Legislative powers and lobbyists' channels for the transmission of information in the EC

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This paper tests some hypotheses of an informational model of EC law-making under different legislative procedures developed elsewhere. In concrete, this paper tests four hypotheses on the share of lobbying directed to the EP and the European Commission under the two main legislative procedures of the EC, namely consultation and co-decision. The paper uses statistical evidence from a postal survey of political and public affairs consultants specialised in EU issues. Unlike other surveys, this survey is based on factual questions about particular cases of legislation. The results of the tests are quite supportive of the model's predictions. Finally, the paper's conclusions concentrate not only on the validity of the model, but also on the methodological issues raised by the paper.

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The study of interest groups was once, according to a recent survey of the field, perhaps the most imperial of literatures in political science. Scholars of the generation of David Truman thought that a political system could best be understood by looking at how groups formed and interacted with each other and with the government.[1] Studies of interest groups were studies of the entire political system, and students of politics were students of interest groups, virtually by definition. 'These studies had in common an ambition to use the activities of groups as a lens through which to view all of politics.'[2] Today, political scientists are more likely to see lobbyists as marginal actors compared to institutions such as the council, the European Commission, the EP, and the ECJ. Many studies of interest groups focus on narrower subjects such as the collective action dilemmas of the internal organisation of groups, but less than it would be desirable study how interests influence government and how government influences interests' behaviour.[3] This is not only a trend in EU political science, but a general phenomenon, pointed out by Baumgartner and Leech.[4] This chapter is within a body of literature aiming to bring back to the forefront the study of interest groups as an instrument to understand broader issues of politics.

In this chapter I use the external activities of groups to test the validity of a model of the effect of constitutional arrangements on the legislative power of different chambers in a pluricameral legislature. The chapter just tests a small portion of the model's predictions. Other predictions have already been tested in the previous chapter and yet other will remain to be tested by further studies that exceed the scope of this thesis. In concrete, this chapter tests the predictions of the model at the level of the intermediate variable, namely the transmission of information from lobbyists to legislators. This chapter complements the tests in the previous chapter well, in the sense that it tests the validity of some important results that the evidence in the previous chapter was insufficient to confirm. At the same time, the evidence in this chapter reconfirms results that had already been confirmed in the preceding chapter. The previous chapter and this one together constitute an excellent example of triangulation as I defined it in the introduction to this thesis (chapter one).

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[1] See David B. Truman, *The Governmental Process: Political Interests and Public Opinion*, New York: Alfred A. Knopf, 1951.

[2] Baumgartner and Leech, 1998, p. 44.

[3] See Justin Greenwood and M. Aspinwall (eds.), *Collective Action in the European Union*, London: Routledge, 1998.

[4] Baumgartner and Leech, 1998.

The rest of the chapter will be divided in four sections. In the first section, the literature will be reviewed. The second section will deal with the concept of lobbying and its measurement. The third section will test the predictions of the models in chapter three. The final section will present the chapter conclusions.

THE LITERATURE

The literature on lobbying is most advanced in the U.S. Frank Baumgartner and Beth Leech undertake a thorough review of what we know about how interest groups influence day-to-day governing.[5] The connection between lobbying and law-making has been the subject of several formal models such as Austen Smith's article on Information and Influence.[6] The relationship between lobbying and legislation has also been the subject of empirical studies more or less connected to empirical evidence. As Baumgartner and Leech (1998) note, 'surprisingly absent from the surveys on lobbying are discussions of how groups choose the targets of their lobbying efforts.'[7] In this respect, controversy has centred around the question of whether lobbyists will direct their efforts towards their allies or towards the undecided or even the opponents.[8] Empirical analyses have also looked at how lobbying tactics vary across issues.[9] But studies have rarely focused on how interests select their targets among the different legislative bodies of a division of powers system.

The reason why it is very rare to find in the American literature studies of the influence of the constitutional division of legislative powers on lobbyists' targets is twofold. Firstly, on the supply side, is that it is very difficult to find different institutional arrangements in lawmaking, since the American legislative procedure is much more streamlined than its EU counterpart, which features different legislative procedures for different issue areas. In addition, the American legislative procedures have not varied across time as much as the EU ones, so that it is also difficult to find variation due to the effect of constitutional reforms. In other words, the American legislative system does not constitute the natural laboratory that the EU system represents for the study of the influence of different institutional arrangements on law-making. Secondly, on the demand side, since in the US less need is perceived to modify the constitution than in the EU, the study of different institutional arrangements loses interest. As a consequence of these two reasons, the question of the influence of the division of powers on lobbying targets has been left for other legislative systems, such as that of the European Community.

The EU legislative system had all the favourable conditions for the study of the influence of the division of legislative powers on lobbyists' strategies. But, nevertheless, studies of this issue can be counted with the fingers of one hand. And the deficit is not only quantitative but also qualitative. When such studies have been undertaken, it has been in a mostly empirical way, where intuition has taken the place of

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[5] Baumgartner and Leech.
[6] Austen Smith (1999).
[7] P. 155.
[8] See, for example, Raymond A. Bauer, Ithiel de Sola Pool and Lewis A. Dexter, American Business and Public Policy: The Politics of Foreign Trade, New York: Atherton Press, 1963.
[9] See Berry 1977 and Schlozman and Tierney 1986. Leech.

formal theory. In this fashion, Sidjanski has early pointed out the possibility of using interest group targets as indicators of the powers of different institutions within the political system of the European Community. His argument ran as follows:

> To the extent that interest groups orient their action to an institution and seek to influence its decisions, they can constitute indicators both of the role and of the powers of the institution which is the object of their claims and pressures. Interest groups, which do not usually undertake gratuitous acts, seek the greatest effectiveness. Thus, the study of interest groups allows to assess their influence but also the importance that they confer to an institution within a political system.[10]

Similarly, Kohler-Koch points out that 'several factors support the argument that the European system of interest intermediation is highly dependent on the "logic of influence" and that interest organizations reacted to political system formation.'[11] She explains how interest groups 'pursue a "dual strategy", striving for access through national governments as well as directly to the Community institutions'. She argues that the combination of multiple channels of access is mandatory because of two main reasons: First, in the EU policy-making cycle, the arena changes. Decision at EU level-implementation at national level. Secondly, even though the locus of policymaking may be inequivocal, different procedures apply to different issues, distributing decision-making powers differently.[12]

There are at least four instances in the literature where the study of lobbying is used as a means towards understanding the powers of the different institutions within the EU political system. These are Sidjanski (1980), Coen (1997), Coen (1998) and Kohler-Koch (1997). All these studies are based on surveys. Table 5.1 shows a classification of past surveys used in empirical studies as a function of two variables: (1) whether the surveys are based on hypothetical or factual questions, and (2) the unit of analysis.

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[10] 'Dans la mesure où les groupes d'intérêt orientent leur action vers une institution et cherchent à infléchir ses décisions, ils peuvent constituer des indicateurs quant au rôle et aux pouvoirs de l'institution qui est l'objet de leurs solicitudes et pressions. D'autant que les groupes d'intérêt qui n'ont pas costume d'accomplir des actes gratuits visent le maximum d'efficacité. Ainsi l'étude des groupes d'intérêt permet d'evaluer leur influence mais aussi l'importance qu'ils accordent à une institution dans un système politique.' D. Sidjanski, 'Le Parlement Européen et les Groupes d'Intérêt', in R. Hrbek, J. Jamar and W. Wessels, (eds.), *The European Parliament on the Eve of the Second Direct Elections: Balance Sheet and Prospects*, Bruges: De Tempel, 1984, p. 520.

[11] Beate Kohler-Koch, Organized Interests in European Integration: The Evolution of a New Type of Governance?, p. 46, in Helen Wallace and Alasdair R. Young, Participation and Policy-Making in the European Union, Oxford: Clarendon Press, 1997.

[12] Beate Kohler-Koch, Organized Interests in European Integration: The Evolution of a New Type of Governance?, p. 47-48, in Helen Wallace and Alasdair R. Young, Participation and Policy-Making in the European Union, Oxford: Clarendon Press, 1997.

		Questions	
		Hypothetical	Factual
Units of analysis	Lobbyist-period of time	Sidjanski Coen 1997	Sidjanski
	Lobbyist-group of issues	Coen 1998	Kohler-Koch?
	Lobbyist-issue		This study

Table 5.1. Surveys of lobbyists' targets

Sidjanski wanted to analyse the impact of institutional changes on the influence of the EP as indicated by interest group targets. He focused mainly on the advent of direct elections to the EP and the increase in Parliament's budgetary powers. In his paper, Sidjanski used the results of a survey by the research service of the Economic and Social Committee distributed in 1978 among 22 people responsible for the main European interest groups.[13] The survey asked those managers to rank four European institutions, namely the commission, the economic and social committee, the EP and the council as channels to exercise influence.[14] The result was that the commission was first, followed by the economic and social committee, the council and, finally, the EP. However, for the period after the advent of direct elections and the increase in the EP's budgetary powers, Sidjanski did not count on a similar survey to the one he had for 1978. Instead of replicating the survey in 1980, he opted for doing two case studies: one for --- and another for ... . As a result, instead of a sample of observations before and after the changes he wanted to investigate, Sidjanski had two samples: one with 22 observations and another one with two. These two samples were obtains in such heterogeneous ways that they were not at all comparable. The first asked an interpretative question whereas the second was based on actual facts. The first was based on a survey whereas the second was a set of two case studies. Sidjanski's study had three main shortcomings. The first was the above-mentioned problems with the sample. The second was that the questions in the survey were hypothetical rather than factual. The final problem was that the study's units of analysis were lobbyist-periods of time. The study only counted on two periods of time, or rather, one and a half (because of the use of case studies for the second period). With such a small dataset, it is impossible to separate based on the data the influence of different institutional changes.

David Coen (1997) does not incur in the same difficulties as Sidjanski in that he is consistent in using the same type of data for the two periods that he analyses. He uses a sample of 54 firms from an industrial survey of 300 large firms to which he asked how they *would* allocate a finite amount of political resources between various political channels within the EU in 1994 and in 1984. The questionnaire was designed in part 'to see if firm activity had altered after the SEA and how much effect the Maastricht Treaty

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[13] Sidjanski, p. 522. Economic and Social Committee, 'Les Groupements d'intérêts européens et leurs relations avec le Comité économique et social', Brussels, Delta, 1980, pp. 22-24.

[14] Draws were allowed.

would have.' The study has a number of problems, however. First, as the previous study, it is base on time periods so it is impossible to separate the effect of different institutional changes (for instance the SEA and Maastricht treaty reforms). Secondly, the study is based on a hypothetical question. It is difficult to believe that respondents are able to give sensible answers to the questions. Even more difficult when they are asked about two periods of time ten years away from each other. It is at least dubious whether respondents are able to determine who they would allocate political resources now but to expect that they are able to make a reasonable allocation for ten years earlier is far too optimistic. And even if they were, the fact that the question is hypothetical makes it impossible to assess the experience of the respondents of the area they are being questioned.

David Coen (1998) also shows the result of asking Government affairs directors for Europe's largest companies to rank four different channels of influence in terms of their effectiveness in influencing policy issues. What is not clear is whether the question refers to total or marginal effectiveness. Besides, as he recognises, 'it does not represent real differences in activity or allocation of resources'. In addition, the four channels of influence he considers are national associations, national authorities, European Federations and European Institutions, which does not allow to separate between the different European institutions. An advantage with respect to the previous question, is that he questions about six different policy issues, which provides greater variation than just asking for two time periods. But, unfortunately, he continues to use hypothetical questions about perceptions, instead of facts.

Finally, Beate Kohler-Koch (1997) has carried out a survey of lobbyist consultants.[15] She reports that respondents to her survey affirm to pay more attention to the European Parliament in issues in which the EP has more power. But she does not show the results of the survey. In addition, it seems that she asked about the validity of her intuitive hypothesis directly, therefore introducing a bias in favour of a positive answer.

My survey tries to avoid the problems that show in the other surveys. First and foremost, my survey asks factual questions (as opposed to questions about opinion) on how firms have allocated their resources among the different institutions. Second, the unit of analysis is not a period of time or a group of issues, but a single legislative procedure. For the most part, surveys have tended to ask respondents what they 'usually' do, not what they did in a particular case. But it is also possible to ask respondents about particular issues, as Kingdon did in his *Congressmen's Voting Decisions* where he asked members of Congress to answer questions of their decision making in the context of particular issues.[16] Heinz et al. (1993) did the same applied to interest groups, asking them about eighty different specific issues.[17] But Leech went a step further: she asked respondents to identify the issue with which they had most recently been involved and to answer some questions on that issue.[18] In this sense, her survey can also be useful to understand with what types of issues lobbyists are more

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[15] I have not managed to get access to this survey.

[16] John W. Kingdon, *Congressmen's Voting Decisions*, 3rd. ed. Ann Arbor: University of Michigan Press, 1989.

[17] John P. Heinz, Edward O. Laumann, Robert L. Nelson and Robert H. Salisbury, *The Hollow Core: Private Interests in National Policymaking*, Cambridge: Harvard University Press, 1993.

[18] Leech, Beth L., *Lobbying Strategies of American Interest Groups*, Ph.D. dissertation, Texas A&M University.

involved. For its numerous advantages, I adopt her design in my survey. When questions focus on specific issues rather than on broad groups of issues or on generalisations, questions become more concrete and easier to answer by the respondent.[19] As well, the issue-based approach allows to obtain more potential variation in the variable of interest. Thirdly, questions are about the recent past so that facts are easier to remember by the respondents. Finally, the purpose of the survey is not unveiled buy dividing issues into groups or issue areas in order not to induce a bias in the respondents.

LOBBYING AND ITS MEASUREMENT

Giving a definition to lobbying is not easy. Baumgartner and Leech have observed that 'the word *lobbying* has seldom been used the same way twice by those studying the topic.'[20] Lester Milbrath wrote that 'the words "lobbyist" and "lobbying" have meanings so varied that use of the almost inevitably leads to misunderstanding'.[21] If one is to avoid these kinds of misunderstandings, a clear definition must be given. I have chosen my definition keeping two considerations in mind. First, the definition should be consistent with the model of law-making that I developed in chapters one to three and whose predictions this chapter is intended to test. Second, the definition should be compatible with what in the literature is defined as lobbying, in order to facilitate comparisons. By succeeding in these two fronts I think I can get this chapter to serve its purpose and avoid being accused of using a too 'ad hoc' definition.

Lobbying is 'strategic information transmission', as Austen-Smith has rightly pointed out.[22] This is also what my model proposes so this can be the base of a definition that unites consistency with the model developed in chapters two and three and applicability to other models. Thus. I define lobbying as *the strategic transmission of policy-relevant information from lobbyists to legislators with the intention of influencing the outcome of legislation.* This definition is concrete enough to define essential features of lobbying as understood in my model of lawmaking, whereas it is at the same time broad enough to be applicable to other models where lobbying is not modelled in exactly the same way as in my model.[23] But once lobbying is defined, another question is how to measure it.

In principle there are two possible ways to quantify the transmission of policy-relevant information. The first consists in counting the number of lobbyists active over a given issue. In my model lobbyists transmit policy alternatives. Since each lobbyist transmits not more than one policy alternative over a given issue, the number of alternatives transmitted equals number of lobbyists active over that given issue. The second possibility consists in measuring the expenditure in lobbying activities. This approach takes account of the fact that lobbying is costly, i.e. it is costly for a lobbyist to transmit a policy alternative to a legislator. Since there is a direct relationship between the number of alternatives transmitted by a given lobbyist and the cost of transmitting those alternatives, it is possible to quantify lobbying as the amount of resources spent in

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[19] See Baumgartner and Leech, 1998, p. 147.

[20] Baumgartner and Leech 1998, p. 33.

[21] Lester W. Milbrath, *The Washington Lobbyists*, Chicago: Rand McNally, 1963.

[22] David Austen-Smith, 'Information and Influence: Lobbying for agendas and Votes', *AJPS*, Vol. 37, No. 3, August 1999, pp. 799-833, p. 799.

[23] For example Austen-Smith (1999).

lobbying. This approach presents an important advantage over the one based on the counting of lobbyists active over a given issue. This advantage consists in the fact that some legislative procedures are multiple, this is, they consist of several independent issues (not to be confused with multiple dimensions) whereas other legislative procedures are not. In these instances measuring based on expenditure of resources is likely to represent more faithfully the amount of policy relevant information transmitted than a simple counting of lobbyists active, the latter giving the same weight to the information transmitted by a lobbyist in a three-issue legislative proposal as to that transmitted in a simple one. This is one of the reasons why I prefer to use measures of lobbying based on the expenditure of resources rather than on a simple count of active lobbyists.

There are two main sources of data on lobbying activity. The first one is registers of lobbyists, which presents the advantage of being a very objective way of measuring lobbying. The greater the number of lobbyists that are registered to work with a given institution, the more important we can assume the lobbying towards that institution to be. But this approach also presents some problems. First, it is possible that some lobbyists are not on the registry. There might be some interest for lobbyists not to be considered as lobbyists and the access to legislators is not usually difficult. They frequently receive constituents, visitors, etc. In addition, contacts with legislators take many forms, for many of which it is not necessary to be registered in any registry. But the second and foremost problem of the registry approach is that institution's registers of lobbyists may allow to study the variation in lobbying towards a given institution across time, but they do not permit to disaggregate the results to lower levels, such as issue areas or individual issues.

The second source of data on lobbying activity is self reports of lobbying activity, usually obtained from surveys. Surveys can be addressed to lobbyists or to legislators. In both cases registers are needed first, in order to elaborate a mailing list. In the case of legislators, registers are more accurate because legislators are public and stay in their positions for rather long periods of time. But in the case of professional lobbyists, without being public figures, registers can also be obtained because of their interest in advertising their services. There is one reason why it is more convenient to address the survey to lobbyists than to legislators: the former are in a better position than the latter to know the amount of resources spent in trying to influence the outcome of legislation. The main advantage of surveys over institutions' registers is that surveys allow to ask the questions about the units of analysis of the study the survey is intended to serve. For example, surveys allow to have data not only by period of time, but also by issue area or even by piece of legislation. It is mainly for this reason that in this study I have opted for a survey of lobbyists.

Uncertainty and the representativeness of the sample

In this chapter I intend to obtain a measure of the resources spent by the lobbying industry in trying to influence EC legislation. However, my survey is directed only to a subset of the lobbying industry, namely political and public affairs consultants. The question is now the following: will the expenditure decisions of this subset be representative of those of the whole lobbying industry? In this section I will argue in favour of an affirmative answer.

Policy entrepreneurs (lobbyists in my model) are 'people willing to invest their resources in return for future policies they favour.'[24] Lobbying is an investment in the sense that lobbyists spend present resources in exchange for the expectation of a future and uncertain good (policy). In this sense, lobbyists bidding for access to legislators are not unlike financial investors bidding for firms shares. The total amount of resources invested in a given financial asset is relatively easy to measure. But measuring spending on lobbying a given legislative body is not so easy, since the legislative market is not as efficient as its financial counterpart. Money is spent on lobbying, but more indirectly. Expenditure takes the shape of time, report writing, etc., in addition to direct money payments, which are less common.[25] Furthermore, legislative bodies do not have a registry of those who access them, namely political investors or lobbyists. Since it is so difficult to measure the cost of access to different legislative bodies, it may be worth looking at simplified methods, such as analysing the decisions of just a sample of the lobbying industry.

There are several ways to obtain a sample of the lobbying industry. On the one extreme, we can draw a random sample of the whole lobbying population. But drawing such a sample is not exempt from difficulties, mostly once we realise that we do not know the whole lobbying population from which to draw the sample. On the other extreme, it is possible to concentrate exclusively on a particular type of lobbyists, such as professional European public affairs and political consultants. This simplifies things much, since the population is then reduced. And a second advantage is that political consultants can be assumed to know better than others how the legislative system works, since they operate in a very competitive market that leads to the survival of the fittest and the best. But what if professional lobbyists' portfolios are specialised? In other words, can we expect the predictions for the whole lobbying industry to hold for just a subset of the former?

There is a theoretical basis for thinking that the unrepresentativeness of the sample will not be so much of a problem. The argument goes that if lobbying decisions are risky investments, then risk averse lobbyists have an incentive to diversify their portfolios. In concrete, it can be enlightening to apply here a model that was developed for financial investments, the Capital Asset Pricing Model (CAPM).[26] The CAPM assumes that there is a market interest rate (r_m) at which investors can borrow and lend at will without risk and that investors are risk averse. The model represents investments on a two dimensional space according to their average returns and their risk. Given these assumptions it is a prediction of this model that all investors, irrespectively of their

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[24] Kingdon p. 204.
[25] See chapter two.
[26] See S. Ross, 'The capital asset pricing model (CAPM), short sales restrictions and related issues, *Journal of Finance*, 32, 177-83.

degree of risk aversion, will have the same portfolio of risky assets, known as the market portfolio of risky assets and represented by the point (σ_m, R_m) in figure 5.1. Differences in risk aversion will translate only into differences in the rate of risky to risk-free assets, along the line starting at $(0, R_0)$ and passing through the market portfolio of risky assets (σ_m, R_m).
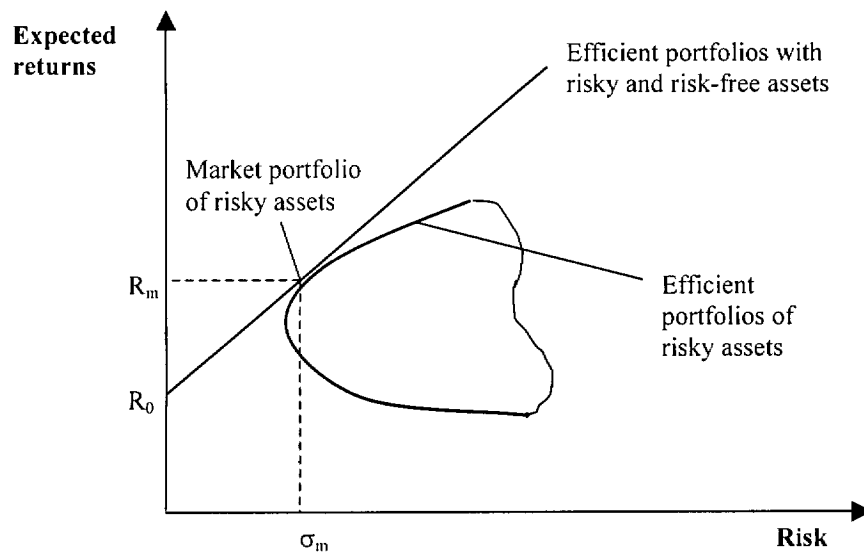
Figure 5.1. The Capital Asset Pricing Model
Source: Adapted from Varian (1992)

If we apply the CAPM to lobbyists' decisions, then we can expect that the portfolio of targets of any subset of the lobbying industry will be representative of the whole lobbying industry, with no need that the sample be random. Therefore, the predictions we developed about the composition of the portfolios of the lobbying industry as a whole will also apply to the portfolios of professional lobbyists, on which we have data. I will use those data to test the prediction of my model, in chapter three. The appeal of applying the CAPM to the analysis of lobbyist targets' portfolios is backed both theoretically and empirically. Theoretically, the simulations in chapter three showed a great variability in the marginal returns to lobbying. Most of the time, the marginal lobbyist had no influence on the policy outcome, whereas a few times it was extraordinarily successful. With so much variability in returns to lobbying risk aversion is very likely to affect lobbyists decisions.

Empirical evidence seems to support the assumptions on which the CAPM is based, as well as its predictions. As far as the assumptions are concerned, the risky nature of lobbying may be evidenced by the low survival rate of lobbying firms evidenced in the survey. Of 153 questionnaires sent, 12 were returned because the recipient had left without an address, which represents a 7.84%. If we take into account that the directory on which the survey is based is updated annually, the fact that 7.84% of lobbyists disappear within one year makes one think that lobbying is not free of risk. Empirical evidence from the US and the EU also appears to support the fact that lobbyists do diversify their portfolios, as predicted by the CAPM. In this direction, Baumgartner and Leech (1999) conclude, on the basis of extensive empirical evidence, that 'specialisation

on a single lobbying tactic is quite uncommon.'[27] Empirical evidence from the EU legislative system seems to point in the same direction. Mazey and Richardson conclude that 'effective lobbying (especially since the introduction of the co-decision procedure) requires a multi-track strategy, which utilises the multiple access points that the complex EU policy process provides.'[28] Similarly, Long draws from the success of the environmentalists in changing the structural funds that a group should not rely on trying to influence just one or two EU institutions, 'but has to try to use the whole range of possibilities at different times to achieve maximum effect'.[29] Finally, lobbyists' portfolio diversification is given other names, such as multi-level networks. In particular, Wessels notes the increasingly important role of the EP in those networks.[30] In conclusion, if the CAPM can be applied to political entrepreneurs' lobbying decisions, as empirical evidence seems to support, we should expect the results obtained from the survey of political and public affairs consultants to be quite representative of the whole lobbying industry.

THE SURVEY

Data presented here stem from a postal survey of 153 political and public affairs consultants engaged in EU issues drawn from the 2000 European Public Affairs Directory.[31] The survey was undertaken in the spring and summer of 2000. Following Leech, lobbyists were asked to identify the two most recent legislative procedures on which they had been active.[32] On each of these two procedures, they were asked to report how much time they had spent and to tell how they had distributed their time and resources among the commission, the European Parliament, the council or member governments and other institutions. The questionnaire also included questions on the organisation they worked for and on their rank and experience.

Of the 153 questionnaires sent, 12 were rejected on the grounds that the recipient was unknown or had moved without leaving a forwarding address. This represents 7.84% of the total and can be considered a rough indicator of the turnover of firms in the industry. If we deduct those 12 rejected questionnaires we obtain an adjusted sample size of 141. Comparing it with other similar surveys on EU lobbying, this sample size is on an intermediate level, between the 22 cases of the Economic and Social Committee's survey and David Coen's 300-strong survey of large firms.[33] If compared to US surveys of lobbyists' activities, this sample size compares well to Milbrath (1963), Berry (1977) or Schlozman and Tierney (1983, 1986) with samples of 101, 83 and 175 respectively. However, it is far from medium and large surveys such as those in Walker (1983, 1991), Heinz et al. (1993), Knoke (1990), Nownes and Freeman (1998?) with samples of more than 1000, more than 1000, circa 9000 and circa 900, respectively.

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[27] p. 154.

[28] Mazey and Richardson, in Edwards and Spence, 1997, 179, quoting Mazey and Richardson, 1995.

[29] Long 1995, p. 677, quoted in Mazey and R, in Edwards and Spence, 1997, p. 188.

[30] Wolfgang. Wessels, The Growth and Differentiation of Multi-Level Networks: A Corporatist Mega-Bureaucracy or an Open City, p. 35, in Helen Wallace and Alasdair R. Young, Participation and Policy-Making in the European Union, Oxford: Clarendon Press, 1997.
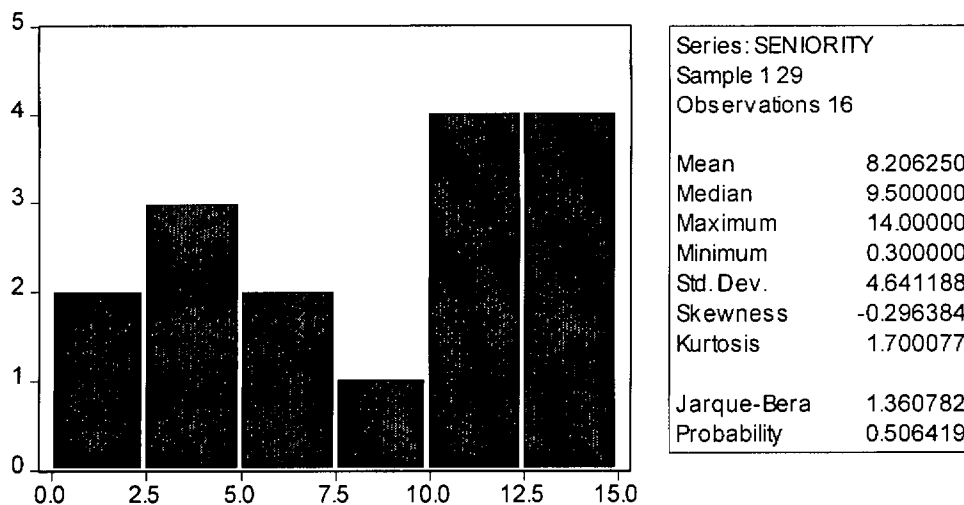
[31] Cite Landmarks.

[32] Leech 1998.

[33] Economic and Social Committee, 'Les groupements d'intérêts européens et leurs relations avec le Comité économique et social', Brussels, Delta, 1980; David Coen 1997.

As far as the response rate is concerned, 29 questionnaires were responded, which represents a 20.57% of the adjusted sample size. This response rate is smaller than that of other postal surveys, but it is acceptable if we take into account that the questions asked are factual rather than hypothetical, the latter demanding much more from the respondents.

As far as the respondents are concerned, of the 18 who answered the question about their rank in the firm, 14 were directors of the firm or of its Brussels office (77.78%), 3 were middle managers or account managers (16.67%) and only one was a staff member (5.56%). As far as their seniority is concerned, the average respondent had eight-years experience (see figure 5.2). All in all, the median respondent was a director with nine-and-a-half-years experience in the firm. The respondent's seniority is important in order for the survey to be reliable, although in the case of this survey reliability is guaranteed by the type of questions asked, which are factual questions about two cases of legislation with which the respondent was familiar. In other words, statistics on the respondents' rank and seniority do nothing but confirm that the survey design was successful in ensuring that the respondents had knowledge of the issue they were questioned about.

Series: SENIORITY	
Sample 1 29	
Observations 16	
Mean	8.206250
Median	9.500000
Maximum	14.00000
Minimum	0.300000
Std. Dev.	4.641188
Skewness	-0.296384
Kurtosis	1.700077
Jarque-Bera	1.360782
Probability	0.506419

Figure 5.2. Respondents' seniority within the firm

Testing the theory

As said in the introduction to this chapter, the purpose of this survey is to test some predictions of a model of EC law-making under different legislative procedures. These predictions relate to the amount of lobbying received by the commission and the EP under different legislative procedures of the EC. First the predictions on the consultation procedure are analysed followed by those on the co-decision procedure. Predictions on the assent procedure are not tested in this chapter, since there is no assent case in the dataset. For each prediction, some preliminary statistical data are shown first, which is followed by the test itself. Predictions are always tested against alternative hypotheses, derived from the existing literature. This is always followed by an analysis of the results and how they relate to the model of lawmaking in the first part of the thesis.

The consultation procedure

Testing prediction 1: Under the consultation procedure, the European Parliament will receive a positive amount of lobbying.

Null hypothesis: Under the consultation procedure, the EP will not be lobbied.

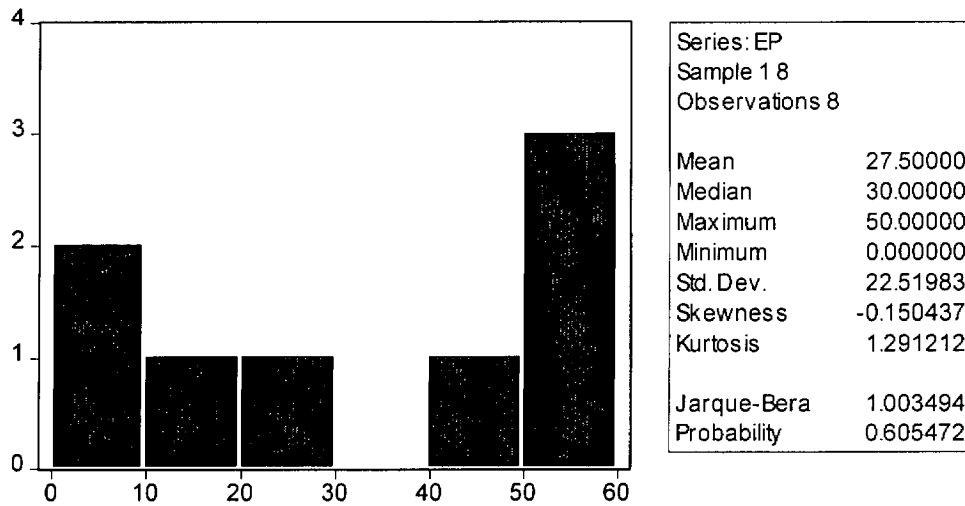| Series: EP	
Sample 1 8	
Observations 8	
Mean	27.50000
Median	30.00000
Maximum	50.00000
Minimum	0.000000
Std. Dev.	22.51983
Skewness	-0.150437
Kurtosis	1.291212
Jarque-Bera	1.003494
Probability	0.605472

Figure 5.3. EP's share of lobbying under consultation

Figure 5.3 shows some descriptive statistics of the EP's share of lobbying under the consultation procedure. The first feature to note is that observations concentrate in the extremes of the distribution, which is consistent with the model's prediction that lobbying through the commission and lobbying through the EP are substitutes. The mean value of 27.5 means that the average lobbyist directs 27.5 per cent of its resources to lobby the EP. This seems to support the model's prediction that the EP will receive a positive amount of lobbying under consultation, against the null hypothesis, although we still do not know how significant this result is.

Hypothesis Testing for EP
Date: 05/06/01   Time: 16:43
Sample: 1 200 IF PROCED=1
Included observations: 8

Test of Hypothesis: Mean > 0.000000

Sample Mean = 27.50000
Sample Std. Dev. = 22.51983

Method	Value	Probability 2-tailed	Probability (1-tailed)
t-statistic	3.453922	0.0106	0.0053

Table 5.2. Testing the EP's mean share of lobbying under consultation

Table 5.2 shows a preliminary hypothesis test of the mean share of lobbying. The test shows that the mean value of 27.5 per cent is significant at the 1 per cent level. In this case the relevant p-value is the one corresponding to a one-tailed test, since the

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alternative hypothesis (the model's prediction) is that the EP will receive a positive amount of lobbying, the null hypothesis is that the EP will receive zero lobbying and variable 'EP's share of lobbying' cannot take negative values. The result is very supportive of the model's prediction, since it allows us to reject the null hypothesis that states that the EP will not be lobbied under the consultation procedure at a confidence level of 99 per cent.

Dependent Variable: EP
Method: Least Squares
Date: 08/28/00 Time: 02:35
Sample(adjusted): 1 8 IF PROCED =1
Included observations: 7 after adjusting endpoints
Weighting series: TIME

Variable	Coefficient	Std. Error	t-Statistic	Prob. (1-tailed)
C	35.47291	4.424471	8.017436	0.0001

Table 5.3. Testing the weighted EP's share of lobbying under consultation

Should a small case of lobbying involving a few hours be awarded the same weight in calculating the average than a case of lobbying that consumed thousands of hours? This is the question of whether observations should be weighted. In their 175-strong sample of interests, Schlozman and Tierney, was weighted toward the most active organisations, according to the number of times the group appeared in the National Journal's Index to Organisations.[34] In table 5.3 the sample is also weighted, although in this case the weights are determined within the survey, this is, the actual amount of time lobbyists reported having spent in each lobbying case. This weighting is natural if we want to assess the total share of lobbying that each institution receives for a given group of cases (those falling under the same legislative procedure) instead of the behaviour of the average lobbyist.
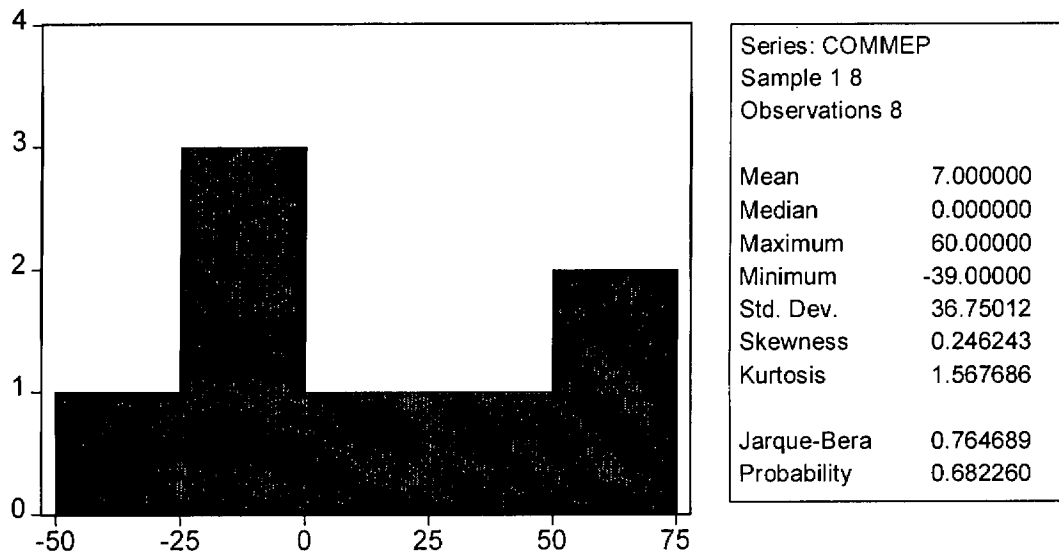
The results are in the same direction but even stronger this time. The null hypothesis that the EP will receive no lobbying can be rejected at a significance level of 0.1%, which means that we can reject the null hypothesis in favour of the model's prediction with a confidence level of 99.9%. In conclusion, the survey data offer very strong evidence in favour of the prediction of my model in chapters two and three, against the hypothesis derived from the prevailing rational choice literature that the EP will not be lobbied under the consultation procedure. In my model, the EP is lobbied because is has what I have called a 'legal claim to a hearing' that affords it the ability to influence legislation. In chapter four, empirical evidence from the market for committee assignments was insufficient to conclude that this power was significant, at conventional significance level. However, the evidence from the activity of professional lobbyists presented in this chapter provides very strong evidence that the legal claim to a hearing is an important power for the EP.

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[34] Kay Lehman Schlozman and John T. Tierney, 'More of the same: Washington Pressure Group Activity in a Decade of Change, *Journal of Politics* 45, pp. 351-77, 1983 and Kay Lehman Schlozman and John T. Tierney, *Organized Interests and American Democracy*, New York: Harper and Row.

Testing prediction 2: Under the consultation procedure, the commission will receive a greater amount of lobbying than the EP.

Null hypothesis: Under the consultation procedure, the commission and the EP will receive equal amounts of lobbying.

We have evidence to test this prediction. Observations are paired, so I create a new variable named COMMEP by subtracting the EP's share of lobbying from the commission's. A preliminary description of results is shown in figure 5.4.

Series: COMMEP	
Sample 1 8	
Observations 8	
Mean	7.000000
Median	0.000000
Maximum	60.00000
Minimum	-39.00000
Std. Dev.	36.75012
Skewness	0.246243
Kurtosis	1.567686
Jarque-Bera	0.764689
Probability	0.682260

Figure 5.4. Difference between the Commission's and the EP's share of lobbying under consultation

When one looks at figure 5.4, the first thing one notes is the great degree of variation in the difference in the share of lobbying directed towards the commission and the EP under consultation. This is not unexpected, since the unit of analysis of the survey is a lobbyist-legislative procedure. In fact the theory predicted that lobbyists would approach either the commission or the EP but not both at the same time over the same issue. So we should expect differences to be great in absolute value and the distribution to be concentrated on the extremes. However, we also find a few central values, in cases where lobbying is directed to both the commission and the EP over the same issue, against the model's prediction. One possible way to accommodate these exceptions would be to consider that some pieces of legislation may be composite, dealing with several independent issues. The second thing one notes is the mean difference of seven percentage points, which seems to go in the predicted direction that the commission will be more lobbied than the EP, although we still do not know how significant this difference is.

```
Hypothesis Testing for COMMEP
Date: 03/11/01   Time: 19:42
Sample: 1 200 IF  CNS=1
Included observations: 8
```

Test of Hypothesis: Mean = 0.000000

```
Sample Mean = 7.000000
Sample Std. Dev. = 36.75012
```

Method	Value	Probability
t-statistic	0.538746	0.6068

Table 5.4. Testing the difference between the Commission's and the EP's share of lobbying under consultation

Table 5.4 shows that the mean difference in shares of lobbying is not significant at conventional levels (the p-value is 0.6068). As a result, we cannot confidently reject the null hypothesis in favour of the model's prediction. The lack of significance of the results is probably due to the reduced size of the dataset (just eight paired observations). Other possibility is that the effect of the fixed administrative resources offsets the effect of the superior institutional powers of the commission over the EP. This possibility would mean that the EP has greater fixed administrative resources than the commission, which is dubious, in view of the empirical evidence presented at the start of chapter three seems not to go in that direction.

```
Dependent Variable: COMMEP
Method: Least Squares
Date: 05/08/01   Time: 20:06
Sample(adjusted): 1 8 IF  CNS=1
Included observations: 7 after adjusting endpoints
Weighting series: TIME
```

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-24.18431	14.35587	-1.684629	0.1430

Table 5.5. Testing the difference between the Commission's and the EP's weighted share of lobbying under consultation
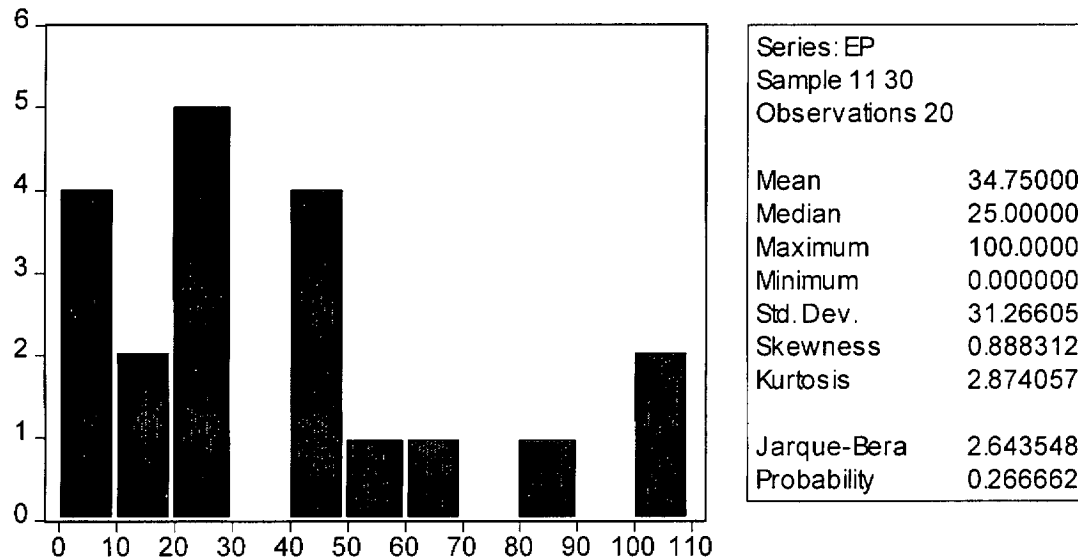
Table 5.5 presents a similar test, only this time weighting observations by the time dedicated to lobbying. Again, the results are not significant at conventional levels (p-value of 0.14). Besides, results go in the opposite direction to those of the previous test: the EP appears to be more lobbied than the commission on average for the sample considered, receiving on average a weighted share of lobbying 24 percentage points greater than that of the commission. Giving these contradictory results and the fact that the sample consists of merely seven observations, increasing the sample size seems not to be a wrong path to try.

Testing prediction 3: Under the co-decision procedure, the European Parliament will receive a positive amount of lobbying.

Null hypothesis: Under the co-decision procedure, the European Parliament will not be lobbied.

Series: EP	
Sample 1 1 30	
Observations 20	
Mean	34.75000
Median	25.00000
Maximum	100.0000
Minimum	0.000000
Std. Dev.	31.26605
Skewness	0.888312
Kurtosis	2.874057
Jarque-Bera	2.643548
Probability	0.266662

Figure 5.5. EP's share of lobbying under co-decision

Figure 5.5 shows some descriptive statistics on the EP's share of lobbying under the co-decision procedure. The first important fact is that the number of observations is greater than that for the consultation procedure. With 20 observations, although the sample cannot be considered large, we should expect more statistically significant results than for the consultation procedure. The sample mean of 34.75 indicates that for issues decided under co-decision the average lobbyist in the sample dedicated more than one third of its time and resources to lobby the EP. This goes in the direction of the model's prediction, but we still have to check whether this result is significant.

Hypothesis Testing for EP
Date: 05/08/01   Time: 20:46
Sample: 1 200 IF COD=1
Included observations: 20

Test of Hypothesis: Mean > 0.000000

Sample Mean = 34.75000
Sample Std. Dev. = 31.26605

Method	Value	Probability (1-tailed)
t-statistic	4.970463	0.0001

Table 5.6. Testing the EP's share of lobbying under co-decision

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Table 5.6 shows a hypothesis test for the mean share of lobbying received by the European Parliament. The mean value of 34.75 is extremely significant, allowing to confidently reject the null hypothesis that the EP will receive no lobbying under the co-decision procedure at a 0.1 per cent significance level (one-tailed test). Now it is interesting to see whether these results, which apply to the average lobbyist, also apply to the industry as a whole.

Dependent Variable: EP
Method: Least Squares
Date: 08/28/00   Time: 02:33
Sample(adjusted): 11 30 IF PROCED =4
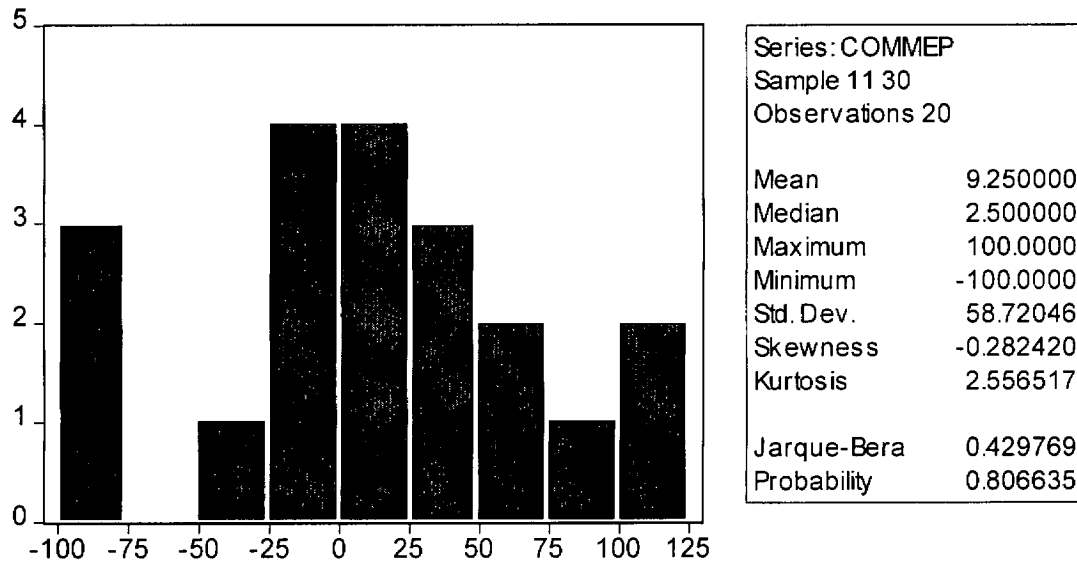Included observations: 18 after adjusting endpoints
Weighting series: TIME

Variable	Coefficient	Std. Error	t-Statistic	Prob. (1-tailed)
C	28.19123	1.821096	15.48036	0.0000

Table 5.7. Testing the EP's weighted share of lobbying under co-decision

Table 5.7 carries out the same test, but in this case the observations are weighted by the time that the lobbyists dedicated to the procedure. These results should give an indication of the amount of resources directed by the whole lobbying industry towards the EP. The results go in the same direction as the previous test, but in this case the evidence is even stronger. Although the weighted mean is somewhat lower, the results are even more significant. The null hypothesis stating that the EP will not be lobbied under the co-decision procedure can be rejected at a 0.01 per cent significance level. The result confirms the prediction of the model in chapter three that the EP will be lobbied under the co-decision procedure.

Testing prediction 4: Under the co-decision procedure, the commission will receive a greater amount of lobbying than the EP.

Null hypothesis: Under the co-decision procedure, the commission and the EP will receive equal amounts of lobbying.

Series: COMMEP	
Sample 11 30	
Observations 20	
Mean	9.250000
Median	2.500000
Maximum	100.0000
Minimum	-100.0000
Std. Dev.	58.72046
Skewness	-0.282420
Kurtosis	2.556517
Jarque-Bera	0.429769
Probability	0.806635

Figure 5.6. Difference between the Commission's and the EP's share of lobbying under co-decision

Figure 5.6 shows some descriptive statistics on the difference between the commission's and the EP's share of lobbying (COMMEP) under the co-decision procedure. Although the sample mean of 9.5 is positive, which is consistent with the model's prediction, the great variation in the dataset makes it necessary to test whether the sample results allow as to make inferences about the whole population.

Hypothesis Testing for COMMEP
Date: 05/08/01 Time: 20:49
Sample: 1 200 IF COD=1
Included observations: 20

Test of Hypothesis: Mean = 0.000000

Sample Mean = 9.250000
Sample Std. Dev. = 58.72046

Method	Value	Probability
t-statistic	0.704478	0.4897

Table 5.8. Testing the difference between the Commission's and the EP's share of lobbying under co-decision

Table 5.8 undertakes a preliminary test for the difference in amounts of lobbying directed by the mean lobbyist to the commission and the EP, without weighting the observations. The result goes in the predicted direction, the sample average difference being 9.25 percentage points. However, as in the case of prediction 2, the results are not significant at conventional levels, even though we have more observations this time.

Dependent Variable: COMMEP
Method: Least Squares
Date: 05/08/01   Time: 20:51
Sample(adjusted): 11 30 IF COD=1
Included observations: 18 after adjusting endpoints
Weighting series: TIME

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	5.286116	2.319323	2.279164	0.0358

Table 5.9. Testing the difference between the Commission's and the EP's weighted share of lobbying under co-decision

Table 5.9 undertakes the same test, this time weighting the observations by the time dedicated to each lobbying case. These results correspond to mean lobbying, as opposed to lobbying by the mean lobbyist. Here results are more enlightening than in the previous test. Although the average sample difference is smaller, results are significant at conventional levels (5%). This supports prediction x in chapter three, stating that the commission will be more lobbied than the EP under the co-decision procedure. This is a very important result, since it goes against the intuitive result that the EP, which is formally considered a legislator under the co-decision procedure will be more lobbied than the commission.

CONCLUSION

This chapter has tested the theory developed in chapter two and applied to the EU legislative procedures in chapter three. In order to test the theory this chapter analyses of professional lobbyists how professional lobbyist distribute their efforts among the different institutions that conform the EU tricameral legislature. The activity of lobbyists is an intermediate variable within the model in chapter two. The main result is that the prediction of chapter three that the EP will be lobbied in equilibrium both under the consultation and the co-decision procedures is supported by empirical evidence. The conclusion is thus that the legal claim to a hearing is an important legislative power for the European Parliament, as argued in the theoretical part of the thesis.

The survey used in the chapter has been conducted by the author and presents a number of features that make it superior to other surveys of EU lobbying. The two most prominent features are, first, that the questions asked are factual questions about resources actually spent by lobbyists. Secondly, the units of analysis are individual pieces of legislation. This level of disaggregation increases the variability in the explained variable, increases the sample size and increases the likelihood of obtaining statistically significant results.

The results of the survey are quite supportive of the predictions of the theoretical model. There is only one instance in this chapter in which the survey results were not significant, namely the test of the prediction stating that the commission will be more lobbied than the EP under the consultation procedure. This is probably due to the reduced number of observations available to test that prediction. However, for the rest of the predictions of the model, evidence is sufficient to confidently reject the hypotheses of alternative models. This can be done at times at very high significance levels. So, all in all, we can say that survey evidence is rather supportive of my model of lawmaking.

But the survey results do not only support the general validity of the theoretical model developed in chapters two and three but also confirm the convenience of methodological approach of the empirical part of this thesis. In concrete, evidence in this chapter brings support to the convenience of using triangulation when testing positive models empirically. Existing models neglected the power to be consulted that the EP enjoys under the consultation and co-decision procedures. And evidence presented in the previous chapter, although pointing in the same direction as my model, was not decisive to reject pre-existing models and adopting my alternative model within conventional levels of confidence. Evidence presented in this chapter is however strong enough to reject the models that neglected the legal claim to a hearing. This is a clear instance of triangulation: the reference in the previous chapter was a hint, but not strong enough to confidently reject existing predictions. The observation of another reference, however, provides the missing evidence to determine with reasonable confidence that some existing predictions were wrong and that the new model is better suited to explain the reality of EC law-making.

The way forward

A clear extension of this chapter would be to increase the scope of the survey to include other types of lobbyists such as interest groups. It would also be interesting to try to increase the size of the datasheet through repetition of the survey along time, as some results were not significant presumably because of the rather reduced size of the dataset.

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