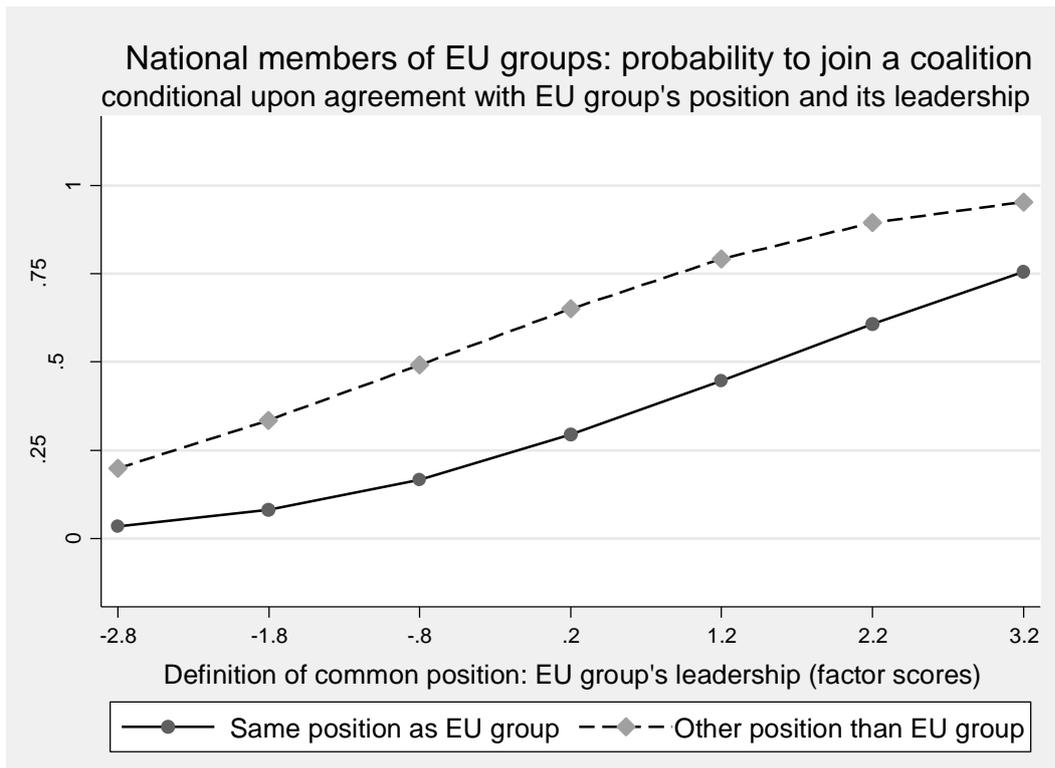
Graph1: National interest groups: the probability of joining a coalition conditional upon information flow and agreement of position with EU level group

National members of EU groups: probability to join a coalition
conditional upon information flow and agreement with EU group's position

Graph 1 illustrates the probability that national interest groups join a coalition depending on how the EU association performs on the information and interest aggregation functions. The vertical axis displays the probability of joining a coalition. The horizontal axis indicates whether the interviewee disagrees or agrees that the EU associations delivered all relevant policy information to the organization s/he represents. The gray (dashed) line indicates the probabilities of those national groups whose positions are not identical with those of their EU level umbrella groups. The black (continuous) line represents the probabilities of the national groups whose positions are similar to those of the EU associations. Let us begin by analyzing the impact of the information delivered by the EU associations: The negative slopes of the two curves indicate that national groups who are discontent with the information flow from the EU level groups are more likely to join a coalition than groups who are satisfied with that information. In fact, it is almost a sure thing that national interest groups that obtain insufficient information from an EU level group join a coalition; their probability of doing so is close to one. Let us now move on to the role of positional differences: Throughout, the grey, dashed line is the upper line. Accordingly, national members whose positions deviate from the EU level groups' positions are more likely to enter into coalitions than national members whose positions match the EU level group's position. Note that this effect tends to increase the more national groups are satisfied with the information flow from the EU associations. Given that most members are quite content with the information EU associations provide, this is the real-life problem of EU associations. Not just a few members, but about half of them join coalitions when representing their interests. Joining a coalition is not only an apt means of representing their interests to the EU institutions but also a routine response to the lack of responsiveness by EU associations to their stated interests. Evidently, this common practice can undermine the capacities of EU level groups to aggregate the interests of their members.

However, the leadership function of the EU level groups in part counteracts the 'exit' character of coalitions as graph 2 illustrates. This graph illustrates the probability of national groups to join a coalition depending on the leadership of EU level groups when defining the common position. The leadership index taps the interviewees' assessments if the EU level group identified the common ground of its members' interests and pro-actively defined the common position that was then represented to the EU institutions.

Graph2: National interest groups: the probability of joining a coalition conditional upon agreement with EU group's position and its leadership

National members of EU groups: probability to join a coalition
conditional upon agreement with EU group's position and its leadership

Definition of common position: EU group's leadership (factor scores)

— ● — Same position as EU group   — ◆ — Other position than EU group

The positive slopes of the two curves illustrate that national members are more likely to join coalitions when their EU umbrella associations exert strong leadership. Correspondingly, some representatives of national groups indicated that they joined coalitions that were headed by their European umbrella associations. Joining a coalition is then not always a response of national members to perceived deficits of EU level interest groups but can also be concerted action led by these groups. However, the figure corroborates also that those national members whose positions diverge from the EU level group's position are more inclined to join a coalition in order to represent their interests. Hence, to many national groups joining a coalition is really an exit option or at least a supplementary option that helps them to represent policy positions that are closer to their preferences than the position represented by the EU umbrella association.

The other two strategies that I consider here are less related to the performance of the EU level interest groups: First, national interest groups whose positions differ from those of their EU level umbrella groups do not have more access to the European Commission than other national groups. Note that the better the information flow from the EU level group, the more frequent is the information exchange of national groups with the European Commission. Hence, direct access to the European Commission is not necessarily an exit strategy that compensates for the poor performance of EU associations. Quite in contrast, the information national groups obtain from the EU level groups seems to be a prerequisite for their contacts with the European Commission. Secondly, membership in the EU groups' delegation to the EU institutions depends mostly on the importance of the debated issue for the national organization. The more importance it attaches to the issue the greater the probability that it joins the EU group's delegation. (see Appendix table A 1).

Conclusion

The EU level groups' performance is significantly associated with the usage of exit strategies by its national members. Notably, these tend to join coalitions in response to information gaps and a felt lack of responsiveness to their interests. By contrast, direct access to EU institutions is for the most part not an exit strategy, but complements the efforts of the European associations. Finally, the voice strategy is not significantly associated with the performance of EU level groups.

Some caveats are in order: First, the analysis is based on a relatively small number of national groups. Secondly, there is perhaps a measurement problem regarding the voice strategy: Members of delegations were probably more involved in the EU level group's position formulation and representation than other members of that group.

The analysis has shown that the most sincere problem of EU level groups is to aggregate the interests of their members in way that satisfies them. The core question for EU level groups is of course how to avoid negative repercussions. While there are many options conceivable (such as organizational reforms, change of personnel), the analysis points to three specific aspects: (1) Become (even) more responsive to your members' interests even though this might be difficult on many pieces of EU legislation. (2) Even though members are already quite satisfied with it: further improve the information flow to them: while members satisfied with the information they obtain from an EU association but having a different position than it have a probability of almost 0.75 to join a coalition, this probability drops to 0.45 if they are highly satisfied (or fully agree) with the information they receive. (3) Direct collective action in coalitions at the EU-level yourselves.

Appendix Tables

Appendix Table 1 The definition of the variables

Concept	Variable definition
Country	Three dummy variables for Dutch, British and Slovenian actors (reference category: Swedish and German actors)
Information flow	The EU association delivered all relevant information (1=fully disagree, 2= disagree, 3= neither disagree nor agree, 4=agree, 5=fully agree)
Interest aggregation	0=EU position was identical to position of national member's initial position, 1= EU position differed from national member's initial position.
Leadership	Factor scores derived from a principal component analysis. Factor indicates the extent to which the EU group's leadership and staff identified the common ground of their members' interests and pro-actively defined the common position that was represented to the EU institutions
Position on issue	-1=support of issue, 0=issue was not important, 1=change or blocking of issue
Importance of issue to organization	0=Not important, 1=Less important than other issues, 2=Equally important as other issues, 3=More important than other issues
Dominance of leading members in EU group	Position was formulated by leading members in EU group. 1=fully disagree, 2=disagree, 3=neither disagree nor agree, 4=agree, 5= fully agree.
Information provision to European Commission	Organization provided information to leading Directorate General of European Commission on an issue. 0=never, 1=rarely, 2=sometimes, 3=frequently, 4=very frequently.
Member in EU group's delegation	Membership in EU group's delegation to EU institutions. 0=no, 1=yes.
Coalition	0=not member of a coalition, 1=member of a coalition

Appendix Table 2: Exit and voice in response to the performance of EU interest groups
(binary and ordered logistic regressions)

	Model 1	Model 2	Model 3
	Informa-tion to DG	Joining coalition	Member in delegation
Interest aggregation by EU group	0.049 (0.652)	2.206** (0.960)	0.550 (0.798)
Information flow from EU group	0.970** (0.481)	-1.51** (-0.672)	-0.348 (0.493)
Leadership by EU group	-0.012 (0.286)	0.969** (0.463)	-0.276 (0.359)
Dominance of leading members in EU group	0.344 (0.284)	-0.737* (-0.439)	-0.127 (0.324)
Issue salience	0.868* (0.464)	0.754 0.619	1.280** (0.595)
Position on issue	-0.055 (0.404)	-0.113 (-0.529)	0.087 (0.432)
Dutch groups	-0.143 (0.904)	0.811 (-1.211)	-1.628 (1.146)
British groups	1.334 (0.939)	-1.071 (1.262)	-1.063 (1.133)
Slovenian groups	-2.475** (1.180)	0.091 (1.226)	-1.928* (1.133)
Constant / Cut off point	6.878 (2.606)	5.716 (3.038)	-0.772 (2.413)
Cut off point 2	7.559 (2.636)		
Cut off point 3	9.172 (2.755)		
Cut off point 4	10.926 (2.878)		
N	51	51	50
LL Constant	-70.205	-34.869	-33.203
LL Full model	-57.932	-23.422	-28.242
Chi^2	24.546	22.892	9.922
P	0.004	0.006	0.357
Pseudo R^2	0.175	0.328	0.149
AIK	2.782	1.395	1.530

Note: Model 1 is an ordered logistic regression. Models 2 and 3 are binary logistic regressions. The table reports raw coefficients. Figures in brackets are standard errors. Significance levels are * p=0.1; ** p=0.05; *** p=0.01.