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Ode to Joy or just a plurality of national anthems: European business interests on their way to an ever closer union or a trans-national system of influence?

Abstract

The European Union (EU) has deeply transformed the economic and political environment of business. Interest representation has adjusted to the changed context conditions and became “Europeanised”. But what does Europeanisation mean? Does it bring about supra-nationalism or does it reinforce trans-nationalism? The single market and the EU’s extensive competence in economic and trade affairs seem to call for a strong united voice of business which would be best served by supra-nationalism. We argue that the expectation does not correspond to reality and that this is explicable. The representation of business interests is not yet far along the path of supra-nationalism, and trans-nationalism is still preponderant. We give empirical evidence by examining the organizational characteristics of the European business interest associations and by evaluating national associations’ presence in Brussels and contacts to EU institutions compared to their European counterparts. We argue that country and sector make a difference. In the conclusion, we give reasons why the Europeanisation of interest representation is not synonymous with supra-nationalism and why we expect trans-nationalism to persist.

Keywords

Business interests, Europeanization, supra-nationalism, trans-nationalism, system change

The many faces of Europeanisation¹

In the literature on interest representation “Europeanisation” is a common denominator (Bunea/Baumgartner 2014: 1421). It is widely accepted that with the creation of the European Communities and later with the deepening and widening of the EU, interest intermediation has become more and more European (Beyers et al. 2008: 1112-1114). The process covers all the different facings and varieties of Europeanisation covered in the literature (Bulmer 2008).

Our research is not focussed on the process of Europeanisation but on the change it brings about. But how can we identify a “Europeanised” system of interest mediation? Europeanisation has many faces: It is associated with changes at the member state level in reaction to and corresponding with legal and non-legal requirements of the EU, with established European rules, procedures, formal and informal approaches and shared belief systems (Radaelli 2003: 30). “When Europe hits home” (Börzel/Risse 2000) it provokes the reorientation of domestic actors; accordingly, national interest groups adapt their strategies and institutional structures. Apart from a transformation at the national level, Europeanisation denotes changes at the European level. In a broad understanding, Europeanisation is equivalent to “enlarging the scope of the relevant unit of policy making” (Kohler-Koch 2010: 22). National interest groups reach out beyond borders and populate the playing field of EU lobbying in Brussels. In a narrower sense, Europeanisation is synonymous with the neo-functionalist definition of integration as “the evolution over time of a collective decisionmaking system” (Lindberg 1970). In the case of interest intermediation it is manifest in the growing number of EU-level interest groups. Both aspects of Europeanisation are well documented in empirical research (Guéguen 2008). Johan Olsen has identified yet another variant of Europeanisation, namely Europeanisation as “a political unification project” (Olsen 2002: 923-924). European Business Interest Associations (BIAs) based on direct company membership constitute a single political space making member state borders irrelevant.

As Simon Bulmer has pointed out, also the latter notion of Europeanisation is about the development of action capacity at the EU level (Bulmer 2008: 47). However, the concepts mentioned describe fundamentally divergent phenomena. They differ in terms of their constitutive characteristics and the basic principles of political

¹ The title is taken from Olsen 2002.

organization. Applied to our case we discern three distinct types of 'Europeanised' interest politics.

(1) The first is a system of *trans-national action*. The EU is part of an enlarged scope of policy making. A multitude of national interest groups are active at the European level and address EU institutions directly. They operate in a system governed by international competition and a loose regime with few explicit principles, norms, rules and procedures. Decisive for interaction and patterns of networking is the multi-level action capacity of the participating groups.

(2) The second system is characterized by integration and institution building. National interest groups have set up common organisations providing mechanisms of co-ordination and coherence for collective action. Membership is defined by functional interests and national origin. In the case of business interest representation, the majority of EU associations are confederations constituted either exclusively or mainly by national associations. In most cases, the statutes provide that membership should be limited to one association per country and that voting rights are equally distributed. Thus, according to composition and decision-making rules they are a *trans-national body*. However, when it comes to representing the interest of their members they speak with one 'European' voice.

(3) The third system comes close to the model of "unification" characterized by centre-building as key component. It is manifest in the numerous associations with direct company membership. The constitutive element is functional interest without any reference to national origin. These organisations represent *supra-national* interest mediation.

To conclude: Europeanisation might propel systems of quite different natures. In order to assess whether or not it brings about change moving from trans-nationalism to supra-nationalism, we go beyond the discussion of Europeanisation.

[From Europeanisation to system change: trans-national or supra-national?](#)

The core question of the paper is whether the Europeanisation of interest politics of business means that the system's most characteristic feature is 'supra-nationalism'. Thus, our research interest has a lot in common with the recent discussion about the "new intergovernmentalism" claiming that we witness "integration without supranationalism" (Bickerton et al. 2015; Schimmelpfennig 2015) and should add

further insight into the robustness and resilience of the EU's principle of equality of member states and national identities (Treaty on European Union, Art. 4, 2).

Dieter Plehwe argues that notably big business and economic associations have implemented a far-reaching transformation of European interest politics (Plehwe 2015: 139). He draws his conclusion from the growth in EU lobbyists. We argue that the increasing density of the interest group population at EU level is not a good yardstick for measuring transformation. Numbers alone do not tell us whether and to what degree interest group politics is *trans-national* in the sense of being mainly rooted in the member states or has become *supra-national* in terms of being a strictly European affair. Transformation in the sense of system change would mean that European interest mediation is nowadays predominantly supra-national.

In order to capture the difference of trans-nationalism and supra-nationalism we examine the constitutive characteristics in the system of organising and representing business interests at EU level. The distinguishing criterion is the principle of representation. Whenever country origin is decisive for membership in an association, the organisation has a trans-national character. Supra-nationalism requires that only functional interests and not country origin matter. The same applies to interest representation: when interests are aggregated only at country level, interest politics is a trans-national affair whereas a common position aggregated at European level marks supra-nationalism.

Accordingly, in order to assess the state of the European system of interest politics we analyse the composition of the economic interest group population at EU level. We examine the proportion of national BIAs and EU BIAs which we classified as trans-national bodies in relation to the supra-national EU BIAs. Further we explore the ratio of lobbying contacts with EU institutions of national versus European BIAs.

Evaluating the importance of trans-national in relation to supra-national interest politics needs more than analysing the composition of the business interest group population. We have to consider what factors have an impact on successful lobbying. Empirical research has consistently confirmed that resource endowment is crucial for political access (Eising 2007; Dür/Mateo 2014; Kohler-Koch et al. 2017). This includes, first of

all, budget and staffs. An additional powerful resource is an office in Brussels. To be on the spot means low transaction costs and, accordingly, more intensive lobbying activities (Kohler-Koch/Quittkat 2016: 24). Further, it is well established that participation in the EU's consultative bodies and expert groups add weight to the voice of interest groups (Gornitzka/Sverdrup 2011). Considering the lobbying capacity of the different types of business associations gives a first image of the character of interest politics in the EU.

In addition, we examine whether the balance between trans-nationalism and supra-nationalism varies across sub-groups of the population. We do so to get a more nuanced picture and to find reasons for explaining variations. Advocates of the population ecology approach have stressed the importance of defining the boundaries of a population in accordance with the research question and theoretical propositions (Lowery 2012). To delineate relevant sub-populations of the business interest community we opt for two criteria, namely economic sectors and country origin.

Economic sectors are relevant both for the propensity to get organised and for the way of organisation. Since the single market and EU policies are more important for some sectors of the economy than for others, the intensity of interest representation should vary. The difference in economic weight and financial capacity of the sectors add to the varying size of sector specific interest group populations. The distribution of trans-national and supra-national organised associations across sectors is more difficult to predict. Market structures are most likely to have an impact. In an oligopolistic market the dominant companies have an incentive and the resources to set up and support a direct lobbying presence in Brussels. Thus, we expect that sectors and sub-sectors where few companies account for a very large share of the production such as mining and quarrying, energy supply, waste management or automobile manufacturing will tend to have a supra-national organisation. On the other hand, sectors with a large number of small and medium size enterprises and a low level of business concentration such as agriculture, forestry and fishing or accommodation and food service activities will rely on the representation by national associations and thus further trans-national lobbying.

Hypothesis 1:

Sector affiliation has an impact on the organisational characteristics of European BIAs. The more a sectors is characterized by oligopolistic market structures, the more frequent European BIAs will have a supra-national organisation.

We expect that apart from sector affiliation the wide disparities between the domains of higher-order and lower-order associations have a notable effect on the organisation of the BIAs. The wider the functional scope of a European BIAs, the more likely is a broad membership with heterogeneous interests which are best accommodated within the national member BIAs.

Hypothesis 2:

It is more likely that umbrella, multi-sector and sector associations will have a trans-national organisation whereas specialized sector and sub-sector associations are expected to be organised in a supra-national way.

Country, or rather the size and economic resources of a country, is another relevant variable. Small countries sometimes have a less differentiated system of economic sectors and, accordingly, fewer specialized interest groups. Even if small countries have a differentiated sector composition they have fewer economic actors with the financial capacity to invest in collective interest representation abroad. This disadvantage is even more pronounced in small countries with a weak economy. Thus, EU-level activities of national business associations are bound to vary with country size and prosperity. In addition, we expect that this variable has a differentiated impact on the two ways of being present in EU interest mediation. Business interests in small and economically weak countries have a strong incentive to opt for membership in EU associations. Several reasons support the expectation. First, membership in the corresponding EU association is considered to be a valuable alternative for individual presence and to give more leverage than independent lobbying². Secondly, as EU BIAs strive to be representative some offer reduced membership fees and support in many ways the participation of financially weak associations. Last, not least, sometimes multi-sector or umbrella associations step in and represent the national

² Information resulting from a survey and interviews with the representative of small national BIAs in the manufacturing industry. The research focussed on reasons for having or not having a European office to foster EU lobbying; results have not yet been published.

sector or sub-sector lacking its own collective organisation³. Consequently, we expect that the BIAs' share of membership in EU associations coming from small and weak member states is higher than their TR presence share.

Hypothesis 3:

The national membership rate in EU associations and the rate of individual presence in EU politics vary with the size and the economic resources of the countries; national BIAs from small and economically weak countries have a relatively larger presence in EU BIAs than in the TR.

In addition, we assume that the length of a countries' membership in the EU makes a difference. In the early years of European integration national BIAs mostly gathered in European confederations. Considering sunk costs and organisational inertia we expect that the longer a country is a member of the EU, the more likely is it that national business is represented via national BIAs in the respective European associations. We further expect that having been accustomed to EU lobbying for many years consolidates the readiness to be present in EU lobbying also as individual actor.

Hypothesis 4:

The longer a country is member of the EU, the more likely is the presence of national BIAs both as individual lobbying actors and as members in EU BIAs.

The second part of our analysis turns to lobbying activities. The empirical analysis is based on a survey investigating the European lobbying strategies of EU-level BIAs and national BIAs in France, Germany, Poland, and the United Kingdom (Kohler-Koch/Quittkat 2016). The underlying assumption is that we can equate the activities of EU-level interest groups with supra-national lobbying irrespective of their institutional properties. A European association that is a confederation of national interest associations (trans-national way of interest organisation) has to address decision-makers with a common position. In this respect, it does not differ from associations with direct company membership (which stand for the supra-national way of interest organisation). Accordingly, we rate the activities of all European associations as supra-

³ We conclude this from investigating the membership of the 13 largest European umbrella associations (6 economic sectors; 7 branches of the manufacturing industry); 242 members were national association representing a thematically corresponding part of the economy whereas in 51 cases business interests were represented by a related or higher-order association; in 77 cases national business had no representation.

national interest politics. Conversely, direct EU lobbying of national interest groups is regarded as trans-national politics. Accordingly, the level of activities of European as compared to national organisations decides whether European interest intermediation will have a trans-national or a supra-national tinge. Again, the balance between the two modes of interest mediation will not only depend on the number of EU BIAs in relation to national BIAs but also on their endowment with resources.

Methodology

As noted above, the distinguishing feature between a ‘supra-national’ and a ‘trans-national’ system of interest politics is the absence or presence of “nationality” as constituting element in the organisation and representation of interests.

We first identified the nature of the different business interest organisation, then evaluated the contribution of EU and national BIAs to EU lobbying. National BIAs active in Brussels are easily classified; they embody the principle of representing business interests along national cleavage lines. This particularly comes to the fore in direct action when they independently address EU institutions. But also as member of a European association they will look first and foremost to further the interest of their national membership. They are the backbone of trans-national interest mediation.

Their presence and range of activities has an impact on the nature of the whole system of EU interest politics. We first gathered data concerning the individual presence of national BIAs using the European Transparency Register (TR). When national interest groups want to engage in direct lobbying, they are well advised to register. Even though registration is not yet obligatory, it increases the chance to get access to EU institutions. Accordingly, TR registration is a valid indicator for the active presence of national associations in European interest politics.

Membership in a European association is another form of presence. Accordingly, we collected the data of national associations being (full) members in a European BIA by consulting the websites of all organisations coded as EU business associations.

In contrast to the national BIAs, the classification of the European BIAs is more difficult. We applied the same criterion that is whether country origin is constitutive or not for

the organisation. We gathered the relevant information from the websites of the EU BIAs and in case of doubt we consulted the statutes. Only the ordinary members were taken into consideration. When a European BIA has only companies as full ordinary members, we classify it as a supra-national organisation. European confederations of national associations are classified as trans-national bodies. It is more difficult to find an appropriate classification for European BIAs with mixed membership. The reason is that in some cases company membership de jure and also de facto does not alter the nature of the European BIAs. Some European confederations such as the European Cutting Tools Association (ECTA) or the Confederation of European Music Industries (CAFIM) accept direct company membership from countries lacking a national association.⁴ Other confederations decided to open membership to individual companies to generate additional financial resources also without giving up the principle of national representation. In other cases, it was a strategic move to pay tribute to the demands of big international players to have a direct say in collective decision-making. Pushed by the new British member organisations it started in the 1980s with BusinessEurope (former UNICE; Platzer 1984: 270-271) and the European Chemical Industry Council (CEFIC). Other EU BIAs followed later such as FoodDrinkEurope (2011) or more recently the Federation of European Private Port Operators (FEPORT). Whether European BIAs with a mixed membership lean more towards a supra-national or trans-national way of organising the representation of business interests is difficult to tell. Consulting the statutes is not really helpful because statutory provisions sometimes deviate from usual practice. For example, the statutes of FoodDrinkEurope give clear precedents to their national BIA membership⁵. But explorative interviews confirm that companies are quite influential in the daily operation of the European associations, a pattern Justin Greenwood and Ruth Webster already observed at the turn of the century (Greenwood/Webster 2000). Especially active company involvement in the associations' committees and expert groups brings out the supra-national interest of the sector.

To get an overall assessment of the relative importance of the two organisational principles we examine the composition of the business group population at EU level.

⁴ According to the statutes of CADIM the company may decide to stay on as "guest member" or quit membership when a national association is set up.

⁵ For example, voting rights in the general assembly are allocated as follows: 51% for national federations, 34% for large food and drink companies, 15% for European sector associations.

We do so, first, by establishing the numerical relation between (national and EU) BIAs which incorporate the principle of trans-nationalism and the EU BIAs with supra-national organisation. Secondly, we take account of the importance of resources. We collected the pertinent information from the European Transparency Register: the number of persons (full time equivalent) involved in EU interest representation, the number of persons accredited for access to the European Parliament and the annual costs related to EU lobbying activities. Another key asset is direct involvement in EU consultations. As proxy, we take the participation in consultative committees, in expert and high-level groups of the Commission and in intergroups and industry forums of the European Parliament as registered in the TR. Comparing the number, the resource endowment and institutional involvement of EU BIAs with those of national BIAs gives a first indication of the relative importance of supra-nationalism versus trans-nationalism in European interest representation.

Another indication for a high or low level of supra-nationalism in European interest representation is the proportionate share of lobbying activities of EU BIAs compared to national BIAs. The higher the frequency of contacts of European BIAs in relation to contacts of national interest associations with EU institutions, the more pronounced is the supra-national character of interest representation. As mentioned above, the nature of the European BIAs does not matter because the European association must present a common, unified position irrespective of the composition of its membership and irrespective of its supra-national or trans-national organisation.

We base our exploration on the survey data of EUROLOB II (Kohler-Koch/Quittkat 2016) which was addressed to all business interest associations at the EU level and at national BIAs in France, Germany, Poland, and the United Kingdom.⁶

Though only a small number of countries is included in the survey, the data should provide instructive information. First, according to TR registration French, German and British business associations are the most numerous and active BIAs coming from the old member states and the same holds true for Polish BIAs representing the largest country of the new member states. Secondly, the average financial resources

⁶ To arrive at a collection of the total population of the European and the national business associations we consulted the main directories of interest groups, consulted experts and screened the internet for missing or unclear information. For more details see Kohler-Koch et al. 2017.

of the French, German and British BIAs and of the EU BIAs are about the same (Kohler-Koch/Quittkat 2016: 23-24) so that difference in resource endowment should not distort the results. Thus, comparing the lobbying activities of these national associations with those of the European BIAs will provide valuable information concerning the supra-national or trans-national character of European interest politics.

In the preceding section, we listed several variables which we expect to influence the trans-national or supra-national features of European interest politics. Trans-national interest representation is based on national BIAs and, already at first sight, it is apparent that their presence and activities vary with the size and economic capacity of their home country. Country size and economic strength is measured by an indicator combining the size of population and the national GDP.

We have further argued that the length of a country's membership will have an impact, so we calculated the number of years since entry into the EU (or European Communities respectively).

Further, we argued that the system of interest politics varies with economic sectors. Sector differentiation is based on the eurostat statistic classification of economic activities (NACE Rev. 2). We opted for the broad structure⁷ including the sections A to K, Q and R and created a summary category for "economic services" L, M and N. Further we partitioned section G into a separate category for wholesale and for retail trade, respectively, and split up manufacturing according to divisions using the intermediate aggregation CA to CL.⁸ The reason for choosing these categories is twofold: First, we want so distinguish sectors and the sub-sectors of the manufacturing industry in a way to differentiate between branches of economic activities with distinct characteristics. Secondly, we needed categories that are broad enough to find corresponding data in the eurostat statistics on economic activities.⁹ We sorted BIAs by sector based on website information and, as far as necessary, on TR information concerning the remit of the organisation.

⁷ Broad Structure of NACE Rev. 2, Commission eurostat, NACE Rev. 2: 59; <http://ec.europa.eu/eurostat/documents/3859598/5902521/KS-RA-07-015-EN.PDF>; see Appendix 1.

⁸ Intermediate SNA/ISIC aggregation A*38, Commission eurostat, NACE Rev. 2: 44, see Appendix 2.

⁹ To have a consistent data base we use the „national accounts aggregates by industry“; http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=nama_10_a64&lang=en.

To capture the difference in associational domains of the European business associations, we distinguished between umbrella and multi-sector associations, sector BIAs and sub-sector BIAs.

Results

The analyses reveal that the European landscape of national and EU business interest associations is rather diverse and not at all a European monoculture. Although BIAs are clearly EU oriented, their organization and activities do not translate into paving the way for a supra-national system of interest mediation. To the contrary, some aspects seem to indicate a trans-nationalization of interest-representation at the European level over time.

First, we present our findings on European BIAs assessing the relative weight of trans-national compared to supra-national interest organization. We then examine the European presence of national BIAs using Bayesian statistics and compare national and European BIAs capabilities. Finally, we compare the lobbying activities of national and European BIAs.

The analysis is based on different datasets. The EU BIAs information combine the 2015 EU Transparency Register data for EU level business interest associations and data which have been generated by controlling them with the EUROLOB II population data of 2015. The combined dataset (A) includes 681 EU BIAs. This set of associations has been further investigated using TR information, the homepages of the associations as well as OECKL-Europe data. We coded, inter alia, the type of associational organization and information concerning the membership (types and origin). For comparing the organizational resources of national and EU BIAs we use the data derived from the 2015 EU Transparency Register, providing information on 1264 national and EU BIAs (dataset B). The EUROLOB I (1999) and II (2015) survey datasets on lobbying activities provide information on 809 and 566 organizations (datasets C and D).

Of all EU BIAs (dataset A), supra-nationally organized BIAs¹⁰ represent the biggest group of EU level associations with 38.3 percent, trans-nationally organized ranking second with 30.7 percent and mixed associations ranking third with 30.9 percent. Since we cannot allocate the mixed associations to the categories of trans-national or supra-national associations, we can only state that the population of EU BIAs under consideration does not form a predominantly supra-nationally organized associational system. Rather, we see a differentiated system of interest organization whose main feature is its rather equal distribution of supra-national, mixed and trans-national EU BIAs. The relatively high share of mixed associations combining organizational characteristics of trans- and supra-national associations seems to indicate that these associations and their members are locked in a state of stable organizational indecisiveness. Neither their national associational members nor their company members can tip the organizational setting to their respective advantage.

Applying the NACE divisions of economic activities to the sample of EU BIAs reveals a substantial prevalence of the manufacturing industry associations. They account for 52.9 percent of associations; transport associations are the second biggest group with 5.5% and wholesale trade ranks third with 5.3 percent (compare table 1 in the appendix). Across the three categories of EU BIAs (supra-national, trans-national and mixed EU associations) there is no statistically significant difference between economic sectors; also, when we include the different sectors of manufacturing we see no significant difference. Only when we exclude mixed associations from the dataset, we see statistically significant differences across economic sectors. This result remains when we treat manufacturing industry divisions as economic sectors. In this subset, sectors with a dominance of supra-national associations include chemistry, metals industry, mining, transport, energy, media, and entertainment. In contrast, wholesale trade, agriculture, and constructions are economic sectors being mainly represented by trans-nationally organized European associations. All in all, the results are inconclusive and a clear statement on hypothesis 1 cannot be made. The internal heterogeneity of the sectors is a possible explanation for the results. Take the automotive industry as an example: It is a sector division that includes the car manufactures as well as the manufacturers of parts, accessories and equipment. Car

¹⁰ This includes a) European associations with company membership and b) European associations of European associations.

manufacturing is a highly concentrated oligopolistic market with few companies organized in a supra-national fashion whereas the suppliers' industries are populated by many small and medium size companies. The latter are mostly organized in national BIAs and, consequently, the respective EU BIAs are trans-national bodies.

Most European associations are constituted as specialised sub-sector BIAs, representing business at the NACE 'group' level of economic activities (93%). Sector associations account for 4 percent and multi sector associations for 3 percent of EU BIAs (see table 2 in the appendix). Both groups differ from the sub-sector BIAs by being to a lesser extent supra-nationally organized, though not statistically significant. More encompassing associations rely on the accommodation of competing interests at the national level and focus on trans-national interest aggregation. Most of the highly specialized sub-sector associations represent only a small segment of economic activities often dominated by a limited number of enterprises and this seems to facilitate a supra-national organization. On average, membership is well below a hundred enterprises and often only in the one-digit range.

National associations as backbone of trans-national European interest politics can be examined on a set of dimensions (dataset B). The membership of national associations in European level associations is a first indicator for inclusion into European interest politics. The registration in the TR indicates that national associations act independently in European politics. Finally, an office in Brussels is a clear sign for intense political activity on the European level.

The membership of national associations in European associations varies significantly. German associations clearly lead with membership in 283 European associations for our dataset, amounting to a membership rate of 92.2 percent. French associations are member to 269 European associations (87.6%). Smaller countries exhibit a much smaller rate: e.g. Luxembourg 20.5 percent, Cyprus 13.7 percent, and Malta 8.8 percent. The membership in European associations shows a high correlation ($cor = 0.83$) with the registration in the TR (see table 5 in the appendix). German associations again lead the count in the registry with 188 registrations, followed by the United Kingdom (122) and Italy (72). Brussels offices of national associations is as well a

realm where German associations dominate. They run 43 offices in Brussels, the same number as the next five countries combined. When we compare the shares of associations from smaller countries concerning membership in EU BIAs, TR registration and declarations of a Brussels office we clearly see that the membership share in EU BIAs exceeds both other categories. Associations from member states above the mean size of EU countries show the opposite relationship: their share of TR registration and a Brussels office are in general much higher than their share of membership in EU BIAs (compare table 5 in the appendix).

What factors account for the different degrees of European presence of national associations? We apply Bayesian statistics to access in a basic count model how the size of the country of origin (combining national GDP and population) and the duration of EU membership impact EU presence. As table 3 in the appendix displays, the membership in European associations is dependent on the duration of EU membership and on country size. The bigger the country in terms of GDP and population and the longer it is EU member, the more national associations join European associations. The same applies for the registration in the Transparency Registry. The bigger the country and the longer it is EU member, the more national associations register. The decision to open a branch office is surprisingly—leaving aside the resource endowment of the individual associations—a question of time not country size. The longer a country is EU member, the more associations decide to open their own Brussels office. We thus observe a strengthening of trans-national interest representation: Over time, national associations tend to strengthen their own EU lobbying capabilities, thwarting the development of a supra-national system of interest representation.

Comparing the European level capabilities of national and European associations reveals a mixed picture. In terms of mere registration in the TR national associations by far outnumber European Associations with 865 against 399. The situation on the ground in Brussels however is reversed. Of the 399 European associations 339 are located in the basin of Brussels and of those not residing in Belgium, at least 30 run their own Brussels office. Over 92 percent of European associations thus possess at least direct geographic access to EU institutions. National associations, not counting the Belgian BIAs, in contrast provide only 113 Brussels offices, tantamount to just 13

percent of direct geographic proximity to EU institutions.

The workforce of national and European associations related to activities captured by the TR mirrors the abovementioned situation. European associations have a mean employment in full time equivalents of 2.65 per association, while national associations employ 2.04 persons on average to deal with European affairs (see table 4 in the appendix). Generally speaking, European associations apply significantly more human resources per association for European interest representation than national associations. Trans-national and mixed EU BIAs in turn apply significantly more than supranational EU BIAs. But, the total numbers show that national associations have a 'European' workforce of over 1,761 compared to 1,056 of European associations. The combined expertise of national associations related to European activities is with a factor of 1.67 bigger than that of European associations. The national associations of the four biggest member states (Germany 448, United Kingdom 281, Italy 147 and France 126) put approximately the same number of full-time employed staffs on the scales as the European associations. The situation on the ground of the European Parliament in contrast is unambiguous: European associations have on average 2.03 persons accredited for access to the EP, in total numbers they have 809 persons on the spot; national associations have only 0.6 persons on average and 489 in total (see table 4 in the appendix). Trans-national and mixed EU BIAs have in the mean and in totals significantly more accreditations than supranational EU BIAs. The national associations with the most personnel with EP accreditation are Germany (150), Italy (67), United Kingdom (61), France (54) and Denmark (38).

To follow the money is always a good idea in investigations, but it is a tricky task when comparing annual costs of national and European associations for TR related spending.¹¹ What makes this comparison fuzzy is the fact that national associations are asked to disclose all their expenses in connection to European affairs in the Registry, which also includes membership fees for European associations. The data for national associations should therefore be taken with a pinch of salt; they do not squarely reflect the associational actions. An upside of the comparison is the fact that

¹¹ The TR provides two different possibilities for organisations to report their EU related spending: absolute figures and given expenditure ranges. We translated information given in ranges into absolute figures by using the median of the given range.

in any case European associations' spending is significantly higher in both regards, in the mean and in total figures (see table 4 in the appendix). European associations spend on average 381,207 Euros per year, and in total they invest over 132 million Euros for TR related activities. Mixed associations spend more than the other EU BIAs types. National association spend on average 159,780 Euros, not even half the amount of EU associations, and over 126 million Euros in total. On the national level, the biggest spender in total terms are German associations with almost 53 million, followed by the United Kingdom with over 20 million and France accounting for 10 million.

The relation of participation in consultative bodies of the EU between national and European associations is clear cut: whereas national institutions are on average present in 0.35 consultative bodies with a total of 301, European associations are on average engaged in 2.73 such structures, totaling 1,071 with supra-national EU BIAs having the lowest figures of EU BIAs (see table 4 in the appendix). The difference in the level of average engagement, with trans-nationally organized and mixed EU BIAs at the top, confirms that 'representativeness' is relevant for access to consultative bodies.

The EUROLOB I and II datasets (C and D) provide us additional data for considering the activities of EU and national BIAs vis-à-vis EU institutions. The EUROLOB I dataset of 1999 shows us that the rate of associations entertaining contacts to EU institutions differ somewhat, but not dramatically. Of European associations, whose main job description is European lobbying 97.5 percent stated to do so. For German associations, the rate of contacts to EU institutions is 77 percent, 75 percent for French and 65 percent for British associations. The EUROLOB II data for 2015 confirm these data, not indicating any relevant changes in the meantime. Round 96 percent of EU, 78 percent of German, 74 percent of French and 64 percent of British BIAs stated to be in contact with EU institutions. European associations clearly lead this comparison, but the national associations of major EU member states are not at all shy to act outside their own political market. They do heavily engage in trans-national lobbying. The phenomenon becomes even clearer when we calculate and compare the frequency of contacts with EU institutions (2015 data only). EU BIAs have on average 75.5 contacts per year with EU institutions, national BIAs (Germany, France, Poland, United Kingdom) 31.9. On average, the most transnational activities

display German associations with a mean value of 42.6 contacts per year. French associations have 27.5, British 20.8 and Polish 18.1 contacts on average per year. When we calculate the totals, EU BIAs fall behind national associations. Thus, at least on the paper, national associations seem to slightly overrun EU BIAs at having contacts with EU institutions. EU BIAs contacts per year amount to 8,986, whereas the figure for associations from Germany, France, Poland and the United Kingdom is 14,242. German associations alone have 8,731 contacts, whereas French associations reach 2,529 contacts, and British and Polish associations 2,078 and 904 respectively.

Conclusion

Europe's political and economic integration has gone hand in hand with a Europeanisation of economic interest mediation. However, Europeanisation takes many forms and may as well result in a trans-national as in a supra-national system of interest politics. The expectation that nowadays business is mainly speaking with a European voice and EU institutions are more frequently addressed by EU associations with a common position than by national interest groups presenting their specific views is not supported by our data. The analysis also does not confirm the assumption that business interests are overwhelmingly represented by supra-national organisations, which is associations with direct company membership without regard of national origin. It is interesting to note that the different considerations suggesting sectors to be decisive for the type of interest mediation cannot be verified by our analysis.

In total, we see a complex system in which trans- and supra-national interest mediation co-exist with trans-nationalism having a notable competitive edge. What do these findings tell us? First, one gets the impression of an 'institutional co-evolution' (Eichener/Voelzkow 1994: 11). The 'new-intergovernmentalism' fits well with the state of trans-national interest politics. When integration is pursued via an intensification of policy co-ordination between member states, as argued by Christopher Bickerton and his colleagues (Bickerton et al. 2015: 704), business is well advised to have an efficient interest representation at home. It will strengthen national BIAs to have an impact on domestic policy making. This focus may explain why researchers see so little effect of the EU on national interest group systems

(Kanol 2016: 165). The solidification of the domestic system has consequences for EU interest mediation. The stronger the national business associations, the greater their capacity to reach out to Brussels. Multi-level lobbying matches with multi-level governance and this explains the extraordinary large numbers of national BIAs busy in EU lobbying and, consequently, the enduring strength of trans-national interest politics.

Another reason for the persistence of trans-nationalism is the composition of the European Union. With successive enlargements—and pending enlargements will accentuate the trend—the EU has increased the number of small and economically weak member states. They are not the home base for international champions and, consequently, not fostering supra-national interest politics. They take the path of collective interest representation and, as our data show, concentrate on membership in EU BIAs. They have a particularly strong interest that the European associations stay what they are: confederations of national members with equal rights and a heard voice in decision making. Therefore, they will give firm support the EU institutions' commitment to the principle of representativeness and insist that participation in EU consultations should be confined to organisations with a comprehensive geographical coverage. It is in their interest that the EU's principle of equality of member states and national identities come to the fore. As a result, we have an institutionalised bias in favour of trans-national interest politics.

The lobbying policies of associations from long-standing member states accentuate the trend towards trans-national interest intermediation. To have an office in Brussels becomes more probable the longer the national association's EU membership lasts. As physical presence brings a decisive advantage to national interest representation, European interest mediation does not appear to be in the process to evolve into a supra-national system. Or, put differently, there is no common choir singing the 'ode to joy' of interest mediation; what we witness seems to be a plethora of concerts harmonizing national anthems. Some are truly practicing the 'ode to joy', but they are not the mainstream.

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Appendix

Table 1: EU business interest associations types and sectors

	Trans-national		Mixed		Supra-national		Sector	
	count	%	count	%	count	%	sum	%
Accommodation	4	80	1	20	0	0	5	1
Agriculture	8	47	4	24	5	29	17	3
Construction	6	60	3	30	1	10	10	2
Energy	1	4	10	42	13	54	24	5
Entertainment	0	00	2	33	4	67	6	1
Finance	9	33	6	22	12	44	27	5
Health	1	25	2	50	1	25	4	1
Industry manufacturing	82	29	91	33	106	38	279	53
– Chemicals	5	10	21	42	24	48	50	9
– Electronics & electrics	7	32	7	32	8	36	22	4
– Food & beverages	19	33	20	34	19	33	58	11
– Automobile	3	25	5	42	4	33	12	2
– Wood & Paper	6	40	5	33	4	27	15	3
– Plastics	0	0	1	100	0	0	1	< 1
– Machinery	16	47	6	18	12	35	34	6
– Metals	6	21	12	41	11	38	29	6
– Multi-sub-sector	1	100	0	0	0	0	1	< 1
– Others	4	33	2	17	6	50	12	2
– rubber & non-metallic minerals	11	31	9	26	15	43	35	7
– Textiles	4	40	3	30	3	30	10	2
Media	5	23	4	18	13	59	22	4
Mining	0	0	2	50	2	50	4	1
Multi-Sector	3	33	2	22	4	44	9	2
Multi-Sector business	3	75	0	00	1	25	4	1
Real estate	1	33	0	00	2	67	3	1
Retail trade	10	37	8	30	9	33	27	5
Services	6	38	5	31	5	31	16	3
Water & waste management	3	23	2	15	8	62	13	2
Wholesale trade	13	46	10	36	5	18	28	5
Transportation	7	24	11	38	11	38	29	6
Sum	162		163		202		527	

Table 2: EU BIAs – Types and scope

	Trans-national		Mixed		Supra-national		Sum
Sub-sector	141	30.2%	142	30.4%	184	39.4%	467
Sector	6	30.0%	11	55.0%	3	15.0%	20
Multi-sector	7	46.7%	4	26.7%	4	26.7%	15

Chi2 = 8.6303, df = 4, p = 0.07

Table 3: Credible intervals Bayesian regression analysis

(N = 28)	2.5%	median	97.5%
EU BIAs membership			
EU membership, years	0.0042	0.0143	0.0255
Country size	0.0032	0.0119	0.0208
TR Registration			
EU membership, years	0.0145	0.0331	0.0530
Country size	0.0133	0.0276	0.0444
Brussels office			
EU membership, years	0.0243	0.0512	0.0849
Country size	-0.0019	0.0170	0.0347

Table 4: European resources national and EU BIAs

	means	totals
Full time equivalents¹² (N = 1,260)		
National BIAs	2.04	1758.00
EU BIAs	2.65	1040.25
– trans-national	2.89	329.50
– mixed	3.08	404.00
– supranational	2.02	306.75
Costs TR¹³ (N = 1,141)		
National BIAs	159,780 €	126,865,917 €
EU BIAs	381,207 €	130,929,082 €
– trans-national	283,892 €	39,437,904 €
– mixed	482,110 €	56,406,878 €
– supranational	287,446 €	35,084,300 €
EP accreditations¹⁴ (N = 1,215)		
National BIAs	0.6	484
EU BIAs	2.03	807
– trans-national	2.41	277
– mixed	2.42	317
– supranational	1.4	213
Consultations¹⁵ (N = 1,264)		
National BIAs	0.35	301
EU BIAs	2.73	1,071
– trans-national	3.70	425
– mixed	3.20	419
– supranational	1.49	227

¹² t-test for national vs. EU BIAs means: $t = -2.41$, $df = 627.26$, $p = 0.02$; Bartlett test of homogeneity for variances of EU BIAs types: Bartlett's K-squared = 54.77, $df = 2$, $p < 0.01$.

¹³ t-test for national vs. EU BIAs means: $t = -4.02$, $df = 448.74$, $p < 0.01$; Bartlett test of homogeneity for variances of EU BIAs types: Bartlett's K-squared = 73.78, $df = 2$, $p < 0.01$.

¹⁴ t-test for national vs. EU BIAs means: $t = -8.35$, $df = 478.26$, $p < 0.01$; Bartlett test of homogeneity for variances of EU BIAs types: Bartlett's K-squared = 37.27, $df = 2$, $p < 0.01$.

¹⁵ t-test for national vs. EU BIAs means: $t = -2.97$, $df = 883.41$, $p < 0.01$; Bartlett test of homogeneity for variances of EU BIAs types: Bartlett's K-squared = 59.03, $df = 2$, $p < 0.01$.

Table 5: Country size and national BIAs in the EU

Country	Country size index (mean = 1)	EU BIAs membership share (%)	TR share (%)	Share Brussels office (%)
DE	5.54	7.41	21.41	38.39
FR	4.24	7.04	8.20	7.14
UK	3.96	6.52	14.92	7.14
IT	3.33	6.62	8.31	8.04
ES	2.28	6.39	7.97	6.25
NL	1.21	5.81	6.61	3.57
PL	1.12	3.93	2.96	0
SE	0.82	4.61	3.42	1.79
BE	0.77	6.12	4.90	NA
AT	0.62	4.84	2.28	2.68
RO	0.49	2.22	0.68	0
DK	0.48	4.24	4.33	9.82
EL	0.44	2.75	1.03	0.89
PT	0.41	3.82	2.05	1.79
FI	0.39	4.29	4.10	3.57
CZ	0.38	3.14	1.25	1.79
IE	0.33	2.70	1.59	1.79
HU	0.29	3.06	0.68	0
SK	0.19	1.75	0.11	0
BG	0.16	2.20	0.46	0
HR	0.13	1.52	0.34	0.89
LT	0.09	1.36	0.11	0
SI	0.08	1.83	0.23	0.89
LU	0.08	1.65	0.68	3.57
LV	0.06	1.07	0.34	0
EE	0.05	1.31	0.46	0
CY	0.04	1.10	0.34	0
MT	0.02	0.71	0.23	0

Broad Structure of NACE Rev. 2¹⁶

- A Agriculture, forestry and fishing 01 – 03
- B Mining and quarrying 05 – 09
- C Manufacturing 10 – 33
- D Electricity, gas, steam and air conditioning supply 35 Energy
- E Water supply; sewerage, waste management and remediation activities 36 – 39 water + waste management
- F Construction 41 – 43
- G Wholesale trade and retail trade; repair of motor vehicles and motorcycles 45 – 47
- H Transportation and storage 49 – 53
- I Accommodation and food service activities 55 – 56
- J Information and communication 58 – 63
- K Financial and insurance activities 64 – 66 Finance and insurance
- L Real estate activities 68
- M Professional, scientific and technical activities 69 – 75
- N Administrative and support service activities 77 – 82
- O Public administration and defence; compulsory social security 84
- P Education 85
- Q Human health and social work activities 86 – 88
- R Arts, entertainment and recreation 90 – 93
- S Other service activities 94 – 96
- T Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use 97 – 98
- U Activities of extraterritorial organisations and bodies 99

Manufacturing divisions based on intermediate SNA/ISIC aggregation A*38¹⁷

- CA Manufacture of food products, beverages and tobacco products 10 to 12
- CB Manufacture of textiles, apparel, leather and related products 13 to 15
- CC Manufacture of wood and paper products, and printing 16 to 18
- CD Manufacture of coke, and refined petroleum products 19 and CE Manufacture of chemicals and chemical products 20
- CF Manufacture of pharmaceuticals, medicinal chemical and botanical products 21
- CG Manufacture of rubber and plastics products, and other non-metallic mineral products 22 + 23
- CH Manufacture of basic metals and fabricated metal products, except machinery and equipment 24 + 25
- CI Manufacture of computer, electronic and optical products 26 and CJ Manufacture of electrical equipment 27
- CK Manufacture of machinery and equipment n.e.c. 28
- CL Manufacture of transport equipment 29 + 30

¹⁶ See NACE Rev. 2, Statistical classification of economic activities in the European Community: 59; <http://ec.europa.eu/eurostat/documents/3859598/5902521/KS-RA-07-015-EN.PDF>

¹⁷ See NACE Rev. 2, Statistical classification of economic activities in the European Community: 44.