# The access of business associations to the European Commission: French, German, British and EU associations in a multi-level system

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This paper analyses the contact patterns of trade associations with the European Commission. Now why should one pay attention to these contacts? On the one hand, the European Commission is the central executive and administrative agency at the EU level and has a vital role to play in both legislative and executive processes. Its right of initiative grants the Commission a crucial role in the phases of agenda setting and policy formulation (Ludlow 1991: 97). Due to their limited resources, the Commission officials mobilise external expertise to assess technical, economic, political and administrative implications of their proposals. At the same time, the consultation of interest groups constitutes an attempt to build up societal support for policy iniatives. Thus, at the EU level the Commission is arguably at the centre-stage of the attention of interest groups.

On the other hand, trade associations are generally regarded as ,insider groups' that wield influence over political decisions in their consultations with state institutions. Usually, they do not take recourse to the mobilisation of protests which is the realm of social movements or public interest groups (Imig and Tarrow 2001). Unlike trade unions, they can also not rely on the ,power of numbers' to influence political decisions. Furthermore, they are more hesitant than diffuse interest organisations to rely on publicity by mass media to support their issue specific positions. Finally, despite their importance for societal stability and economic well-being (Offe and Wiesenthal 1985) these actors can often not count on their ,privileged position' in the societal power structure or on the internalisation of their interests by state actors (Vogel 1987). Therefore, they will need to address political institutions in order to

represent their interests. For business associations, contacts with political institutions are a vital precondition for wielding influence on specific political decisions. This does certainly not mean that those associations having the most contacts with the political institutions are also the most influential ones. But it means that they are probably better equipped to exert influence than associations that are only rarely in touch with political institutions. I scrutinise the contact patterns of business associations with political institutions because mainly those associations maintaining political contacts on a regular basis are capable of an effective representation of interests.

Evidence will be drawn from survey research conducted from June 1998 to March 1999 at the Mannheim Centre of European Social Research and directed by Beate Kohler-Koch. The survey addressed 60 large firms and 2006 German, British, French and EU business associations and received 834 responses. The overall rate of return was 40.9 percent (see Table 0).

Table 0 The rate of return of the survey

	EU trade associa- tions	German trade as- sociations	British trade as- sociations	French trade as- sociations	Multi- national firms	Total
Trade associations addressed	420	727	501	350	68	2066
Questionnaires returned	185	322	206	113	34	860
Questionnaires ex- cluding international associations	162	321	204	113	34	834
Rate of return ex- cluding international associations	40.8	44.2	40.9	32.3	50.0	40.9

Thus, the sample excludes public interest groups (firms will also not be dealt with in this article). This does by no means imply that these types of actors are irrelevant. On the contrary: public interest groups become ever more important at the EU level as recent studies have demonstrated (see Mazey 2000; Cullen 1999). The reason simply is that the organisational logic of public interest groups differs greatly from that of economic interest groups (for example, see Offe and Wiesenthal 1985). Concentrating

on a more homogeneous sub-set of organisations<sup>1</sup> allows for meaningful mid-level generalisations. Only those collective actors are part of the analysis that have some formal organisation and "specialize in the aggregation, definition, advancement and defence of the collective goals in the political realm (interests) of a distinct group of producers" and, in our sample, of employers (Schmitter and Streeck 1981: 33). In terms of numbers they are the largest group of interest organisations present at the EU level. 80 percent of the EU associations are business interest associations while only 20 percent qualify as public interest groups (see European Commission 2000).

The study centres also on the large member states to hold important country-specific background conditions fairly constant:<sup>2</sup> These are the country size, the level of economic and technical development, the economic relevance of these countries in EU decision making, their formal decision making rights, and their long duration of EU membership. Therefore, findings may not easily be translated into other national contexts. This holds particularly for the worse-off member states (Portugal, Spain, Ireland, and Greece) whose economic structures may diverge from those of the three large countries and for those member states that entered the EU only in 1995 (Sweden, Finland, Austria) because their systems of interest intermediation were only later exposed to the full influence of the European Union.

In essence, I discuss three types of factors deemed crucial in explanations of state-economy relations: country-specific traits, sectoral factors, and organisational characteristics. The first section outlines several variables within these dimensions and develops hypotheses about their impact on the contact patterns with the European Commission. The second section subjects these hypotheses to empirical scrutiny by means of a multiple regression. After an overview of the data it presents the development of the regression model and its findings. The empirical evidence shows that, in general, country-specific traits and organisational features are more important than sectoral characteristics in explaining patterns of interest intermediation.

I did not stratify the sample because stratification implies a decision of what are the major variables. For instance, Robert Bennett drew a stratified sample of British associations on the basis of their membership and domain of representation (1997). However, it is questionable that these two dimensions explain the role of trade associations and their patterns of interest representation in the EU multi-level system – and not their resources or their degree of organisation to give some examples of other plausible stratification criteria.

# 1 The explanatory variables: country, sector and organisation

In the literature on state-economy relations, there is a broad consensus that three types of factors are particularly relevant for explaining the access of economic actors to political institutions and influence on political decisions (Atkinson and Coleman 1989; Schmitter and Lehmbruch 1979; Schmitter and Streeck 1981; Shonfield 1965; Wilks and Wright 1987): country or system specific factors, sectoral factors and organisational factors.

As it is often left unclear whether these dimensions are competing, additive or interactive explanations, I assess their relative importance by means of a multivariate analysis. The explanatory models are mainly based on the assumption that the influence of three dimensions is additive but they also consider the possibility that country specific traits interact with sectoral features and organisational properties.

All the three dimensions include information about their genuine properties and about the patterned relations among their sub-units. Country or system specific factors embody the properties of a political system, such as its institutional set-up and the leading ideas about state-society relations, as well as the relations among actors in the system such as particular policy styles. Factors related to the polity explain variations among trade associations across countries even within the same sector. Sectoral factors include not only technical and economic features and aggregated data on the economic activities within this sub-system but also the leading ideas about state-sector relations and the sectoral policy-style. They explain variations between trade associations across sectors even within the same polity. Finally, organisational factors embody information on associational properties such as the resources at their disposal, aggregated data about their members as well as information on the relations among these members. They cannot be reduced to being the outcome of the interaction among country- and sector specific factors since they vary even among trade associations within the same sector and the same polity. They are often deliberate responses of the actors to specific national-sectoral configurations and are located in a particular division of labour and pattern of organisational competition. These organisations may have become 'frozen' (on party systems, see Lipset and Rokkan

Of course, it would be desirable to cover all EU member states as well as the candidates for enlargement. But this would require a research team in each of these states which resources did not allow for.

1985) and developed their own organisational dynamics. Therefore, they must be considered as autonomous influences on the patterns of state-economy relations within the European Union. The analysis will not do justice to all polity-specific, sectoral and organisational factors. However, I single out those that are generally considered to be of utmost relevance to the three dimensions.

# 1.1 Polity related factors and the access to the European Commission

I distinguish among two main country specific factors that influence the patterns of access to the European institutions:

- country specific factors
  - country specific policy styles
  - the polity as the main operating level of trade associations

The country or polity specific attributes explain system-specific regularities of interest intermediation. As Gerhard Lehmbruch has argued, policy styles are the outcome of "collective historical experiences" which shape the leading ideas about those relations and influence the design of inter-organisational relations (Lehmbruch 1991): 148). Thus, they are relatively stable over time and change only due to crucial events and important new demands. They are sedimented in the patterns of interest intermediation and reflected in the access to political institutions. In the case of national associations, the extension of domestic routines and practices to the EU level may facilitate or hinder the access to the European political institutions. Therefore, I briefly discuss the policy styles in the four polities I analyse. Due to the high degree of organisational segmentation, the dispersion of powers and the need to legitimise EU policy-making, the European Union has developed into a negotiation system in which state actors strive for consensus rather than impose political solutions upon societal actors (Lijphart 1999). The European Commission is highly active in involving interest organisations into the policy-making process. It draws other actors into European networks to build up support for its initiatives (Lindberg 1963). Quite at the opposite end of the spectrum, France has time and again been considered as étatiste. In short, the high degree of centralization enables and encourages state actors to impose their decisions on private parties in a non-cooperative fashion. State-group relations are considered to be more antagonistic than elsewhere (Wilson 1993): 114).

Between European networks and French statism, Great Britain and Germany occupy the middle ground. Great Britain is as centralised as is France but is not rooted in the same statist tradition (see Dyson 1980). The British government generally strives for consensus with interest groups (Jordan and Richardson 1982: 81) even if it has a strong capacity to exclude them from political processes. Co-operation between state and interest groups has become a form of courtesy (Ehrmann 1968: 259). In the "semisovereign" Federal Republic of Germany state powers are dispersed and interlocked (Katzenstein 1987). The omnipresence of internal and external consensus pressures does not only force state actors into negotiations with interest groups. They also display a distinct preference for self-regulation on part of the interest organisations and involve them into both policy-making and implementation. Several interest organisations have been recognised by the German political institutions as legitimate interlocuters for their representational domains (Streeck 2000).

However, since the analysis covers EU as well as national trade associations, differences among the former and the latter cannot be exclusively attributed to different policy styles. Because EU associations concentrate their activities on EU institutions and national associations focus on domestic institutions, the polity related variable contains also information about the main operating level of associations.

To analyse the effect of the polity related factors on the patterns of contacts, three country-specific design variables have been constructed for EU, German, and British associations (Table 1 gives an overview of the explanatory variables). Associations from these political systems are compared to the reference category French associations.

Concerning the country specific variables, I test the following hypotheses:

#### HYPOTHESIS 1.1

System specific policy styles can either facilitate or hinder the access to political institutions at the EU level. According to central tenets of the literature, Germany is broadly corporatist and consultation between state and trade associations is a routine affair. In the United Kingdom consultation is a matter of courtesy but trade associations are often bypassed by a strong state and member firms. Finally, France is considered to be statist and rather inhospitable to trade associations. Assuming that domestic practices shape practices of interest representation vis-àvis EU institutions, German trade associations should have a better access to the European Commission than British associations and these should have a better access than French associations.

#### Hypothesis 1.2

In the EU-multi-level system, the main operating level of trade associations

influences their contact patterns with political institutions. Since EU associations target EU institutions while the national associations concentrate on domestic institutions, the former should have more contacts with the European Commission than the latter.

#### Hypothesis 1.3

Combining hypotheses 1.1 and 1.2, I expect a positive effect of all of our three country specific variables on the access to the European Commission. Furthermore, assuming that the main operating level has a larger effect on the number of contacts with the Commission than the policy style, the EU associations should have more contacts than German, British or French associations.

# 1.2 Sectoral factors and the access to the European Commission

The excellent access of multinational firms to political institutions in the EU ((Coen 1998)) illustrates that the properties of economic sectors and of economic actors, particularly the latters' power to decide whether, where and how much to invest (in general, see (Lindblom 1977)), may prove more decisive for the patterns of access than the country-specific features. Including polity-related, sectoral and organisational factors into the analysis enables me to disentangle the effect of these dimensions. For instance, in case that the properties of trade associations vary systematically across political systems, country-specific differences in the access to the EU institutions reflect this uneven distribution of organisational features rather than domestic policy styles or operating levels of associations.<sup>3</sup> Therefore, let's take a closer look at the different sectoral and organisational factors that shape the patterns of access to the political institutions.

In case studies of EU policy-making, several such factors have been listed as crucial variables influencing the access and influence of trade associations even if their relative importance remains conspicuously unclear. Justin Greenwood and Karsten Ronit provide the example of the European Federation of Pharmaceutical Industry Associations (EFPIA). According to them, EFPIA was able to prevent the regulation of pricing policies by initiating self-regulation on part of the pharmaceutical industry. They consider EFPIA as a prime example for a "neo-corporatist European ,private interest government"((Greenwood and Ronit 1994): 41). On the one hand, they trace

this ability to the high degree of internationalisation and concentration within the industry and to the similarity of regulatory problems across different countries. On the other hand, it seems to be based on the particular incorporation of the pharmaceutical industry into the sectoral regulation by the state actors. In Western Europe, the long-term co-operation between national administrations and national industry associations has also eased associational action on the European level.

Concerning the sectoral level, previous studies are based on two types of categorisations both of which rest on the presumption that sectors must be treated as 'wholes' or 'cases'. On the one hand, sectors or sub-sectors are identified according to 'objective' classifications such as the international statistical industry classification (ISIC). According to this approach, sectoral patterns of interaction are influenced by a sector's technical and economic properties. The ensuing categorisations often center on industrial products. For example, Wyn Grant and William Paterson concentrated their study on the internationalisation of the chemicals sector on ISIC 351, namely basic industrial chemicals. On the other hand, several authors attempted to identify sectors according to the density of social and economic interactions and to the sharing of norms that supposedly inform these interactions. In Philippe C. Schmitter's words: "Sectors are artifacts. Their members and boundaries are chosen, not given" ((Schmitter 1990): 14). For example, Robert J. Bennett defined sectoral organisation "in the sense that managers or companies have a well-established network of contacts with other businesses in the sector, and with relevant government departments, there are generally accepted industry standards, and there is coherence of sector trade, sales or other relevant information" ((Bennett 1997): 82).

I depart from both approaches in that I do not focus on 'sectors as cases' but on the membership of a given trade association. This proceeding is based on the assumption that a sector is not a concept that needs to be approached in a holistic way, but that can be broken down into variables. I focus on those properties that are considered most relevant in treatments of sectors as cases: the degree of concentration, the degree of internationalisation, and the degree of regulation. This proceeding stresses that the values of these variables can differ across associations even within a sector. Accordingly, dissimilar values of these variables should result in different patterns of

Of course, this begs the question as to what extent country-specific factors shape sectoral and organisational features. For the purposes of this analysis, I treat the three dimensions as independent

access. Shifting the level of measurement from sector to association should lead to a more precise picture of their impact on practices of interest intermediation.

While the measurement of the sectoral variables largely follows the proceeding in the questionnaire, I did not measure the scope or the intensity of sectoral regulation in a direct way. The 'objective specification' of regulatory action by the European Union as it applies to a specific economic sector is impossible without getting involved into a very detailed policy analysis which I do not aim for. I also did not include a specific question on EU regulation into the survey because the assessment of the relevance of the EU institutions is a good proxy for this issue. In case that trade associations and their members are exposed to a high degree of EU regulation, they will find the EU institutions highly relevant for the representation of their interests. Thus, I assume that the broader category 'importance' of the political institutions for the representation of interests covers both the scope and the degree of regulation and its salience for economic actors. However, assessments of the importance of the political institutions involve a highly subjective element. Therefore, the actors' contact patterns need not necessarily reflect the importance of institutions. Rather, it may be the other way round: trade associations might consider exactly those political institutions as important with whom they maintain contacts. To resolve this problem of endogeneity (see King, Keohane and Verba 1994), I incorporate this variable only into the analysis after all other 'objective' variables have been included. In sum, the following sectoral variables are included into the analysis:

# sectoral factors

- the degree of *internationalisation* among its members,
- the economic weight of its members, and
- the degree of *concentration* among its members
- the *importance* of the European Commission for the association.

For these sectoral variables, the following hypotheses are tested:

#### Hypothesis 2

The greater the economic weight of the association's members, the more interested should political actors be in the economic well-being of the trade

association's constituency. A higher number of employees on part of the member firms should have a positive effect on the number of contacts with the European Commission.

#### Hypothesis 3

The more internationalised the association's members are, the more should they be affected by EU regulations and the more experienced should they be in the representation of their interests in different political settings. For both reasons, *internationalisation* should have a positive effect on the number of contacts with the European Commission.

#### Hypothesis 4

The relationship between the degree of *concentration* within a sector and contact patterns is not as straightforward as that of the other sectoral variables: A dispersed membership may discourage a high number of contacts with political institutions because the association's atomised constituency faces collective action problems and cannot provide sufficient resources. A high degree of concentration may also be detrimental to a high number of contacts because large member firms might circumvent the association. However, in the middle ground a positive effect on the patterns of contact should prevail because collective action problems can be overcome and member firms depend on the association for the representation of their interests. Thus, the relationship between the degree of concentration and the patterns of contact with the European Commission takes the form of an inversely U-shaped curve.

#### HYPOTHESIS 5

The more *importance* trade associations attach to a political institution for the representation of their interests, the more efforts do they undertake to have access to these institutions. A higher degree of importance should be related to a higher number of contacts with the European Commission.

#### 1.3 Organisational factors and the access to the European Commission

Organisational factors can have an autonomous impact on interest intermediation. To quote Philippe C. Schmitter and Wolfgang Streeck: "the formal structures of interest associations process the complex variety of motives and goals existing in the social group they represent" (Schmitter and Streeck 1981): 122). Among organisational factors, the literature on interest intermediation mostly emphasises the resources at the disposal of actors. More resources are supposed to increase the capacity to act. However, organisation theory has highlighted that resources alone are poor predictors of organisational behaviour and capacities. The association's representational characteristics, its functional specialisation, its experience as well as its presence in Brussels must be taken into account when assessing its ability to represent its

constituency. The following organisational aspects are included into the analysis:

- organisational factors
  - the associations' resources in terms of their budgets,
  - their focus on *interest representation* as indicated by the budget share allocated to this function,
  - their focus on the *provision of services* as indicated by the budget share allocated to this function,
  - their *domain of representation* (sub-sector, sector, cross-sectoral) and *type of members* (individuals, firms, associations, other organisations)
  - the degree of representation for their domain as indicated by the share of potential members being organised,
  - its experience in representing its members' interests in terms of its age,
  - its presence in Brussels with an office,
  - its presence in EU *policy networks* as indicated by its membership in EU associations,

For the organisational variables, the following hypotheses will be tested:

#### Hypothesis 6

A higher *budget* should increase the number of contacts with the political institutions because the association has more staff, is organisationally differentiated, and can generate more internal and external expertise.

# Hypothesis 7

The more a trade association focuses on the *representation of interests* the better should be its access to political institutions. Specialisation on the representation of interests should equip trade associations with greater expertise about the political system in which they operate and about the demands of both their members and political institutions. The association can also mobilise more resources targeted explicitly at the representation of interests.

#### HYPOTHESIS 8

I expect that the effect of service provision is positive but depends on the level of this variable. Services constitute selective goods for members. They can enable associations to mobilise potential members, shape processes of opinion formation and represent member interests. However, a very high level of service provision indicates a very high degree of specialisation on services rather than on interest representation. From a certain level onwards, the effects of additional services will be minimal. Thus, I expect diminishing returns to each additional unit of resources spent on the provision of services.

#### Hypothesis 9

On the one hand, political institutions prefer to consult associations that aggregate interests for a broad domain because this facilitates the policy consultations and negotiations. Therefore, a broader domain of representation should improve access to political institutions. Higher-order associations should have a better access to political institutions than lower order associations. However, the need of state actors for detailed information in policy formation can outweigh their interest in a high level of interest aggregation. As a result, the relevance of the domain of representation is tied up with the membership structure of associations. I assume that higher order associations organising both associations and firms as members have a better access to political institutions than those organising only associations because they can mobilise expert knowledge of their member firms.<sup>4</sup> Both should have a better access than lower order associations organising only firms.

### HYPOTHESIS 10

The more of its potential members a trade association organises, the more representative it is of its domain. Thus, a higher degree of representation should have a positive effect on the contact patterns with the Commission.

#### Hypothesis 11

The more experienced a trade association is, the greater should be its capacity to access political institutions. Elder associations should have better access to political institutions than younger associations because they are more established. However, the routinisation of activities may have reduced an association's flexibility in approaching political institutions and narrowed its lobbying repertoire. Depending on which effect dominates, the *age* of a trade association may have either a positive or a negative effect on patterns of access. I will test the proposition that the age of associations has a negative effect on contacts with the Commission. However, I assume that this negative effect is not constant but decreases for each additional year of age.

#### Hypothesis 12

The presence of an *office* in Brussels should improve access of trade associations to the European Commission.

#### Hypothesis 13

The more embedded an association is in EU policy networks, the better should be the access to the EU institutions. Therefore, I expect a positive effect of their membership in EU associations on the number of contacts with the European Commission. As a corollary, being a member in several EU associations should increase the number of contacts more than being a member in just one EU association.

I have not included a separate variable for a sub-sectoral, sectoral or cross-sectoral domain because this variable would greatly overlap with the variables for a 'higher and lower order' and for the economic weight of an association.

# 2. The method and the findings

# 2.1 The data

I analyse the impact of the territorial, the sectoral and the organisational variables on the access to the European Commission by means of a multiple regression. The *dependent variable* has six categories: no contacts, annual contacts, half yearly contacts, quarter yearly contacts, monthly contacts and weekly contacts.<sup>5</sup> *Table 2* provides an overview of the joint distribution of the dependent variable with several independent variables.<sup>6</sup> This sub-set of the sample consists of 452 trade associations.

Technically, the most appropriate estimation is an ordered probit or logit regression. However, since the ordinary least squares technique yields basically the same results for the sign and the relative size of coefficients as well as for data on statistical inference, I use the OLS model because its coefficients are more readily interpretable than the ordered probit estimates (see also Powell 1986). The appendix to this chapter presents the results of an ordered probit model for the data.

<sup>&</sup>lt;sup>6</sup> The table does not present the data for the interval level variables.

Table 1: The operationalisation of the variables and their expected effects

No.	Variable	Exp. sign	Operationalisation
I Co	ountry or system specific vo	ariables	
1a	Country EU	+	0 (French associations) 1 EU associations
1b	Country D	+	0 (French associations) 1 German associations
1c	Country UK	+	0 (French associations) 1 British associations
II Se	ectoral variables³		
2.	Economic weight	+	No. of employees of member firms [class means]: 50,000; 300,000; 750,000; 1,5 mio.
3.	Internationalisation	+	Foreign turnover as a share of total turnover in per cent [class means]: 0; 13; 38; 63; 88.
4.	Concentration: linear and quadratic term	+/-1	Largest three member firms' share of total turnover in per cent [class means]: 0; 13; 38; 63; 88.
5	Commission importance	+	European Commission importance scale ranging from 1 (not important) to 6 (very important)
III C	Organisational variables³		
6	Budget	+	Association's budget in thousand ECU [class means] 50; 300; 750; 3,000; 7,500
7	Interest representation	+	Allocation of budget share to the representation of interests in per cent
8	Service provision	+	Allocation of budget share to the provision of services (natural logarithms of percentage shares) <sup>2</sup>
9.1	Domain and members: Higher order, associations	+	0 (Firms) 1 Associations
9.2	Domain and members: Higher order, ass. and firms	+	0 (Firms) 1 Associations and Firms
10	Degree of representation	+	Percentage of potential members organised by the association [class means]: 13, 38, 63, 88.
11	1/Age	+	1/Association's age in years in 1999
12	Office in Brussels	+	0 (No office in Brussels) 1 Office in Brussels
13	Presence in EU networks	+	No. of memberships in EU associations [class means]: 0; 1; 3,5; 8, 15

1 Since I expect an inversely U-shaped relation, the linear term has to be positive and the quadratic term must be negative.

<sup>2</sup> Since the natural logarithm of 0 is not defined, a constant of one was added to the percentage values allocated to the provision of services. The natural logs are taken for values ranging from 1 to 101.

<sup>3</sup> Since several of the variables have been measured on an ordinal scale, class means are taken as approximations of the underlying metric scale. In some cases (budget, economic weight, EU network), the highest classes of the variables did not have upper boundaries. In these cases I took 1.5 times the value of the lower class boundary as approximation of the class mean.

A cursory look at the bivariate distributions seems to indicate that the data provides empirical support for most of the hypotheses. Associations in the lower categories of the explanatory variables have less contact with the Commission than associations in the upper categories. There are only few exceptions to this pattern.

In case of the *country* specific variables, both EU and German associations have more contacts with the Commission than British or French associations. Moreover, the EU associations have more contacts with the Commission than German associations. However, contrary to our expectations, the British associations do not have substantially more contacts with the supranational bureaucracy than their French counterparts. Indeed, French associations have as many contacts with the European Commission as the British associations. *Prima facie*, this would partially disconfirm our hypothesis 1.3.

Concerning the *sectoral* variables, a higher degree of internationalisation and a greater economic weight seem to be positively related to a higher number of contacts with the Commission. Apparently, straightforward positive linear relations persist between these variables and contact patterns with the Commission. For the degree of concentration the findings are not as clear-cut. Being in a higher category of this variable does not necessarily mean that an association has more contacts with the Commission.

Turning to the *organisational* factors, a greater budget seems to be positively related to the contact patterns with the European Commission. Those associations that have an office in Brussels and that are well embedded in EU policy networks also seem to have more contacts with the Commission than those that are not so present in Bruxelles. Apparently, the representational characteristics also influence the patterns of access to the European Commission. Those associations that organise a higher proportion of their constituency have relatively more contact with the Commission than those that organise a lesser share. Furthermore, higher order associations seem to enjoy better access to the Commission than lower order associations. However, associations that organise only associations do not only have more contacts than associations organising firms only. They also seem to have relatively more contacts than those associations that organise both firms and associations which contradicts our expectations.

Table 2: Contacts with the Commission by independent variable (452 cases)

				(row percent		<del></del>	
	None	Annual	Half yearly	Quarter yearly	Monthly	Weekly	N
Country:							
Country EU	2.7	1.4	2.7	20.5	27.4	45.2	73
Country D	24.4	11.4	17.9	22.4	16.4	7.5	201
Country UK	41.6	8.8	17.7	21.2	9.7	.9	113
Country F	40.0	10.8	13.8	26.2	9.2	_	65
Internationalisation:							
0%	61.3	12.9	12.9	9.7	3.2	-	31
13%	31.4	11.7	17.2	17.6	13.4	8.8	239
38%	21.0	5.7	15.2	28.6	18.1	11.4	105
63%	13.6	3.4	10.2	32.2	23.7	16.9	59
88%	-	5.6	•	38.9	22.2	33.3	18
Concentration		<del></del> -					
Concentration 0%	40.0	6.7	13.3	33.3	_	6.7	15
13%	26.5	10.6	15.5	21.7	14.6	10.6	220
	25.6	7.5	13.5	26.3	18.8	8.3	133
38%	31.7	15.0	10.0	16.7	20.0	16.7	60
63%	27.8	16.7	27.8	11.1	20.0	16.7	18
88%	127.0						
Economic weight	22.5	10.0	16.1	21.2	13.7	5.5	329
50,000 emp.	32.5 15.6	10.9 5.2	16.1 14.3	21.3 24.7	22.1	18.2	323 77
300,00 emp.	13.0	3.2 4.3	4.3	30.4	8.7	39.1	2:
750,000 emp.	8.7	4.3	4.3 8.7	21.7	26.1	34.8	23
1.5 mio. emp.	0.7	<del>-</del>	0.7	21.7	20.1	J4.0	
Budget	560	11.0	0.2	10.7	0.5	2.6	0.
50,000 ECU	56.0	11.9	8.3	10.7	9.5	3.6	84
300,00 ECU	30.8	9.8	20.3	18.2	11.9 12.9	9.1 12.9	143 85
750,000 ECU	24.7	9.4	15.3	24.7 36.3	26.5	5.9	102
3 mio. ECU	11.8	7.8	11.8		20.5 18.4	42.1	38
7.5 mio. ECU	.0	2.6	15.8	21.1	10.4	42.1	
Degree of organisation						2.4	
13%	41.4	24.1	6.9	10.3	13.8	3.4	29
38%	44.6	4.6	16.9	23.1	10.8	-	6.
63%	24.5	11.8	18.2	20.0	13.6	11.8	110
88%	22.6	7.3	13.7	24.6	17.7	14.1	248
Office in Brussels							
No office	38.2	10.0	15.0	22.6	12.3	2.0	30
Office	6.0	7.3	14.6	21.9	21.9	28.5	15
EU network							
Not member in EU ass.	43.1	9.2	7.7	15.4	10.8	13.8	6.
Member in one EU ass.	32.8	11.3	19.0	16.4	12.8	* 7.7	19:
Member in 3.5 EU ass.	18.4	7.5	12.1	31.6	19.5	10.9	174
Member in 8 EU ass.	-	-	40.0	20.0	30.0	10.0	10
Member in 15 EU ass.	-	-	<u> </u>	25.0	12.5	62.5	
Type of members					4.5 .	, <b></b>	
Firms	35.1	8.9	15.5	20.6	13.4	6.5	29
Associations	9.1	11.4	9.1	25.0	20.5	25.0	44
Firms and associations	15.4	8.5	15.4	25.6	18.8	16.2	117

After this brief overview of bivariate patterns, the multivariate analysis provides more precise estimates of the relations between the sectoral, organisational, and country

specific factors on the one hand, and the contact patterns with the European Commission, on the other. It includes the interval level variables into the analysis and controls for the simultaneous impact of all explanatory variables.

# 2.2 The explanation of the contact patterns

Table 3 outlines the summary statistics of two regression models. The first column gives the model number and the second column indicates which variables are included in the model. The following columns give the number of regressors included in the model (k), the explained sum of squares, the unexplained sum of squares, and the F-value of the model. As the next column indicates, all three models are highly significant indicating that at least some of the regressors have an effect on the contact patterns with the Commission. The last two columns give the goodness of fit measures. The adjusted R<sup>2</sup> indicates that the models explain about 49 per cent of the variance in the dependent variable.

Table 3: Summary statistics for regression models one and two (for 452 associations)

No.	Variables included	k	ESS	USS	F	Sig.	R <sup>2</sup>	Adj. R <sup>2</sup>
1	Country: EU, D, UK Sector: Internationalisation, Concentration (and concentration squared), Economic weight, Organisation: Budget, Interest representation, Service provision, EU-network, Office, Sector ass., Cross-sectoral ass., Degree of representation, Members: associations, Members: ass. + firms, Age (linear) Interactions: EU-budget, EU-economic weight, EU-office, EU-degree of rep.	20	689.450	647.866	22.933	.000	.516	.493
2	Model 4 – interaction effects	16	674.484	662.833	27.665	.000	.504	.486

The *first model* tests whether effect of sectoral and organisational varies across political systems. In particular, several interaction effects have been included to check whether the effect of the sectoral and organisational factors differs for EU associations. The assumption that the effect of these variables differ among EU and national associations is plausible for two reasons: First, EU and national associations have different territorial domains which may give rise to dissimilar effects of the same value a variable for different types of associations. To give an example: Organising

member firms that have more than 100,000 employees indicates a high economic weight of national associations but not necessarily of EU associations. The latter have a much larger territorial domain and a much greater potential economic weight than the former. Therefore, having the same number of employees may count differently for national associations than for EU associations. Second, the sectoral and organisational variables may have a different effect at the national and at the EU level because they interact with particular policy styles in the member states and in the European Union. The removal of this block of interaction variables indicates that the impact of sectoral and organisational factors might vary for EU and national associations but on a conservative basis we cannot be entirely sure. Therefore, the following model excludes all interaction terms.

# 2.3 The impact of country, sector, and organisation

Table 4 presents the results of model 2. After the coefficients (b), it gives the standard errors (s.e.), the t-ratio (T), and the significance level for a one tailed t-test (Sig.).8 The information index (I) shows the maximum effect of each explanatory variable relative to the range of the dependent variable.9

Apart from the degree of representation the coefficients for the explanatory variables have the expected sign so that results confirm most of our hypotheses. Most of the coefficients are also statistically significant so that these results are relevant beyond our sample. The coefficients of the *country variables* indicate that being an EU association rather than a French association increases the number of contacts with the European Commission on average by about 1.9 categories. This is the strongest effect of all explanatory variables. Being an EU association rather than a French association raises the number of contacts with the Commission by about 38.1 per cent of the

F-test for the removal of the interaction effects: [(0.516 - 0.504)/4]/[(1 - 0.516)/(452 - 20)] = 2.6777. This value surpasses the critical F-value<sub>5.  $\infty$ , 0.05 of 2.37 but not that of 3.32 at the .01 level. More specifically, the impact of the budget differs significantly across political systems, but not that of the other interaction terms. This will be pursued in subsequent analyses.</sub>

<sup>8</sup> Since the hypotheses specify the direction of the relationship between explanatory variables and the dependent variable one tailed tests are appropriate.

 $<sup>^{9}</sup>$  I = (b X<sub>max</sub> - b X<sub>min</sub>) / (Y<sub>max</sub> - Y<sub>min</sub>).

Since the units of observation come from different political systems, a Breusch-Pagan test has been conducted to verify that the error terms are homoscedastic. The Durbin Watson statistic indicates

range of the dependent variable as the information criterion indicates. As expected in HYPOTHESES 1.1 to 1.3, the coefficient of the EU associations is positive and larger than those of the national associations. In fact, the magnitude of the differences points to a qualitative difference between EU and national associations. It provides strong empirical support for our HYPOTHESIS 1.3 that the main operating level of an association is of utmost importance in explaining contact patterns with the European Commission. Regardless of their resources and domain of representation, EU associations enjoy substantial advantages over national associations when it comes to accessing the European Commission.

Table 4: An explanatory model for contact patterns with the Commission

	· · · · · · · · · · · · · · · · · · ·	Model	ı		
_	b	S.E.	T	Sig.	I
Constant	-,33200	,483	-,687	,492	
Country EU	1,90300	,240	7,927	,000	.381
Country D	,71700	,179	4,005	,000	.143
Country UK	,29200	,196	1,487	,076	.058
Internationalisation	,01447	,003	5,090	,000	.255
Concentration	,02237	,010	2,265	,012	
Concentration squared	-,00027	,000	-2,287	,012	
Economic weight	,00035	,000	1,844	,034	.100
Budget	,00025	,000	8,047	,000	.373
Interest representation	,01440	,003	4,354	,000	.288
Service provision	,16800	,075	2,237	,013	
Domain and members: higher order, ass.	,17400	,224	,780	,218	.100
Domain and members: higher order, firms + ass.	,50500	,141	3,579	,000	.177
Degree of rep.	-,00056	,003	-,204	,420	.008
1/ Age	,95400	,671	1,421	,078	
Office	,50100	,148	3,376	,001	.101
EU network	,05900	,027	2,225	,014	.190

Being a German association also tends to increase the number of contacts with the Commission. Being a German association rather than a French association increases the number of contacts with the Commission by about 0.7 categories of the dependent variable. But compared to the division of labour between EU and national

that the error terms are not autocorrelated. The Variance Inflation Index shows that multicollinearity does not pose much of a problem.

associations, the effects of policy styles are more limited. German associations have a larger coefficient than British organisations. This is consistent with the expectation that German corporatist practices provide a better training ground for the representation of interests in the EU multi level system than the British informal policy style. The British associations have a small positive coefficient but that is not statistically significant. Accordingly, the null hypothesis that British associations do not differ at all from French associations in their access to the European Commission cannot be rejected. In contrast to much of the conventional wisdom, the British informal policy style does not seem to equip the UK associations with better means to access to the Commission than French statism.

Thus, even when controlling for sector and organisation, country specific factors still have a large role to play. Nevertheless, national policy styles are not as important as the main operating level of the associations is. Moreover, differences among policy styles must be particularly pronounced and of a particular nature to show in access patterns with the European Commission. Apparently, only a corporatist policy style as opposed to a statist approach or more informal ways of consulting prepares trade associations well for the way that EU policy is devised. Long standing relations between state actors and trade associations and institutionalised channels of communication at the domestic level resonate well with the network mode of interest intermediation at the EU level (see also V. Schmidt 1999).

With regard to the *sectoral* dimension, the empirical findings also support our expectations. They are consistent with HYPOTHESIS 3 which stated that a higher degree of internationalisation should lead to a higher number of contacts with the Commission. A move from the lowest to the highest degree of internationalisation (from 0 to 88 per cent) shifts the value of the dependent variable by about 25.5 per cent of its range or by more than a category. The coefficients for the degree of concentration confirm our HYPOTHESIS 4 which stated that the degree of concentration is curvilinear related to the contact patterns. The inversely u-shaped curve has its maximum and turning point at 42.1 percent. At this point, the number of contacts with the Commission increase by 0.47 categories or 9.4 per cent of the range of the dependent variable. Thus, the direction and the magnitude of the effect of the degree of concentration clearly depend on the level of concentration. As expected in HYPOTHESIS 5, the economic weight of associations appears to have a positive effect

on the number of contacts. Shifting this variable from its minimum (50,000 employees) to its maximum value (1.5 mio. employees) moves the dependent variable by 10 per cent of its range. The effect of adding thousand employees is quite small however and increases the number of contacts only by 0.00035 categories. Apparently, the internationalisation of a sector has a greater impact on the contact patterns than the economic weight of an association or the degree of concentration.

Analysing the *organisational* variables, a higher budget has obviously a strong positive effect on the number of contacts with the European Commission. This was expected in HYPOTHESIS 6. The maximum effect of this variable given a change from its lowest value (50,000 ECU) to its highest value (7,5 mio ECU) amounts to a shift by almost two categories or by about 36.4% of the range of the dependent variable. Thus, the maximum effect of the budget has almost the same magnitude as that of the variable for EU associations. However, *inter alia*, the small coefficient for an increase in the budget by one thousand ECU means that national trade associations need to be very well equipped if they want to compensate for the advantages of EU associations. And only few associations, namely 38 of them, have a budget of at least 5 mio. ECU at their disposal (see table 2).

The findings for the specialisation of trade associations on the representation of interests and the provision of services are supportive of our HYPOTHESES 7 and 8. The more an association focuses on the *representation of interests*, the more contact it has with the European Commission. This variable has a very strong effect on the contact patterns. Increasing it from its minimum to its maximum value (from 0% to 100%) raises the number of contact with the Commission by about 28.8% of the range of the dependent variable. This indicates that the representation of economic interests in the EU requires a very high degree of professionalisation even though the European Commission is generally considered to be very open to interest organisations. Apparently, trade associations must devote a substantial share of their resources to the representation of interests to gain a sufficient working knowledge of the European institutions and to be able to provide the expertise that is required from them.

Providing services to members also has a positive impact on the contact patterns with the European Commission. Nevertheless, as expected, each additional unit of the budget spent on services has diminishing returns in terms of contacts. Since this variable is based on the natural logarithms of the budget share spent on service provision its coefficient gives the absolute change in the number of contacts with the Commission as a result of a relative change in the budget share allocated to service provision. Thus, a one per cent increase of the budget share from 20 per cent to 20.2 per cent or from 80 per cent to 80.8 per cent increases the number of contacts with the Commission by  $0.168 \times 1/100 = .00168$  categories. Thus, the provision of selective goods increases the capacity of interest groups to steer the process of opinion formation amongst their members and increase the expertise relevant for the representation of interests in Brussels to some extent.

Compared to the organisational factors discussed so far, representational characteristics do not seem to influence the patterns of interaction with the Commission to a large extent. In fact, the results put in question that the domain of representation, the type of members and the degree of representation are important at all when it comes to accessing political institutions. Apparently, representational characteristics hardly affect interactions with the European Commission. Concerning the domain of representation, even if both types of higher order associations have positive coefficients higher order associations per se need not necessarily enjoy a better access to the Commission than lower-order associations: The results for those associations organising associations only are clearly not significant at conventional levels. This runs counter to our HYPOTHESIS 9 which suggested that a broader domain of representation should in general have a positive effect on access patterns. Only a broader domain of representation coupled with a certain membership structure has a significant and positive impact on the number of contacts with the European Commission. On average, higher-order associations that organise both associations and firms have more contacts with the supranational bureaucracy than trade associations that organise only firms or only associations. This is what our HYPOTHESIS 9 stipulated. To be more precise: Organising firms and associations rather than only firms increases the number of contacts with the Commission by 0.505 categories or by 10.1 per cent of the range of the dependent variable. Moreover, in contrast to our expectations, the degree of representation even has a negative impact on contacts with the European Commission. However, since this coefficient is clearly not significant at conventional levels, the null hypothesis that the degree of representation does not have an effect at all cannot be rejected. This is evidence against our HYPOTHESIS 10. Apparently, the access of trade associations to the Commission follows a logic different from that of democratic representation. Properties such as resources and task specialisation are far more relevant. But one must take into account that many associations claim to have a fairly high degree of representation so that their variance is limited.

In HYPOTHESIS 11, I assumed that age would have a negative effect on contact patterns and that this effect would not be a constant but decrease with each additional year. This hyperbolic specification gives the best fit of the model compared to the other potential effects specified in hypothesis 11. Nevertheless, the age of an association need not necessarily have an important effect on the contact patterns since the coefficient is not statistically significant (at conventional levels).

The last two variables are themselves responses to the integration process and means to cope with Brussels legislation. Including them into the analysis and controlling for their effect allows for a better assessment of the role the country specific, the sectoral and the organisational factors. Having an office in Brussels increases the number of contacts by about half a category or 10 per cent of the range of the dependent variable. Similarly, being a member in many (more than 10) EU trade associations rather than in none raises the number of contacts by 0.86 categories or 17.3 per cent of the range of the dependent variable. Installing an office in Brussels is a measure to increase the presence in EU networks and to represent individual interests on a routine basis vis-àvis the EU institutions. Therefore it is not surprising that there is empirical support for our HYPOTHESIS 13 which claimed that having an office in Brussels would have a positive effect on contacts with the Commission. However, membership in EU associations need not necessarily have a positive impact on such contacts. Rather, it may be considered as providing for sufficient presence in Brussels. Nevertheless, it has a positive impact on access to the Commission which supports our HYPOTHESIS 14. The more embedded an association is in EU policy networks, the greater are its chances to develop dense contacts with the European Commission. Membership in (other) EU associations does not pre-empt individual contacts of trade associations with the Commission but is an additional channel of representation to build up institutionalised contacts at the EU level.

This section provided evidence that, in general, country-specific, sectoral and organisational factors are additive rather than interactive influences on the inter-action with the Commission. Systemic and organisational factors shape contact patterns to a

greater extent than sectoral features. In a multi-level system, the main operating level is of utmost importance in explaining contact patterns between associations and political institutions. It proves to be more important than differences in policy styles. Of the sectoral factors, a high degree of internationalisation provides a strong incentive to build up contacts with the European Commission while the economic clout of associations and the specific mix of small and large firms are of lesser relevance. Among the organisational factors, the resources of the association and their task specialisation have a clearly positive influence on their contact patterns while representational characteristics hardly matter.

# 2.4 The perception of regulation: the importance of the Commission

So far, assessments of the importance of the Commission have not been incorporated into the analysis. To gain some understanding of this "subjective" factor, I will compare a model that includes Commission importance to one which excludes Commission importance. To obtain 'informed' estimates, only those associations having contacts with the Commission were asked to specify the importance of the supranational bureaucracy for the representation of their interests. Therefore, interpretation requires consideration of this 'selection on the dependent variable'. Table 5 presents the summary statistics of these two models. To those variables already included in model 2, model 3 adds the assessment of Commission importance. Model 4 removes this variable again for the new sub-set of 323 associations.

Table 5: Summary statistics for models ₹ and (for 323 cases)

No.	Variables included	k	ESS	USS	F	Sig.	R <sup>2</sup>	Adj. R <sup>2</sup>
3	Model 2 + Commission importance	17	238.852	154.787	16.874	.000	.484	.455
4	Model 2	16	207.817	285.821	13.951	.000	.421	.391

Table 5 shows that including assessments of the importance of the Commission into the analysis clearly improves the goodness of fit of the explanatory model.<sup>11</sup> How then does including the assessment of Commission importance affect the other variables? Table 6 shows that, in model 3, Commission importance itself has a strong

The F-test also confirms that Commission importance should be included into the analysis as an explanatory variable. F-test for including Commission importance: [(0.455-0.391) / 1] / [(1-0.455) / (323-17)] = 35.93. This value clearly surpasses the critical F-value of  $F_{1,\infty,05} = 1.67$ .

impact on the contact patterns. On average, attaching a very high degree of importance to the European Commission (category 6) rather than no importance at all (category 1) increases the number of contacts with the Commission by more than 1.5 categories or by about 37.4 per cent of the range of the dependent variable. This is the strongest maximum effect of all explanatory variables. It even surpasses the effect of the variable for EU associations (32.8%) and that of increasing the budget from its minimum to its maximum level (25%). In the former models, these two factors had been the most important influences on the access patterns.

Table 6: The importance of the European Commission: subjective assessments and access to the European Commission

access to the	Model 3					Model 🎉				
•	b	S.E.	T	Sig.	Ī	ь	S.E.	T	Sig.	I <sub>1</sub>
Constant	.22100	.484	.456	.325		1.32500	.475	2.789	.003	
Country EU	1.3130	.204	6.440	.000	.328	1.54800	.212	7.315	.000	.387
Country D	.49400	.167	2.950	.002	.124	.44300	.177	2.509	.007	.111
Country UK	.12500	.189	.658	.256	.003	.14200	.200	.710	.239	.036
Internationalisation	.00074	.002	3.160	.001	.163	.00652	.002	2.628	.005	.143
Concentration	.01717	.009	1.965	.025		.02383	.009	2.599	.005	
Concentration squared	00018	.000	-1.767	.039		00025	.000	-2.287	.012	
Economic weight	.00033	.000	2.227	.014	.121	.00032	.000	2.020	.022	.116
Budget	.00013	.000	5.304	.000	.250	.00015	.000	5.637	.000	.280
Interest representation <sup>2</sup>	.00844	.003	2.770	.003	.200	.00987	.003	3.072	.001	.234
Service provision	.10900	.069	1.595	.056		.13500	.072	1.862	.032	
Office	.08137	.121	.674	.251	.020	.16100	.127	1.265	.104	.040
EU network	.03508	.021	1.679	.047	.132	.03555	.022	1.609	.055	.133
Degree of rep.	00051	.003	197	.422	010	.00056	.003	.206	.419	.012
Domain and members: associations	12500	.180	693	.445	003	09554	.190	503	.308	024
Domain and members: firms + ass.	.19300	.120	1.604	.055	.005	.17600	.127	1.380	.085	.044
1/Age	1.17400	.614	1.911	.029	.292	1.47600	.647	2.279	.012	.367
Commission importance	.29900	.049	6.105	.000	.374			••		

<sup>1</sup> For this sub-set of associations the range of the dependent variable decreases from 5 to 4 categories.

Including Commission importance into the analysis reduces the effects of several other variables. Taking the information criterion as standardised indicator for the strength of the influence, including Commission importance into the analysis reduces the impact of the EU variable by about 6 percentage points, it decreases that of the

<sup>2</sup> For the new sub-set of associations the minimum value of this variable is not 0 per cent, but 5 per cent so that its range reduces to 95 per cent.

specialisation on interest representation by 3.4 percentage points, that of the specialisation on service provision by 3 percentage points and that of the budget by about 3 percentage points. These results show that especially those variables that can be considered as resource based and task oriented explanations of interest group behaviour – such as the budget of associations, their focus on the representation of interests or the provision of services as well as the focus on Brussels as opposed to that on national institutions – lose in explanatory power. Realising that the Commission is important is logically prior to the setting up of EU associations or allocating resources to the representation of interests in the EU. Therefore, these changes provides some evidence that the importance of the Commission is not endogenous – i.e. Commission importance results from the political activities of the Commission. The reductions in the effects of task specialisation and resources also indicate that organisational mobilisation following the realisation of Commission importance can partially compensate for a lack of resources or capacities.

Keeping the *caveat* in mind that these results are based on a sub-set that involves selection on the dependent variable and taking into account that endogeneity cannot be completely ruled out, the results nevertheless suggest that subjective assessments exert a strong independent influence on contact patterns with the Commission. To some extent, interest organisations can compensate for a lack of resources or capacities by mobilising in the face of important EU legislation.

3. Conclusion ...

Analysing contact patterns between the European Commission and trade associations is non-trivial because trade associations rely on contacts to influence political decisions and because the Commission needs them to gain sufficient expertise over the issues at hand. This chapter identified three sets of factors that shape these interactions: country-specific, sectoral, and organisational factors. The recourse to a multivariate analysis enabled qualification of some results of a preliminary bivariate analysis. For the most part, the three dimensions influence the contact patterns in an additive rather than in an interactive way. Of these three dimensions, country specific and organisational variables proved to be more strongly associated with a high number of contacts than sectoral factors.

Among the *country*-specific factors, the main operating level of associations is crucial. EU associations have clearly more contacts with the European Commission than national associations. They have evolved into genuine intermediaries between national members and European political institutions. Differences in national policy styles are only of secondary importance. They only make for a dissimilar access to the Commission if they are of a particular nature. Among national associations, the 'corporatist' German associations enjoy a much better access to the European Commission than their British and French counterparts. This sets corporatism apart from statism and from a more informal-pluralist mode of interest intermediation. The EU network style of policy-making resonates better with a corporatist mode of interest intermediation at the domestic level than with either of the other modes.

Among the *sectoral* factors, a high degree of internationalisation is highly associated with a high number of contacts. A higher degree of regulation on part of the EU institutions and experiences in an international context provide for intense interaction with the supranational bureaucracy. The particular mix of small and large firms is less relevant which indicates that a high and a low degree of concentration pose only modest collective action problems for associations. The economic clout of the trade associations' members is also less important than internationalisation because the investment power of its members is not under the immediate control of a trade association and cannot be invoked in each and every policy discussion.

Among the *organisational* factors, resources and task specialisation are most important. A high budget is strongly associated with a high number of contacts. To a slightly lesser extent, this holds also for the specialisation on interest representation. In general, the representation of interests at the EU level requires substantial organisational capacities and a high degree of professionalisation on part of interest organisations. To some extent, these requirements can be compensated for. If associations attach a high degree of importance to the European Commission and its regulatory activities, they activate all means available to approach the supranational bureaucracy regardless of their organisational capacities. Compared to these factors, representational characteristics hardly matter when it comes to representing interests vis-à-vis the Commission. The representation of business interests does not follow the logic of democratic representation, it is largely based on functional criteria.

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# Appendix: Ordered probit estimate for model & (452 cases)

Iteration 0: log likelihood = -777.47754 Iteration 1: log likelihood = -619.90527 Iteration 2: log likelihood = -616.15912 Iteration 3: log likelihood = -616.13029 Iteration 4: log likelihood = -616.13028

Number of observations = 452 LR chi2(16) = 322.69 Prob > chi2 = 0.0000 Log likelihood = -616.13028 Pseudo R2 = 0.2075

		Mode	12			
	b	S.E.	Z	Sig. (one tailed)	Conf. I	nt. 95%
Country EU	1.821520	.2239399	8.134	.000	1.382610	2.260434
Country D	.657598	.1609225	4.086	.000	.342196	.973000
Country UK	.259334	.1775306	1.461	.072	088620	.607287
Internationalisation	.011397	.0025425	4.482	.000	.006414	.016380
Concentration	.020285	.0088543	2.291	.011	.002930	.037639
Concentration squared <sup>1</sup>	000224	.0001038	2.158	.016	000428	000021
Economic weight	.000334	.0001691	1.973	.024	.000002	.000665
Budget	.000223	.0000291	7.680	.000	.000166	.000280
Interest representation	.013193	.0030621	4.308	.000	.007191	.019195
Service provision	.141208	.0698890	2.020	.022	.004228	.278188
Domain and members:	.135658	.1988353	0.682	.248	254052	.525368
higher order, ass.  Domain and members: higher order, firms + ass.	.428668	.1247889	3.435	.001	.184087	.673250
Degree of rep.	.000954	.0024642	0.387	.350	.005784	.003875
1/ Age	.831748	.5915714	1.406	.080.	.327711	1.991207
Office	.443786	.1275872	3.478	.001	.193720	.693853
EU network	.054916	.0253369	2.167	.015	.005256	.104575

\_cut1 | 2.179154 .4489931 (Ancillary parameters)

\_cut2 | 2.540038 .4508775

\_cut3 | 3.098637 .4559689

\_cut4 | 4.03058 .4688468

\_cut5 | 5.041863 .4864257

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