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Policy Change and Interest Representation: an Information Signalling Model of Policy-making

Introduction

In the last two decades policy change has come predominantly to the fore, especially as one of the central foci of analysis of what is labelled ‘new institutionalism’ (March and Olsen, 1984; Hall and Taylor, 1996). Nonetheless, theoretical and empirical investigation have hitherto concentrated on the macro level providing a ‘stability biased’ and ‘punctuated view’ of politics. I argue that in order to properly theorise and analyse policy change the level of analysis needs to shift towards the micro level. In doing so, I focus on policy-making (or analysis, in Lindblom’s, 1979, terms) and I introduce an ‘information signalling’ model of policy-making where interest groups represent the primary information sources for decision-makers. The argument is that the more concentrated is the network of interest groups on which decision-makers rely, the more homogenous information signals will be and the more policy-making will tend towards ‘simple incrementalism’ (Lindblom, 1959; 1979) which is arguable associated with an incremental form of policy change. I conclude with an exploratory analysis which provides preliminary empirical evidence for that model. Indeed, the findings suggest a relationship between the homogeneity of the network of interest groups on which decision-makers in a policy area rely and the type of policy change along with its degree therein.

This work proceeds as follows. Firstly, an overview of the major characteristics of the variants of the new institutionalism and how they perceive politics is provided. The main institutionalist accounts are arguably either blind to change or they perceive politics as punctuated by sporadic but radical changes. In other words, rational choice institutionalism is ‘stability biased’ showing difficulties in accounting for change whereas the historical variant conceives politics as a flow of events punctuated by sporadic and exogenous shocks which trigger radical changes. The ensuing section emphasises the necessity to shift the focus of the analysis to the micro-level overcoming thus both such a static view of politics and such a dichotomous conceptualisation of change: the researcher should concentrate on how policy-makers decide. In doing so, the necessity to consider the role of interest groups as the main information sources of the decision-makers is pinpointed. The following section presents the information signalling model of policy-making which accounts for the relationship between the homogeneity of information signals received by policy-makers, the

predominant type of policy-making in place and thus the type and degree of policy change. From such a theoretical model two hypotheses are drawn and they are tested (in a preliminary manner) in the last section.

New Institutionalism and Policy Change

From the 1970s to mid-1980s the predominant approach in political science was ‘behaviouralism’ (March and Olsen 1984), which focused on political behaviour rather than institutions by building on the ‘new institutional economics’ (e.g. Williamson, 1993a; 1993b; 2005). Politics was conceived as a mere reflection of society and institutions as aggregate consequences of individual behaviour. As argued by March and Olsen (1984) the behaviouralist conceptualisation of institutions was: contextual, reductionist, utilitarian, functionalist and instrumentalist¹. An example of the behaviourist approach is Olson’s (1965; 1982) ‘logic of collective action’, where rational and utility maximizer actors create groups, which are functional to the achievement of the common good and which exist as long as they perform their duties. Accordingly, from this functional and reductionist perspective on institutions policy change and even institutional change were perceived as something exclusively related to the willingness of actors: the latter are totally free to change course of action and the institutions supporting it when they are no longer functional to the furthering of his or her own goals.

The new institutionalist approach came predominantly to the fore in the early 1980s and led to the rediscovery of (both formal and informal) institutions, which determine the distribution of preferences and resources and which constrain actors. In other words, institutions and politics in general are conceived as affecting society but also as affected by it (March and Olsen 1984). Hall and Taylor (1996) identify three types of institutionalism: rational choice, historical and sociological institutionalism. Given the great attention literature has devoted to the first two types and the similarities between the sociological and historical variants, except for the high role attached to ideas and rhetoric by the former (Béland, 2009)², in this work I will concentrate exclusively on rational choice and historical institutionalism. The discussion of the new institutionalism proceeds as follows. First, the main characteristics of rational choice and historical

¹ Worthy of mention is that given the rational-individualistic basis rational choice institutionalism shares with behaviouralism, several of the characteristics of the perception behaviouralism has on institutions remain a character also of rational choice institutionalism (Pierson, 2000b).

² Studies which rely solely on a sociological institutionalist approach are rare and they are usually associated with a historical approach. A recent example may be considered Trumbull’s (2012) analysis of interest representation and policy change in contemporary democracies. In that work the first chapters which consider how different institutional settings are conducive to different interest representation patterns (or ‘legitimacy coalitions’) and how the latter lead to policy change from a longitudinal perspective can be considered an historical variant of new institutionalism. Conversely, the last chapters which deal with the role of ‘legitimizing narratives’ in supporting interest representation and thus policy change (in the EU Common Agricultural Policy and in the American pharmaceutical sector) may be considered more leaning towards the sociological variant.

institutionalism are introduced according to how they perceive actors' preferences, what logic moves actors and how they conceive institutions and politics in general. Then, attention shifts to how they deal with policy change and the pitfalls which derive from these approaches when it comes to analyse policy change: this steers the path towards the ensuing section, in which I argue that the focus of analysis should move (also) to the micro-level and to the analysis of policy-making.

Rational choice institutionalism shares its roots with behaviouralism in the 'new institutional economics' (Hall and Taylor, 1996; Pierson, 2000a). Actors are conceived as rational and utility maximizer with exogenous and fixed preferences (Hall and Taylor, 1996) and institutions as an arrangement of rules and incentives (voluntary agreement, in first instance) constraining actors. Accordingly, politics is seen as a series of collective action problems (or compulsory negotiation systems in Scharpf, 1997; 2006) and continuity in behaviour is explained by the fact that actors are constrained by institutions, which were created to facilitate cooperation/coordination in first instance but which in the long term trigger a Nash equilibrium³. Examples of this approach are some of the most popular works in contemporary comparative politics/political economy: Tsebelis' (2002) 'veto player system', Scharpf's (1988) 'joint decision-making trap', the recent legalist-procedural regulation studies in the US (e.g. Croley, 2008, Huber, 2007, Feintuck, 2004) and the mainstream approach to comparative capitalism, namely the Varieties of Capitalism approach (Hall and Soskice, 2001, Hancké et al, 2007).

Historical institutionalism develops from the group theory of politics⁴: it concentrates on the competition among groups in a scenario of scarce resources and power asymmetry (Pierson, 2000a; 2000b), but it shifts the focus towards how institutions determine variation across national outcomes (Hall and Taylor, 1996). Actors' preferences are considered endogenous and subject to change over time and institutions refer to both formal and informal arrangements with a prominent role of power and asymmetrical relations (attaching great relevance to what the literature terms the second and third face of power, e.g. Bachrach and Baratz, 1962; Lukes, 2005). As a consequence, politics is conceived as a flow of historic events divided into periods of continuity punctuated by critical junctures (Hall and Taylor, 1996). A recent example of historical institutionalism, as mentioned above, is Trumbull's (2012) 'contextualised comparison' (Locke and Thelen, 1995) on

³ A Nash equilibrium is a situation that triggers cooperation/coordination dilemmas since any actor involved cannot gain from a unilateral change of strategy (Nash, 1950). In other words, decisions which ameliorate the condition of one or more actors without worsening the condition of the others (i.e. Pareto-optimal decisions) are feasible only as collective actions, not as individual ones. In such a scenario the actors is incentivised either to preserve the *status quo* or when possible to cooperate with other actors in order to change strategy.

⁴ It refers to political science (neo)pluralism (e.g. Truman, 1959; Dahl, 1966; Polsby, 1960) and sociological (neo)elitism (e.g. Bachrach and Baratz, 1962; Hunter, 1953; Schulze, 1958).

how different political economic institutions shape interest representation in contemporary democracies. The ensuing section focuses on policy change, which represents the core tenet of new institutionalism.

New institutionalism has extensively investigated why policy paths resist to alterations in their state of motion. Rational choice institutionalism, which conceives interaction between actors as a 'compulsory negotiation system' (Scharpf, 1997; 2006), indicates the structure of incentives and constraints created by institutions (both formal and informal) as the main cause of policy inertia. Institutions determine the presence (and the position) of veto players along a policy-making cycle (Tsebelis, 2002) or they trigger 'joint decision trap' dynamics (Scharpf, 1988), which in turn lead to policy stability. In this vein, rational choice institutionalism is rightly criticised to be 'stability biased' (Deeg and Jackson, 2007, Pierson, 2000a). The 'stability bias' of rational choice institutionalism may be explained by the static equilibrium-functionalist conceptualisation of institutions (Pierson, 2000b) which characterises that scholarship. In other words, "institutions represent self-enforcing equilibria where complementarities help stabilize an institution by increasing the value of that institution to actors" (Deeg and Jackson, 2007 p. 167). The blindness to change typical of rational choice institutionalism represents one of the major fallacies of this scholarship which this work attempts to circumvent.

Historical institutionalism, on its part, concentrates on path dependence and institution resilience as causes of policy inertia. Drawing on the study of increasing returns in the diffusion of technology (e.g. Arthur, 1994) the proponents of this perspective define path dependence as a positive feedback process (or as social process with increasing returns) (Pierson, 2000a). In other words, the adaptation to new institutional arrangements is hampered by high start-up costs, learning difficulties and expectations (North, 1990): institutions are self-reinforcing (Pierson, 2000b). Such an equilibrium is disrupted only by sporadic periods when radical change is possible (i.e. critical junctures). Although no agreement is present in the literature on what triggers 'critical junctures' thus depending on the system under analysis, change is usually related to external shocks. For instance, Rogowski and MacRae (2008) address the issue whether political institutions affect inequality or vice versa from an historical institutionalist perspective. They argue that both equality and political institutions are affected by exogenous social changes arguing that changes in (economic and military) technology, trade, demography alter the value of factor endowments thus changing both equality and political institutions. The dichotomization of politics into periods of inertia and periods of radical change is one of the most criticised aspects of the new institutionalism (e.g. Thelen, 2004) which this study aim to overcome.

Policy-making and the Role of Interest Groups

New institutionalism is either blind to change or it perceives it as a phenomenon (usually determined by exogenous factors) which occurs sporadically and in a radical fashion. On top of that, in the attempt to account for policy change new institutionalism generates either *ad hoc* modelling⁵ in its rational choice variant (Hall and Taylor, 1996) or *post hoc* explanation in its historical variant. Indeed, the systematic theorisation in rational choice institutionalism lacks validity and it is usually built on special cases. Conversely, historical institutionalism trades the eclectism of its explanations with an inductive approach (Hall and Taylor, 1996). This conceptualisation of politics as punctuated by sporadic but radical changes and the trade-off between external and internal validity may be overcome by shifting the focus of analysis to the micro-level.

I argue for the difference between politics and policy analysis (or policy-making), which allows to define policy change more precisely and furthermore, in a more productive way. Indeed, at micro-level the research is able to distinguish analytically various degrees of policy change and to associate them with different modes of policy-making. For instance, incremental policy change may be easily associated with ‘simple incrementalism’ (Lindblom, 1959; 1979). The latter is defined as an “analysis that is limited to consideration of alternative policies all of which are only incrementally different from the status quo” (Lindblom, 1979 p. 517). Accordingly, incremental policy change is conceived in this work as incremental change from the status quo. The focus on the micro-level and the association of different modes of policy-making with different degrees of policy change bear two major advantages. In fact, it allows to overcome the dichotomy between policy change (usually associated to critical junctures) and policy inertia typical of the new (historical) institutionalism by associating different degrees of policy change to different modes of policy-making. Furthermore, the focus at micro level makes the phenomenon under analysis empirically testable.

I argue that an investigation of how policy-making at micro-level affects how policies evolve necessitates attention to the role of interest groups as major information suppliers for policy-makers. Indeed, Béland (2009) identifies three major gaps in the new (historical) institutionalism, which are of crucial importance in the analysis of policy change: how decision-makers select policy proposals,

⁵ For instance, the ‘joint decision trap’ has emerged to account for intergovernmental negotiations in the German federation (Scharpf, 1988) and then it has been transposed to the EU decision-making process (Scharpf, 1997). Nonetheless, given that it remains applicable exclusively to intergovernmental negotiations in parliamentary federalisms it is not able to account for crucial aspects of the EU decision-making process, as admitted by the author himself (Scharpf, 2006).

where the content of those proposals derives from and how reforms are introduced⁶. I argue for the pivotal role of interest groups in providing decision-makers with information and how this accounts for the selection of policies on the part of policy-makers, the content of those policies and how reforms are furthered. The relationship between institutional change and interest groups is familiar, even though implicit, to several works on interest representation. In the traditional American literature private interests are conceived as the cause of the growth of the (federal) government (e.g. Buchanan and Tullock, 1965; Tichenor and Harris, 2002) and the increasing incapacity to adapt to new contingencies (Olson, 1982). Furthermore, those scholars concentrating on interest group influence from an (neo)elitist perspective (e.g. Hunter, 1969; Bachrach and Baratz, 1962; Lukes, 2005), perceive power asymmetries as reflected by the operation of positive feedback processes (Gaventa, 1982)⁷. Nonetheless, these studies have hitherto concentrated on institutional change thus maintaining the focus at macro (i.e. institutional) level: the role of interest groups must be analysed with respect to how policy-makers decide.

The assumption on which the model illustrated below is constructed is that interest groups represent the major sources of information for decision-makers. Information asymmetry between policy-makers and interest groups is the premise of one of the most developed approaches in the American literature on interest group politics. This body of literature argues that the asymmetric distribution of information drives interest groups to reveal or conceal information strategically to manipulate the decision-making outcomes (e.g. Crawford and Sobel, 1982; Austen-Smith and Riker, 1987; 1990). The information signalling model introduced below embraces the assumption of this scholarship, but it employs it with a different objective. In fact, it does not aim to account for the conditions for the passage from informative to influential lobbying strategies, but to relate the homogeneity of information signals with different modes of policy-making and in turn with different degrees of policy change. The relevance of interest groups as information suppliers in the EU is acknowledged by the great majority of scholars (Bouwen, 2002; 2004; Eising, 2007; Coen and Richardson, 2009) and it is also emphasised by several surveys (e.g. CIPI, 2006; Burson and Marsteller, 2003; 2009). For instance, a survey conducted by Burson and Marsteller (2009) and directed to a sample of 500 national and European policy-makers reveals that 80 per cent of them consider interest groups as the major source of information for policy-making⁸.

⁶ In other words, new (historical) institutionalism black-boxes what Barzelay and Gallego (2010a; 2010b) term the pre-decisional phase which “involves two temporally intersecting processes: agenda-setting and alternative specification” (p. 214).

⁷ The relationship between institutional change and interest representation has recently come back to the fore with a new wave of studies in comparative politics/political economy from a new (historical) institutionalist perspective (e.g. Culpepper, 2008; Trumbull, 2012).

⁸ For a thorough account of information lobbying in the EU see: Vannoni (2012).

The Information Signalling Model of Policy-making

The main argument which derives from the model proposed in this work is that the homogeneity of information signals to decision-makers determines the type of policy-making and thus how policies evolve. First of all, I assume that information signals sent by interest groups are transposed into the policy-making process through Bayesian learning⁹. In other words, interest groups transmit information signals leaning towards certain policy outputs and those signals sum up to similar ones thus rendering certain outputs more likely than others (Simmons et al, 2006). Furthermore, I posit that information transmission on the part of interest groups is strategic, namely the policy output towards which the information they provide tends is in line with their own preferences (at least to a certain extent).

Figure 1 illustrates the mechanism of the model. The flattest curve represents the scenario where either no interest group is active or a dispersed constellation of them send a wide range of diverse information signals to decision-makers. In the former case the result is that policy-making assumes the character of ‘strategic analysis’, namely the mode of analysis closest to traditional comprehensive scientific analysis (Lindblom, 1959; 1979). In the latter case the predominant mode of policy-making is ‘partisan mutual adjustment’, where policy outputs are the result of mutual adjustment between different interests at stake (Lindblom, 1959; 1979). As a consequence, a volatile policy path is associated with both these two modes of policy-making: policies radically but sporadically change from the status quo. The $P(o/I_c, I_d, I_e)$ curve represents the situation where ‘disjointed incrementalism’ (Lindblom, 1959; 1979) is the primary mode of policy analysis. Indeed, the standard deviation of the curve decreases due to a critical number of information signals leaning towards particular policy outputs (in Figure 1, *C, D* and *E*) thus rendering the others less likely. In this scenario policy-makers limit the analysis to few policy alternatives (Lindblom, 1979). Accordingly, the policy path is more stable and incremental than in the previous case. Where only a concentrated network of interest groups access policy-makers and provide information to them the standard deviation of the curve is significantly reduced. In other words, only one policy output becomes likely and the predominant mode of policy-making is ‘simple incrementalism’ (Lindblom, 1959; 1979). The direct consequence is incremental policy change.

(Figure 1)

⁹ For mathematical modelling of Bayesian learning, as applied to a regulatory agency, see Carpenter (2004). For mathematical modelling of the dynamics of learning between EU institutions (the Commission in this case) and interest groups see Broscheid and Coen (2003).

An expectation is derived from the model presented above: the more homogeneous information signals are the more policy change is incremental and not radical. Accordingly, different degrees of homogeneity in the sources of information for policy-makers are associated with different types of policy change. Where policy-makers rely on a homogeneous basis of interest groups policy change will assume incremental character whereas where they rely on an heterogeneous basis policy change will be radical. The difference between radical and incremental policy change is of crucial relevance. As argued by several authors (e.g. Lindblom, 1979; Thelen, 2004), incrementalism does not necessarily mean the permanence of the status quo. Rather, policies usually evolve substantially but in an incremental manner. For instance, this is what usually happens in the EU where the legislation evolve in an incremental way. Indeed, the majority of the proposals issued by the Commission are revision of previous legislation. By drawing data from the dataset constructed by Thomson (2011)¹⁰, I calculate that across policy areas amended legislation represents on average a third of the total legislation. As a conclusion, policy can and usually do change in a substantial way even though incrementally.

A remark is needed for clarity's sake. Indeed, Bayesian learning should be considered as conceptually and empirically different from interest group influence or capture, although in this case the outcome is the same (Carpenter, 2004), namely policy change due to the action of interest groups. The literature (e.g. Yackee, 2004; Yackee, 2006; Yackee and Yackee, 2006; Klüver, 2009; Klüver, 2013) has hitherto fallen short in isolating influence from (Bayesian) learning associating any form of policy change with the influence exerted by interest groups. Policy change may also be conceived as the result of the dynamics whereby the regulator learns from regulatees using bounded rational mechanisms, such as 'external signals' sent by regulatees (Olsen, 1997). For instance, it has been demonstrated that in the US in pharmaceutical regulation the agency in charge of product approval is not captured by large and incumbent firms but for the latter the approval time of new products is shorter because the regulator perceives the size of the firm, the efforts put in the presentation of the new product and the age of the firm as signals of reliability of the product itself (Carpenter, 2004)¹¹. Future researcher should concentrate on innovative analytical approaches to account for this crucial difference. For instance, by using a 'preference attainment approach' (Dur, 2008) akin to those employed by Klüver (2009; 2013) and Yackee (2004; 2006) the researcher should test whether in a policy over time the shift in the policy output diminishes. A reduction in the overall policy shift is associated with Bayesian learning and not influence.

¹⁰ For a thorough presentation of this dataset see below.

¹¹ The use of the cost of lobbying as a proxy of the trust-worthiness of the actor is rather common in signalling models of corporate lobbying (e.g. Bernhagen and Brauning, 2005).

Exploratory Research

In this section I test the model proposed above. This analysis does not purport to be either exhaustive nor conclusive: it merely aims to steer a safe path for future research. The argument presented above associates the homogeneity of information signals with incremental policy change sustaining that the more homogenous information signals received by decision-makers are the more policy-making will lean towards simple incrementalism. Furthermore, from the model more policy change (even though in an incremental manner) is expected from simple incrementalism: legislation therein evolves step by step but in the long term more than in the radical change. First of all, a consideration is needed. The level of analysis, as specified above, must be at micro level: I choose the policy-making at the European Commission level across policy areas. Given the operationalisation of the independent variable, as illustrated below, I use Mahoney's (2004) categorization of EU policy areas, which in turn represents the official one provided by the EU and more specifically by the CONECCS register¹². Accordingly, the policy-making across 27 policies is taken into consideration: a complete list of the policy areas analyzed is supplied by Table 1.

(Table 1)

I use the homogeneity of membership¹³ in the Commission Consultative Committees related to a certain policy area (i.e. approximately to a certain DG) as a proxy of the homogeneity of information signals. Drawing on Mahoney's (2004) database¹⁴ I calculate how many categories of interest groups were registered in the CONECCS as member of the committees active in a policy area (according to the register's categorization). The assumption underpinning this proxy is that the more the types of interest groups present in the committees associated with a policy area the more heterogeneous the information signals sent to policy-makers in that area are. This variable proves to be rather dispersed across the sample. Indeed, in some policy areas (e.g., external trade, humanitarian aid and justice and home affairs) the number of types of interest groups present in the committees is rather low: mainly NGOs are present. Conversely, in other policy areas (e.g. culture, environment and social affairs) the number of types of interest groups reveals to be extremely high showing thus more heterogeneity. For instance, in the 9 Commission Consultative Committees in

¹² CONECCS stands for 'Consultation, the European Commission and Civil Society': a voluntary registry of interest groups active at EU level, which was established in 2001 and shut down in 2008.

¹³ I acknowledge that preferences vary within even the very same interests according to the issue at stake. For instance, business does not always act as a unitary actor, depending on the issue at stake (e.g. either product standards or process standards, either takeover protection or executive pay) (Coen et al, 2011; Culpepper, 2011). Nonetheless, the analysis rests on the assumption that over a large sample of issues preferences for policy outcomes vary more between types of interests than within them.

¹⁴ See <http://www.christinemahoney.org/#!page-5>.

environmental policy several types of interest groups are active: associations of public authorities, NGOs, employers' associations etc.

As for radicalism in policy change, I use the number of Green and White Papers issued in a policy area as an indicator of policy dynamism therein¹⁵. I extrapolate those data from Alesina et al (2005)¹⁶. The underlying rationale is that those types of acts are usually issued in case of (at least, attempts of) major reforms in a policy fields (Alesina et al, 2005). Differently from other acts, they represent a valid proxy of policy radicalism or, at least, the eagerness to it. Furthermore, two elements are taken into consideration. Firstly, those acts are issued directly by the Commission and are usually drafted by the relevant DG. Secondly and accordingly, they do not need to go through the entire legislative iter. This allows the analysis to focus on the policy-making within the Commission (and the various DGs) isolating thus the remaining part of the policy cycle and the relative 'veto points'. Also this variable shows a rather high degree of dispersion. In some policy areas (e.g. agriculture and rural development, development and external trade) the overall number of White and Green Papers issued by the Commission is rather low whereas in others (e.g. consumer protection, employment and health) it is rather high.

Figure 2 illustrates the findings: a linear and positive relationship exists between the two variables. Accordingly, the heterogeneity of the constellation of interest groups accessing a particular policy area is positively correlated to the latter's degree of policy radicalism. This verifies the hypothesis derived from the model introduced above: the more heterogeneous the information signals to decision-makers are the more the latter will adopt partisan mutual adjustment as the predominant mode of policy-making thus leading to radicalism in policy change. Furthermore, in order to increase the leverage of the empirical analysis I control for a series of factors which may influence the number of White and Green Papers issued in a policy area. The control variables, displayed in Table 1, are: policy intensity for Treaty articles and secondary legislation, the budget and the staff across policy areas. The latter are drawn from Alesina et al (2005). Even when controlling for those factors the relationship between the two variables of interest is significant and positive. This finding

¹⁵ Another manner to operationalise this is to code the various documents sent by interest groups via the Commission online consultations (through manual or software assisted content analysis) according to relevant dimensions (e.g. more/less regulation in a policy area as done by Yackee, 2006; Yackee and Yackee, 2006; Thomson, 2011; Thomson et al, 2012) and then to calculate the mean and standard deviation in order to measure their homogeneity (as done by Yackee, 2006). Albeit this method provides a more reliable proxy of the homogeneity of information signals, its validity is questionable. In fact, the Commission online consultations (like other similar mechanisms, such as the 'notice and comment' in the rule-making of US agencies) are usually the consequence of rather than the cause of policy acts. For instance, in the case under analysis Green and White Papers issues by the Commission usually represent the incipit for the online consultations conducted by the Commission itself. In other words, such forms of consultation are the consequence of the eagerness to change in policy-makers.

¹⁶ Although the two datasets on which the research draws were compiled by the respective authors with data collected in the same period I acknowledge that Alesina et al's (2005) data on policy acts is cumulative whereas Mahoney's (2004) measurement of the interest groups active in a policy area is vertical. Nonetheless, the membership of interest groups in the Commission Consultative Committees does not vary significantly even over a long period.

provides further empirical support for the hypothesis that the homogeneity of information signals is associated to the degree of policy change.

(Figure 2)

(Table 2)

The model foresees also that the homogeneity of information signals is associated with incremental policy change. As argued above, policies that evolve in an incremental way tend to change more in the long term than if they changed radically. I test this hypothesis in a preliminary way by examining whether a low number of types of interest groups on which decision-makers rely is associated with more (incremental) policy change. Data are drawn from the dataset constructed by Thomson et al (2011)¹⁷. The latter contains actors' preferences¹⁸ with respect to several 'controversial issues', namely with respect to the most important aspects of a Commission proposal. The selection of the controversial issues and the coding of preferences are conducted through expert surveys/interviews¹⁹. The focus of the dataset is on what occurs before the proper decision-making starts, namely when the Council of Ministers issues its common position on a proposal of the Commission, which is in line with the analytical purposes of this analysis. Indeed, the model introduced above accounts for the policy-making process at micro-level and before an act goes through the entire legislative *iter*.

I operationalise the incrementalism of policy change into the distance between the Commission proposal and the 'reference point' with respect to regulatory issues²⁰. The reason for the selection of regulatory issues is that the coding of the preferences in those issues has a substantial meaning, differently from that of other types of policies (Thomson, 2011): higher values are associated with higher (preferred) degree of regulation as for that particular issue. The 'reference point' is "the decision outcome that would occur if the legislative proposal were not adopted: in other words, the decision outcome in the event of failure to agree" (Thomson, 2011 p.41). Although acknowledging that it is not always the case, as for regulatory issues the reference point (as measured in the dataset) is a valid proxy of the status quo. Accordingly, the difference between the Commission proposal and the reference point represents a valid proxy of the incrementalism in policy change: the higher the distance the more (incremental) policy change occurs.

¹⁷ The dataset with all the necessary information to use it may be found at: <http://www.robertthomson.info/research/resolving-controversy-in-the-eu> (Accessed February 2013). For a thorough explanation of the dataset in both its new and old versions (i.e. before and after the 2004 enlargement) see Thomson et al (2012). I am particularly grateful to Prof. Thomson who kindly provided me with indispensable support by supplying data not available online.

¹⁸ For the majority of issues the dataset codes the preferences of European institutions and MSs, but for some of them also the preferences of the groups within the EP are available.

¹⁹ Using expert surveys/interviews is a common practice in spatial analysis of decision-making (e.g. Thomson, 2011; Benoit and Laver, 2006) but they bear several issues regarding reliability and validity of data, as emphasised by (Dorussen et al, 2005).

²⁰ The dataset contains three categories of issues: subsidy, regulation and harmonization.

I divide the regulatory issues into policy areas (according to the categorization used above) and within each of them I calculate the average distance between the Commission proposal and the reference point. Unfortunately, Thomson's (2011) dataset includes a rather low number of policy areas (especially as for regulatory issues) and with a different categorisation than the one utilised for the dependent variable. Accordingly, this analysis is circumscribed to few policy areas (i.e. those which allow a fair comparison with the dependent variable), namely agriculture, environment, fishery, justice and home affairs and telecommunications and transportation, thus rendering the findings derived therefrom preliminary and not conclusive. This variable differs across policy areas substantially: the lowest value is present in justice and home affairs and the highest one in fishery. This means that (incremental) policy change is lower in the former and higher in the latter. I test whether there is an association between this dependent variable and the independent one used above. The Pearson chi-squared coefficient is of the expected sign, namely negative, but the association between them is rather low: -0.1992. This means that there is a negative (but rather weak) association between the heterogeneity of the interest group population on which decision-makers rely in a policy area and the (incremental) policy change therein.

Conclusion

In this study I argue that the investigation of the effect of interest representation on policy-making at micro-level advances the research on policy change. Firstly, it allows researchers to overcome the impasse the new institutionalism encounters by providing a conceptually valid and empirically testable definition of policy change. Secondly, it bridges the gap between the research on policy-making (or policy analysis) and the one on interest group politics by focusing on the information exchange between interest groups and policy-makers. The information signalling model of policy-making introduced in this work accounts for policy change at micro-level. It associates different levels of homogeneity of information signals with different modes of policy-making and in turn different types and degrees of policy change. The preliminary testing conducted above shows that the theory finds empirical support: the concentration of the network of interest groups which have access to officials working in the European Commission in a given policy field determines how those officials take decisions and in turn how policy paths develop. In conclusion, the premises for furthering research in this direction are present: researchers have still a lot to muddle through but at least not to muddle along.

Social network analysis (SNA), especially with the concept of ‘network density’, may provide future research in this area with valid tools to identify the premises of the homogeneity of information signals. SNA represents an underexploited methodology in the analysis of interest group politics and policy change in general. Nonetheless, I firmly believe that in the foreseeable future it will bring considerable advancements in the literature. Indeed, despite the centrality EU literature grants to informational lobbying, few attempts (e.g. Klüver, 2011; 2013; Chalmers, 2011) have aimed to analyse the provision of information on the part of interest groups in a detailed manner and all of them from an organisational contingency approach. In future attention should shift from the internal characteristics of interest groups (and how they relate with information provision) to information provision itself focusing on the characteristics of the network of information signals which link interest groups with decision-makers. Only in this manner the researcher will be able to account for what determines the predominant mode of policy-making in place and to what extent policy evolves and how.

Figures and Tables

Figure 1

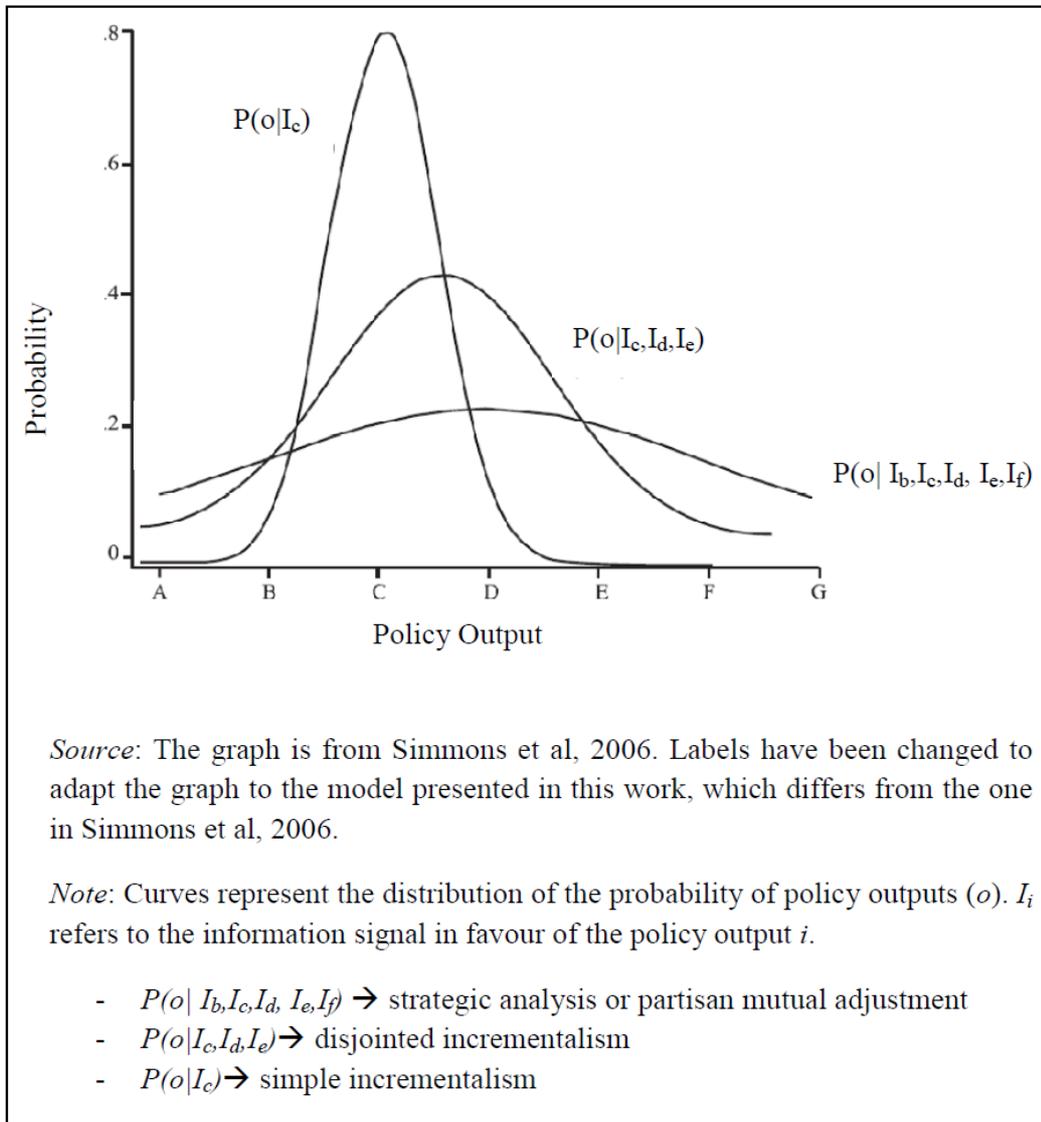


Figure 2

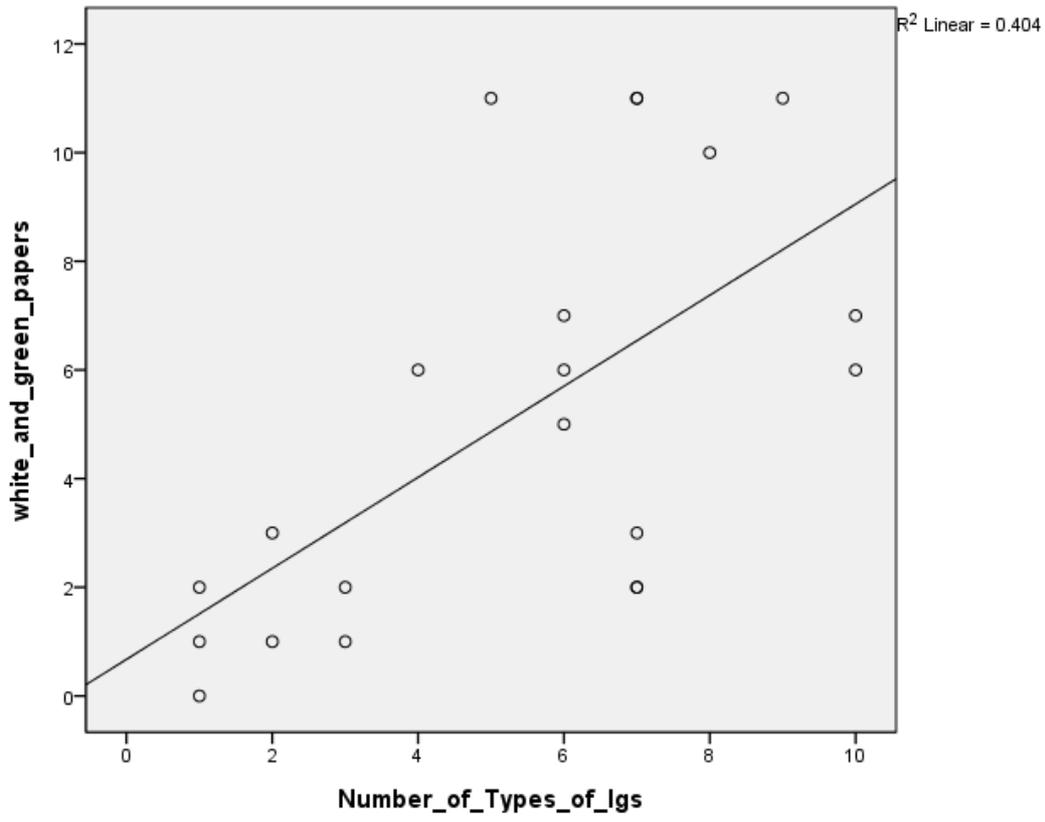


Table 1

1. Agriculture & Rural Development
2. Competition
3. Consumer Protection
4. Culture
5. Development
6. Economic & Financial Affairs
7. Education
8. Employment
9. Energy
10. Enlargement
11. Enterprise
12. Environment
13. External Relations
14. External Trade
15. Fisheries
16. Health
17. Human Rights
18. Humanitarian Aid
19. Information Society
20. Internal Market
21. Justice and Home Affairs
22. Overall EU Policy Matters
23. Regional Policy
24. Research
25. Social Affairs
26. Taxation
27. Transport

Source: Mahoney (2004)

Table 2

Number of Types of IGs	.676 (.233) *
Policy Intensity (Treaty)	2.585 (1.107) *
Policy Intensity (Secondary Legislation)	-.214 (.247)
Budget	.118 (.479)
Staff	.574 (1.119)
Constant	-5.400 (5.760)

*P<0.05

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