

**A Comparative Study of Business Lobbying  
in the European Parliament, the European  
Commission and the Council of Ministers**

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### **Abstract**

The aim of this paper is to empirically test a theory of access that investigates the logic behind the apparent ad hoc lobbying behavior of business interests in the EU multi-level system. First, I propose the theoretical framework that attempts to explain the access of different organizational forms of business interest representation (companies, associations and consultants) to the European Commission, the European Parliament and the Council of Ministers. The degree of access to these institutions is explained in terms of a theory of supply and demand of access goods. Access goods concern information that is crucial in the EU policy-making process. In return for access to an EU institution, business interests have to provide the access good(s) demanded by that institution. I then derive a number of specific hypotheses about the access of the aforementioned organizational forms. These hypotheses are analyzed in an extensive empirical study of the EU financial services sector. On the basis of 126 exploratory and semi-structured interviews the hypotheses are checked across the three EU institutions.

### **Zusammenfassung**

Ziel dieses Papers ist die empirische Prüfung einer Theorie des Zugangs, in der untersucht wird, welche Logik hinter dem anscheinenden Ad-hoc-Lobbying-Verhalten bei Vertretern von Wirtschaftsinteressen im Mehrebenensystem der EU steckt. Auf der Basis des zugrunde gelegten theoretischen Rahmens wird erläutert, wie verschiedene Organisationsformen der Vertretung von Wirtschaftsinteressen (Unternehmen, Verbände, Beratungsfirmen) Zugang zur Europäischen Kommission, zum Europäischen Parlament und zum Ministerrat finden. Anhand einer Theorie von Angebot und Nachfrage von Zugangsgütern ("access goods") wird herausgearbeitet, inwieweit diese Interessensvertreter Zugang zu den genannten Institutionen erhalten. Zugangsgüter betreffen Informationen, die für den Entscheidungsprozess der EU wesentlich sind. Um Zugang zu einer EU-Institution zu erhalten, müssen die Interessensvertreter die von der jeweiligen Institution nachgefragten Zugangsgüter liefern. Den Abschluß des Discussion Papers bildet eine Reihe von Hypothesen darüber, wie der Zugang der genannten Organisationsformen erfolgt. Die Hypothesen werden im Rahmen einer umfassenden empirischen Untersuchung des EU-Finanzdienstleistungssektors analysiert und auf der Grundlage von 126 explorativen und halbstrukturierten Interviews für die drei EU-Institutionen überprüft.

**Contents**

1	Introduction	5
2	A Theory of Access	7
2.1	Introducing “Access Goods” as a New Theoretical Concept	7
2.2	The Supply-and-Demand Scheme for Access Goods	9
2.2.1	The Supply of Access Goods	10
2.2.2	The Demand for Access Goods	13
2.3	Deriving Hypotheses: Combining Supply and Demand	17
3	Research Design and Methods	18
3.1	Three Case Studies in the EU Financial Services Sector	18
3.2	Relative Access and Ordinal Data	19
3.3	The Method of Paired Comparison	20
4	Empirical Evidence	22
4.1	The European Parliament	22
4.2	The European Commission	24
4.3	The Council of Ministers	26
4.4	Comparative Case Study Analysis	29
5	Conclusion	30
	References	33
	Appendix: Calculating Interval Scale Values	37



## 1 Introduction

Numerous empirical studies have been undertaken during the last decade in the field of European interest politics (Bennett 1997; Cawson 1992; Greenwood et al. 1992; Mazey / Richardson 1993; Schneider 1992; Van Schendelen 1994). One of the major lessons that has been drawn from this literature is the diversity and complexity of EU lobbying, which make reliable theoretical generalizations very difficult. Nevertheless, the extensive empirical study I present in parts III and IV of this paper is theoretically driven and designed to test a new theoretical framework for studying the interaction between business interests and the EU institutions in the European Union.<sup>1</sup>

The new framework is discussed in part II. It seeks to improve our understanding of how business interests can influence the making of EU legislation in a specific policy area or sector. The characterization of the European Union as a regulatory state legitimizes this exclusive focus on legislative lobbying (Majone 1994).<sup>2</sup> Since measuring influence is a rather problematic enterprise in political science, the focus of the analysis is not the influence of business interests but the access these interests enjoy to the EU institutions involved in the EU legislative process. It needs to be emphasized that access does not necessarily mean influence. Gaining access to the EU institutions is however *a necessary condition* for exercising influence in the EU legislative process. Studying access is therefore considered to be a good indicator of influence (Hansen 1991).

The theoretical framework attempts to answer the following research question: What determines the degree of access of business interests to the European institutions? The aim being to examine which business interests (firms, associations or consultants) have a higher / lower degree of access to specific EU institutions and how this is to be explained. The analysis of this question allows us to tackle si-

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1 For a more detailed analysis of the theoretical framework, see Bouwen (2001, 2002).

2 The analysis in this paper is confined to legislative lobbying in the first pillar of the so-called "pillar structure" introduced by the Treaty on the European Union.

multaneously a traditional question in the field of European interest politics: How do business interests use the different channels available to them to lobby the EU multi-level system? Although many authors have addressed this question of the business lobbying strategies adopted in the EU, the answer has remained unclear (Bennett 1997, 1999; Coen 1997; Kohler Koch/Quitkatt 1999). Furthermore, the proposed framework tries to move beyond the traditional focus in the literature on the characterization of European interest intermediation in terms of the pluralist or neo-corporatist interest politics paradigm (Streeck/Schmitter 1991; Gorges 1996; Falkner 1998). Important characteristics of both paradigms are incorporated in the new approach. The pluralist emphasis on the plurality of groups and the importance of information is combined with the corporatist attention to resource exchange.

The most important innovation in the new approach is the decision to study simultaneously different organizational forms of business interest representation. Not only traditional collective action but also individual company action and third party representation by political consultants or lawyers are studied in this paper. This is fundamentally different from the traditional literature on European interest intermediation, which tends to focus either on collective action or on individual company action in isolation from other organizational forms (Mazey/Richardson 1993; Coen 1997; Greenwood/Aspinwall 1998). In addition, whereas past studies have mainly focused on lobbying in the European Commission, in this study the European Parliament and the Council of Ministers are studied, too, because the three institutions need to be investigated from a comparative perspective in order to understand the logic of interest politics at the European level.

The paper is based on extensive empirical investigations in the EU financial services sector in two important ways. First, in order to develop the theoretical framework, the author has conducted 63 exploratory interviews with both business interests (21) and EU officials and politicians (42). Second, a further empirical study has been designed to test the framework. It is based on 63 additional semi-structured interviews with officials and politicians in three EU institutions. In the next section (part II), I propose my new framework, while the research design and methods used to test the generated hypotheses are studied in the third section. In the fourth section, the empirical evidence is systematically analyzed and compared across the three EU institutions. The article concludes with the implications of my theoretical and empirical results for future research.

## 2 A Theory of Access

The key to understanding the lobby activities of business interests in the European institutions is to conceive the relation between these private and public actors as an exchange relation between two groups of interdependent organizations. It is a mistake to regard business lobbying as a unidirectional activity of private actors vis-à-vis the EU institutions. Also, the EU institutions are eager to interact because they need close contacts with the private sector in order to fulfill their institutional role.

The exchange models developed by sociologists in the 1960s for the study of inter-organizational relationships constitute an interesting starting point for the analysis of the interaction between business interests and public actors at the European level (Blau 1964; Levine/White 1961: 587). Some authors have already used exchange theories – either implicitly (Greenwood et al. 1992) or explicitly (Buholzer 1998; Pappi/Henning 1999) – to study European interest intermediation.<sup>3</sup> According to these theories, the interaction of private and public organizations can be conceptualized as a series of inter-organizational exchanges. These models are closely related to the resource dependence perspective of Pfeffer and Salancik (1978). Whereas both theoretical approaches emphasize the importance for organizations to exchange resources, resource dependency focuses more closely on the ensuing interdependence between the interacting organizations (Pfeffer 1997: 63). According to the resource dependence perspective, organizations are not internally self-sufficient (Aldrich/Pfeffer 1976: 83). They require resources from the environment and therefore have to interact with those organizations or groups in the environment who control the resources they need (Pfeffer/Salancik 1978: 258). In the context of the EU decision-making process, private and public actors become interdependent because they need resources from each other.

### 2.1 Introducing “Access Goods” as a New Theoretical Concept

In order to gain an insight into the process of resource exchange between private and public actors at EU level, it is crucial that we study the resources that are ex-

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3 Many authors have applied exchange theories to interest intermediation and interest group politics. The exchange paradigm is a central feature of neo-corporatism (Pizzorno 1978; Schmitter/Streeck 1999). Network analysis focuses on inter-organizational exchange to study various forms of interest intermediation (Coleman 1990; Knoke et al. 1996; Pappi/Henning 1999). In political economy or public choice, the market is the model for political exchange (Becker 1983; McCormick/Tollison 1981; Potters/Van Winden 1990).

changed between the two groups. The resource required by private actors is “access” to the European institutions. In return for access to the EU agenda-setting and decision-making process, the EU institutions demand certain goods that are crucial for their own functioning. I call these goods “access goods”. Three access goods can be identified and have a common characteristic: information.<sup>4</sup> The three access goods concern three different kinds of information and can be specified as follows:

1. *Expert Knowledge (EK)*: This access good concerns the expertise and technical know-how required from the private sector to understand the market. This technical information is indispensable in developing effective EU legislation in a particular policy area. Example: the technical expertise provided by Barclays Bank to help EU officials and politicians understand the particularities of the capital adequacy rules for commercial banks.

2. *Information about the European Encompassing Interest (IEEI)*: This access good concerns the information required from the private sector on the European Encompassing Interest (EEI). In our sectoral approach, the EEI relates to the aggregated needs and interests of a sector in the EU Internal Market. Example: the information provided by the European Banking Federation on the interests of its members with regard to the capital adequacy rules for commercial banks.

3. *Information about the Domestic Encompassing Interest (IDEI)*: This access good concerns the information required from the private sector on the Domestic Encompassing Interest (DEI). In our sectoral approach, the DEI relates to the aggregated needs and interests of a sector in the domestic market. Example: the information provided by the Belgian Bankers Association on the interests of its members with regard to the capital adequacy rules for commercial banks.

The importance of Expert Knowledge in the EU decision-making process has been widely acknowledged in the literature (Pappi/Henning 1999; Radaelli 1995; Truman 1951). The two so-called “encompassing access goods” have not been previously identified. It is therefore necessary to define the meaning of the concept “Encompassing Interest”. An interest is more encompassing when more interested parties are involved in the formulation of the interest. An aggregation of individual interests or interested parties has to take place. A national trade association can, for example, be said to represent an Encompassing Interest because it is specialized in bundling the needs and interests of its member companies. When

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4 In recent public choice approaches to interest group politics, information increasingly plays a central role in the analysis (Austen-Smith 1995; Lohman 1995; Potters/Van Winden 1990). Mitchell and Munger (1991) give an introductory survey of these public choice approaches. For a survey of empirical rational choice models of interest group behavior, see Potters and Sloof (1996).

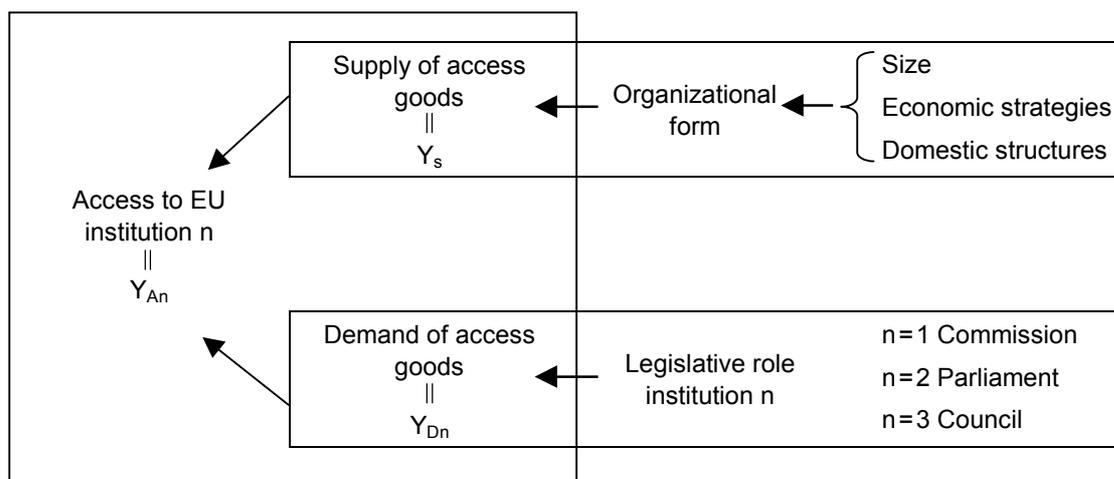
the aggregation of interests takes place at the national sectoral level, the Domestic Encompassing Interest is involved. For the European Encompassing Interest, interests are aggregated at the European sectoral level. The “encompassingness” of interest groups and their representativeness are positively correlated (Salisbury 1979: 222). It is also important to mention that the three access goods are related to two crucial issues in European public policy: the issues of legitimacy and compliance (Bouwen 2002: 370).

Access goods are crucial for business interests to gain access to the EU institutions. The highest degree of access is granted to the private actors that can provide the so-called critical resource or critical access good. The criticality of a resource for an organization is the extent to which the organization requires the resource for continued operation (Pfeffer/Salancik 1978: 46–47). For each EU institution, the critical resource is identified later in this paper.

## 2.2 The Supply-and-Demand Scheme for Access Goods

The three access goods that have been defined play a central role in understanding the exchange between private actors and the EU institutions. It is possible to model this exchange relation as a supply-and-demand scheme for access goods. The private actors are responsible for supplying the access goods. They only gain access to an institution, however, if the access good provided is simultaneously demanded by that institution.

Figure 1 Scheme of Variables



The aim of the new theoretical framework is to explain differential access of business interests to the EU institutions. The dependent variable,  $Y_{An}$  indicates the extent to which private actors have access to institution  $n$ . The supply of access goods,  $Y_S$ , and the demand for access goods,  $Y_{Dn}$  are the independent variables. It can be concluded that, in order to explain the variation of  $Y_{An}$ , both  $Y_S$  and  $Y_{Dn}$  have to be studied.

### 2.2.1 The Supply of Access Goods

The provision of access goods is crucial for private actors in establishing an exchange relation with the targeted institutions at the EU level. However, not all private interests have the same capacity to provide access goods. As the systematic analysis of the main organizational forms of business interest representation will show later in this section, organizational form is the crucial variable for determining the kind of access goods that can be provided. Table 1 presents the main organizational forms that lobby activities can take in the EU:

*Table 1 Organizational Forms of Business Interest Representation*

	Individual action	Collective action	Third party
National level	Individual national action	National association	National consultant
European level	Individual EU action	European association	Brussels consultant

Three important variables determine the firms' choice of the organizational form of their lobby activities. *Size* is a first important variable with regard to the lobby activities of companies. Whereas large players have enough resources to undertake individual lobbying, smaller actors often have to rely on collective action to be able to undertake political action at different levels in the EU multi-level system. A second major factor that determines the organizational structure of a firm's lobby operations is its *economic strategy*. The different market strategies of national niche players and large internationally oriented firms require different political strategies. The *domestic institutional environment* of the firm is the third important variable to study in order to understand the national and European lobbying activities of private interests (Beyers 2000: 211). A close working relationship between state administrative elites and private interests at the national level might, for example, create a hierarchical interaction that undermines the incentives of private interests for direct European level action.

While the organizational form of the business interest representation determines the kind of access goods that can be provided, two other variables have an important impact on the quantity and the quality of the supplied access goods and the efficiency, i.e. speed and flexibility, of the provision. Firstly, the *number of layers* that constitute the organizational form (firm – national association – European association) plays an important role. The more layers are involved in the provision of the access good, the slower and less flexible the access goods can be supplied (Schmitter/Streeck 1999: 76). Secondly, efficiency is also influenced by the *complexity of the internal decision-making process* of the organizational form. The more complicated the internal decision-making process is, the slower and less flexible is the provision of access goods. This means that a hierarchically structured organizational form like a firm is likely to be more efficient than a decentralized, democratically organized form like an association (Salisbury 1984: 67–68).

How organizational form and the two variables discussed above influence the provision of access goods is analyzed below in the discussion of the three main organizational forms:

#### *1. Individual firms (at the national or EU level):*

The resource asymmetry between large and small firms explains the unequal capacities they have for providing access goods. Large firms are directly active in the market and are therefore particularly good at providing Expert Knowledge. The hierarchical decision-making structure within firms guarantees the efficient provision of this access good to the EU institutions.

The strategies of large firms can be regional, national or European. Large firms with national strategies could be called national champions. To the extent that different parties, i.e. workers, managers and shareholders, are involved in the formulation of the firm's interest, the national champion can provide Information about the Domestic Encompassing Interest. The encompassingness remains limited, however, because only one national firm is involved. Large firms with a European strategy can provide Information about the European Interest. For most of these large European firms, though, it is difficult to claim to provide Information about the European Encompassing Interest since only the individual firm is involved in the articulation of the interest.

#### *2. Associations (at national or EU level):*

Associations are not as good as individual firms at providing Expert Knowledge because they have fewer resources and have to deal with a wider range of issues. It has become something of an orthodoxy throughout the EU institutions that

trade association officials are “industrial civil servants” who lack the expertise needed to inform policy formulation (Greenwood/Webster 2000:5). Because of their multi-layered organizational structure, associations are too distant from the market reality. The three-layer structure of the European associations’ organizational form (EU level, national level, company level) also hampers the efficient provision of access goods.

European associations are specialized in building consensus positions by channeling the different opinions of their member associations. They aggregate the interests of their member associations that are already the result of a bundling of needs and interests of these national associations’ member companies. This extensive consultation mechanism allows the European associations to present an encompassing European perspective on their sector and thereby provide good quality Information about the European Encompassing Interest. The internal decision-making processes for building consensus are complex, however, and negatively affect the efficient provision of access goods. A similar reasoning can be applied to national associations. They represent the national sectoral interest and can therefore provide high-quality Information about the Domestic Encompassing Interest. Like other associations, national associations tend to be not very good at providing Expert Knowledge.

### 3. Consultants (at the national or EU level):

Consultants have a very limited capacity for providing access goods. Because consultants do not represent their own interests, they cannot provide the two encompassing access goods. Moreover, they can only provide Expert Knowledge when they are specialized in a particular policy area. In Brussels, specialized consultants are exceptional, however.

*Table 2 Supply of Access Goods*

	Best provided access good	Ranking of capacities to provide access goods
Individual firm	EK	EK > IDEI > IEEI
European association	IEEI	IEEI > EK > IDEI
National association	IDEI	IDEI > EK > IEEI
Consultant	EK (client=individual firm)	EK > IDEI > IEEI
	IEEI (client=eur. Association)	IEEI > EK > IDEI
	IDEI (client=nat. Association)	IDEI > EK > IEEI

### 2.2.2 The Demand for Access Goods

In order to explain the access of private actors to the EU institutions, an analysis of the demand for access goods is also necessary. Since it is the objective of this paper to study EU legislative lobbying, the demand for access goods is derived from the specific role of each EU institution in the legislative process.<sup>5</sup> The formal powers of each institution in the EU legislative process and the timing of their intervention in the process determine to a large extent the institutions' demand for access goods.

The EU institutions are to a varying extent interested in the three access goods. From a resource dependence perspective, one would say they depend on the environment for more than one resource, i.e. access good. For each EU institution, a number of dependencies can therefore be identified. Using a similar theoretical framework to Pfeffer and Salancik (1978), Jacobs (1974) identifies the dependency that is most problematic for an organization. This so-called "most problematic dependency" concerns the resource from the environment on which the organization is most dependent and corresponds with the critical resource discussed earlier in this paper. For each organization, Jacobs also develops a "rankings of dependencies" (Jacobs 1974: 50). Because in our analysis the demand for access goods is based on the EU institutions' role in the legislative process, the most problematic dependency will correspond with the demand for the access good that is most critical for the fulfillment of their formal legislative role. Over the next few paragraphs, I will attempt to establish the ranking of dependencies for each EU institution and to identify the most problematic dependency.

#### 1. *The European Parliament*

As a forum for discussions of political importance during the legislative process, the European Parliament has both supranational and intergovernmental characteristics. Although supranational political groups have been established in the Parliament over time, nationality remains a relevant cleavage within the assembly (Kreppel/Tsebelis 1999).<sup>6</sup> The European Parliament's role in the Community's

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5 It is argued that the regulation of lobbying designed by the Commission and the Parliament has had a minimal impact so far on the patterns of interest intermediation at the European level (McLaughlin/Greenwood 1995). While the Commission has been in favor of self-regulation of interests, the European Parliament has established some minimal rules. Most observers, however, agree on the limited impact of the current rules. They will therefore not be analyzed any further in course of this paper.

6 The two authors emphasize the importance of ideology over nationality in the European Parliament. In their article on coalition formation in the Parliament under the cooperation procedure, the authors find that, generally, coalitions form on the basis

legislative procedure has increased from having, initially, no role whatsoever to play, to having a consultative role and, ultimately, to having powers that are more than consultative. In many important areas these powers have reached the level of co-decision with the Council of Ministers (Corbett et al. 1995: 220; Westlake 1994: 144). In such an instance, it is the Parliament's task to make amendments to the proposed legislation and to take decisions.

In view of the Parliament's legislative role, its demand for Expert Knowledge is rather limited. At this stage of the legislative process, the Commission has already drafted a detailed and often technical proposal. Although some basic Expert Knowledge is indispensable, the amount of technical market expertise needed to amend and take decisions is much lower in the European Parliament.<sup>7</sup> The Parliament particularly needs information that allows it to assess the legislative proposals made by the European Commission. As directly elected supranational assembly, it is the Parliament's task to evaluate the legislative proposals from a European perspective (Kohler-Koch 1997: 12). The specific information the Parliament requires for this assessment is Information about the EEI. This access good constitutes the institution's critical resource because it provides encompassing private-sector information about the needs and interests in the EU internal market.

In order to understand the Parliament's role in the legislative process, the constituency orientation of the MEPs has also to be taken into account. All MEPs are in fact elected at the national level and therefore retain important links with their electorate back home. In order to increase their chances for re-election, MEPs need information about their national electorate (Hansen 1991). This is why MEPs want Information about the DEI. This access goods provides them with information about the needs and preferences of their voters.

## *2. The European Commission*

The Commission is considered the most supranational institution in the EU decision-making process. It is geared towards promoting common European interests, as well as promoting its own position (Rometsch/Wessels 1997: 214). The Commission is geared towards "promotional brokerage", trying to push the Member States to accept policies that go beyond a purely intergovernmental consensus based on the lowest common denominator. To play its role as promotional

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of ideology, not nationality. Nevertheless, they are also able to identify some national groups that occasionally vote against the majority of their party group.

<sup>7</sup> For non-market expertise the Parliament can rely on various other sources, for example its own internal research department, Directorate General IV for Studies (Corbett et al. 1995: 182).

broker in the EU legislative process, the Commission needs Information about the DEI. The Commission has a substantial interest in this access good because it can help to identify common European interests.

The Commission plays a central role in the EU legislative process. As the analysis in this paper is confined to legislative lobbying in the first pillar of the “pillar” structure introduced by the TEU,<sup>8</sup> the fundamentals of the Commission’s position in the legislative process can be found in Article 149 of the EEC Treaty.<sup>9</sup> The Commission’s sole right of legislative initiative is based on Article 149(1). As agenda-setter, the Commission has the formal right to initiate legislation and is thus responsible for the drafting of legislative proposals. The drafting of proposals takes place in the first phase of the policy-making process and requires a substantial amount of expertise. Expert Knowledge is therefore the critical resource for the Commission’s legislative work. Because of understaffing and severe budget constraints in the Commission, the institution is dependent on external resources to obtain the necessary expertise (Spence 1997: 71).

In the agenda-setting and policy development phase, the Commission is not interested in Information about the DEI. At this early stage of the legislative process, the domestic private interests and the interests of most Member States in the issues at hand have not been identified yet. The DEI cannot therefore be defined at this early stage. This applies even more so where technical subject matters are concerned. Besides, as promotional broker, the Commission is geared towards promoting common European interests. The institution is therefore not primarily interested in Information about the DEI. The Commission is, however, interested in this kind of information on an ad hoc basis, when it has, for example, to amend its legislative proposal to achieve a compromise in the Council and the Parliament. Information about the Domestic Interest of a particular Member State might in this case be crucial.

### *3. The Council of Ministers*

In stark contrast to the Commission, the Council is the most intergovernmental institution in the EU legislative procedure. As the Union’s supreme decision-maker, it is the forum for reconciling the distinctive purposes and powers of the Member States. The influence of national interests prevails in the Council and it is therefore crucial for the Member States to identify their national or domestic interest. It follows that Member States retain a very strong demand for Information

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8 In the second and third pillar, the Commission has to share the right of initiative with the Member States.

9 These have become Article 189a(1) and (2) following the Maastricht amendments.

about the DEI. It is the Council's critical access good because it gives the Member States information about the needs and interests of the domestic market. Despite its intergovernmental traits, the Council embodies the recurrent tension in the construction of the European Union between intergovernmentalism and supranationalism. The Council's Secretariat and its Presidency embody a sense of collective purpose and collective commitment and thereby give this intergovernmental institution a supranational flavor (Wurzel 1996: 273; Hayes-Renshaw/Wallace 1997). This explains why despite the Council's predominantly intergovernmental constitution, the institution also has an interest in Information about the EEI.

The Council shares its legislative powers increasingly with the European Parliament.<sup>10</sup> It is the Council's task to amend and decide on legislation by reaching a decision that is acceptable to all or, at least, to a majority (Westlake 1995: 87). Four main legislative procedures can be identified: 1) the consultation procedure, 2) the assent procedure, 3) the cooperation procedure and 4) the co-decision procedure. The Council can influence the final shape of the legislative proposal to varying degrees, depending on the procedure being used. When it comes to decision-making in the Council, the proposal has already been technically elaborated and the demand for Expert Knowledge from private interests is therefore substantially reduced. To comment on or amend a proposal, a different kind of information is required than that required for the actual drafting by the Commission. At this stage of the decision-making process, the Council is more interested in information that can facilitate the bargaining process among the Member States.

*Table 3 Demand for Access Goods*

	Critical resource	Ranking of dependencies
European Parliament	IEEI	IEEI > IDEI > EK
European Commission	EK	EK > IEEI > IDEI
Council of Ministers	IDEI	IDEI > IEEI > EK

<sup>10</sup> In this paper, the focus is on the legislative role of the Council in the first pillar. In the two intergovernmental pillars, the CFSP and JHA, the Council plays a crucial and dominant role. The Council does not have to share its legislative powers with the European Parliament in these pillars, nor are its decisions subject to interpretation by the ECJ.

### 2.3 Deriving Hypotheses: Combining Supply and Demand

In order to explain the access of business interests to the EU institutions, both the supply and the demand for access goods have to be taken into account. Whereas private actors need the capacity to supply access goods, the latter have to be demanded simultaneously by the EU institution to which the private actors want to gain access. The analysis of the supply side shows that most private interests can provide each of the three access goods to a varying degree. On the demand side, the EU institutions are to a certain degree interested in the three access goods. Combining supply and demand would generate the unsatisfactory and uninteresting hypothesis that most private actors have a certain degree of access to the three EU institutions. Insights from resource dependency theory, however, allow us to generate more specific and interesting hypotheses.

According to Pfeffer (1982), identifying an EU institution's most problematic dependency or critical resource allows one to determine to which private actors that institution will grant the highest degree of access. He argues that organizations will respond more to the demand of the group or organization in the environment that controls the most problematic dependency (Pfeffer 1982: 193). In terms of the European institutions, this means that an EU institution will respond more to the demand of a private interest – that is to say, will give more access to a private interest – that controls the institution's most problematic dependency or critical resource. The private actors who can provide the highest quantity and quality of the critical access good in the most efficient way will therefore enjoy the highest degree of access to the EU institution. Using this logic of access enables us to generate a number of specific hypotheses about access by combining the EU institutions' ranking of dependencies and the ranking of capacities to provide access goods on part of the different organizational forms (combining the results of Tables 2 and 3):

*Table 4 Overview of Generated Hypotheses*

1. Access to the European Parliament	EA > NA > IF
2. Access to the European Commission	IF > EA > NA
3. Access to the Council of Ministers	NA <sup>a</sup> > EA > IF

a NA and national champions

### 3 Research Design and Methods

#### 3.1 Three Case Studies in the EU Financial Services Sector

The EU financial services sector was chosen in order to test the generated hypotheses empirically. The numerous legislative measures proposed by the European Commission since 1998 have had important distributive effects for the financial services providers and have consequently engendered intense interaction between these private interests and the EU public authorities through lobbying and public consultation. The increased lobbying activity over the last few years in the EU financial services sector makes this policy area particularly interesting for studying the logic of business interest representation in the European Union. Europe's political leaders focused their attention over the last decade on the construction of the Economic and Monetary Union, but they failed to develop the regulatory infrastructure required for the integration of the Member States' financial services markets (Zavvos 1994: 27-32; Dyson/Featherstone 1999). Since the success of the single currency would not be guaranteed without well-functioning financial markets, the European Commission devised in 1998 the so-called Financial Services Action Plan in order to inject new momentum into the task of building a single financial market (Mogg 1999: 11).<sup>11</sup>

The theory of access is successively applied to the European Parliament, the European Commission and the Council of Ministers. The analysis of access in each of the three EU institutions constitutes a separate case study. In addition, the combined analysis of the three case studies allows the access of business interests to be studied from a comparative inter-institutional perspective and allows us to check whether or not the new framework is useful across the three institutions (Eckstein, 1975: 85).<sup>12</sup>

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11 Financial Services: Building a Framework for Action. Commission Communication of 28/10/98. COM (1998) 625. In June 1998, the Cardiff European Council had asked the European Commission to table an action plan to improve the single market in financial services.

Financial Services - Implementing the Framework for Financial Markets: Action Plan. Commission Communication of 11/05/99. COM (1999) 232.

12 According to Eckstein, a comparative study is simply the study of numerous cases along the same lines, with a view to reporting and interpreting numerous measures of the same variables for different "individuals". The individuals can be persons or collectivities.

### 3.2 Relative Access and Ordinal Data

When analyzing more closely the different hypotheses, it becomes clear that they concern the relative access of the private actors to the EU institutions. The reason why one organizational form of interest representation enjoys better access to an EU institution than another is the real question to be addressed in this study. The data required to test these hypotheses should therefore relate to the relative access of the different organizational forms. Ordinal data on the degree of access of the four organizational forms is necessary to test the hypotheses. Both public and private actors potentially have interesting information about access. Since we are interested in relative access, the focus of the data collection has primarily to be on the public actors. The latter are approached by the different organizational forms in order to gain access and are therefore in the best position to evaluate the relative access granted to the private actors. Private actors are mostly unaware of the access enjoyed by other private interests and it is therefore extremely difficult for them to correctly assess the relative access they have to the EU institutions.

In order to test the hypotheses, the relative access of the different organizational forms has to be measured. It was decided to develop a set of structured questions that would be used to obtain comparable and quantifiable data on the access of private interests to the three EU institutions. Since we were interested in data on relative access, the public rather than the private actors were confronted with these questions in a series of 63 semi-structured interviews.<sup>13</sup> While structured questions were inserted in the semi-structured interviews in order to obtain comparable and quantifiable data, at the same time open questions allowed more qualitative in-depth knowledge to be generated (King 1995: 15).<sup>14</sup> All the interviews were conducted by the author alone. This helped to reduce variation in the responses caused by the so-called interviewer effect and to minimize misinterpretation of the open and closed questions. The public actors focused on are those that were judged most relevant for legislative lobbying in each of the three EU institutions. These specific public actors constitute the institutions' most important access point. Because of the basic functional and structural differences between the three EU institutions, different public actors were studied in each institution.

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13 The total amount of time spent on interviewing officials and politicians in the three institutions was 54 hours and 25 minutes.

14 A different questionnaire was devised for conducting the semi-structured interviews in each of the three EU institutions. In order to guarantee the comparability of the collected data, a stable core of closed questions was used in all interviews. The open questions, however, varied not only between the different EU institutions but also over time for the same institution. While uninteresting or resolved questions were dropped, new open questions were regularly added to the questionnaire.

In each of the three case studies, I identify the relevant population of public actors and use a sample thereof to measure the access of business interests to that specific EU institution. Even though the identified populations of politicians and officials are rather small, the largest possible samples were chosen in order to maximize the number of observations. In the European Commission (population =29) and the Parliament (population=45), the size of the samples equals the population. While the population of officials investigated in the Council of Ministers amounts to 22, the sample contains only 15 individuals. The response rate in the Council of Ministers (93%) is clearly higher than in the European Commission (76%) and the European Parliament (60%).<sup>15</sup> When taking the populations, the samples and the different response rates into account, I would argue that the results of the empirical investigation in the three institutions are representative of the situation in the EU financial services sector.

### 3.3 The Method of Paired Comparison

The hypotheses generated as to the relative access of private actors to the three EU institutions are tested on the basis of ordinal data. In order to obtain information about the relative access of private actors, the officials and politicians were asked during the interviews to provide information about their contacts with private interests in the context of legislative lobbying. They were invited to establish a ranking of their contacts with the different forms of business interest representation. The interviewees had to indicate with which of the four organizational forms they have had contacts, taking the usefulness and the regularity of the contacts into account. The resultant rankings indicate which organizational forms the interviewees have chosen as their first, second, third and fourth choice. Tables 5, 7 and 8 below give an overview of the ordinal data that was gathered in each institution.

In order to test the hypotheses, the individual rankings provided by the interviewees from the same institution have to be combined to obtain an overall or composite ranking of the contacts of these interviewees with the different organizational forms. The most straightforward method of obtaining the complete composite ranking of the four organizational forms is to use the weighted sums of the rank values (Guilford 1954: 180; Cooper/Emory 1995: 145).<sup>16</sup> Because rank

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15 In the response rate of the European Commission, cabinet officials are included.

16 What are the rank values? The normal custom of assigning the greatest or highest value a rank of 1 has been followed here. The ranks 1 through to  $n$ , however, are only used to record the data. In the further treatment of the data, the rank numbers are replaced by their rank values. The rank values  $R_i$  are a series of values in exact reverse order to the rank  $r_i$ .  $R_i$  is related to  $r_i$  by the simple equation  $R_i = n - r_i + 1$ . In this project the highest rank, rank 1, corresponds to rank value 4. In order to obtain the com-

values are strictly ordinal numbers, the numerical meaning of the weighted sums is not entirely clear. When the weighted sums are calculated, there is an implicit assumption that the distance between the different ranks and therefore rank values is equal.<sup>17</sup> Hence another more sophisticated method based on Thurstone's law of comparative judgment is used and is called the method of paired comparison (Thurstone 1959: 39, 67; McIver / Carmines 1981: 16).

The method of paired comparison is a one-dimensional scaling method that allows ordinal scale values to be converted into interval scale values (Guilford 1954: 154; Swanborn 1993: 31). In this method, the different organizational forms have to be evaluated by the interviewees in all the possible pairs. The result is a number of comparative judgements. It is important to note that the interviewed officials and politicians were not directly confronted with the paired comparisons of the four organizational forms. Instead they were asked during the interview to establish a complete ranking of the four organizational forms. It is no problem, however, to turn this complete rank-order information into comparative judgements for all pairs of organizational forms. If the four organizational forms, European association (EA), national association (NA), individual company (IF) and consultant (Cons), are ranked in the order given, then six comparative judgements may readily be inferred: EA>NA, EA>IF, EA>Cons, NA>IF, NA>Cons and IF>Cons. This approach is called the pair-comparison treatment of complete ranks (Guilford 1954: 183).

On the basis of the resulting comparative judgements, it is possible to determine the proportion of times each organizational form is deemed greater than every other form. This provides additional information about the intensity of the respondents' preferences when ranking different alternatives. The calculation of the interval scale values is based on this additional data.<sup>18</sup> The F-matrix, the P-matrix and the Z-matrix required for calculating the interval scale values of the different organizational forms, along with more details about the data, can be found in the appendix where these matrices are calculated (Guilford 1954: 154-163; Swanborn 1993: 31-45). The important advantage of the paired comparison scaling method is that it not only helps to establish the composite ranking but it also assists in determining more precisely the different degrees of access of the organizational forms to the various EU institutions.

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posite ranking, the resulting rank values (4, 3, 2, 1) are weighted for each organizational form with the frequencies with which the respondents chose the organizational form as their first, second, third or fourth choice.

17 The different intensities of interviewees' preferences for different organizational forms and therefore the different distances that might exist between consecutive ranks are not taken into account by the method of the weighted sums.

18 This data should therefore better reflect the distance between the intensities of the interviewees' preferences for different organizational forms.

## 4 Empirical Evidence

### 4.1 The European Parliament

A closer look at the European Parliament allows us to identify the parts that are relevant when it comes to legislative lobbying: the plenary session, the specialized committees, the committee secretariats, the hearings, the college of quaestors and the intergroups (Westlake 1994). A detailed investigation shows that the specialized committee system is the most relevant part of the Parliament for studying legislative lobbying. It constitutes the supranational assembly's most important point of access. Despite the fact that the plenary session has the final say on legislation, most of the Parliament's legislative work takes place in its specialized committees (Bowler / Farell 1995; Neuhold 2001: 3). All legislative proposals and other legislative documents must be considered in the committees, and the bulk of the legislative process under all legislative procedures takes place in the committee sessions. Because of our empirical focus on the European financial services sector, one specific committee is studied in this paper: the Committee on Economic and Monetary Affairs (CEMA). Annex VI of the EP's rules of procedure spells out that the CEMA is responsible for matters relating to financial services (Article 51 (2) of the EC Treaty) and aspects related to the prudential supervision and monitoring of such services. The 45 full members of the CEMA were therefore identified as the relevant population to be investigated. All the full members were included in the sample of persons that were invited to participate in the semi-structured interviews. Between June 2000 and February 2001, the author conducted 27 interviews with full members of the CEMA.<sup>19</sup> On average, each interview lasted about 40 minutes.

Table 5 below summarizes the rankings provided by the 27 MEPs. The table contains the frequencies with which MEPs have chosen a particular organizational form as their first, second, third or fourth choice.

The result of the  $\chi^2$ -test and the p-value clearly indicate that there is a relationship between the two variables in the table.<sup>20</sup> The Cramer coefficient of association specifies that there is indeed a rather strong association between organizational form and the degree of access.<sup>21</sup>

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19 In 4 of the 27 interviews, the interviewee was the full member's chief assistant instead of the MEP.

20 It should be noted that the conditions are satisfied to apply the chi-square test. Since the degree of freedom is greater than 1, no more than 20 percent of the cells should have an expected frequency of less than 5, and no cell should have an expected frequency of less than 1 (Siegel / Castellan 1988: 199). These conditions are met here for the calculation of chi-square.

21 The Cramer coefficient is useful when only categorical data on the variables is avail-

Table 5 *MEPs' Preferential Contacts*<sup>a</sup>

Organizational Form	First Choice	Second Choice	Third Choice	Fourth Choice
European Association	12	9	3	1
National Association	9	13	3	0
Individual Firm	4	2	13	6
Consultant	0	1	6	18
No Answer	2	2	2	2
Total	27	27	27	27

df=9,  $\chi^2=72.98$ , p=smaller than 0.001 and the Cramer Coefficient C=0.493

a The "No" answers are not included for the calculation of  $\chi^2$  and the Cramer coefficient and therefore N=25.

A closer look at the first column of Table 5 seems to confirm the proposed hypotheses concerning access to the European Parliament. Whereas a majority of MEPs have preferential contact with the European associations (12), they have clearly less contact with national associations (9) and individual companies (4) respectively. It would, however, be premature to conclude only on the basis of the MEPs' first choice that European associations have effectively better access than national associations and individual companies. The information contained in the three other columns (second, third and fourth choice) cannot be disregarded and has to be taken into account simultaneously. The method of paired comparison is therefore used to calculate, on the basis of the 27 individual rankings, the composite ranking of the MEPs' contacts with private interests (Guilford 1954: 154; Swanborn 1993: 31). The F-matrix, the P-matrix and the Z-matrix required for calculating the interval scale values of the different organizational forms can be found in the appendix. The resulting values are reported in Table 6.

The obtained overall ranking of organizational forms confirms the hypotheses that were generated regarding access to the European Parliament. European associations (1.71) do have a higher degree of access to the Parliament than national associations (1.69) and the latter have a higher degree of access than individual firms (0.80) and consultants (0.00). Consultants have substantially lower degree of access than individual firms and are thus the least successful in securing access to the Members of the CEPA. The difference between the interval scale value calculated for the collective forms of interest representation, i.e. the European and

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able. Like the Pearson correlation coefficient, the Cramer coefficient has a maximum value of 1 and the coefficient will be equal to 0 when the two variables are independent. Unlike the Pearson coefficient, the Cramer coefficient cannot be negative (Siegel/Castellan 1988: 227).

Table 6 Interval Scale Values Based on Paired Comparison and Composite Ranking<sup>a</sup>

	EP	EC	CM
EA	1.71	2.16	0.10
NA	1.69	1.12	1.91
IF	0.80	1.80	1.46
Cons	0.00	0.00	0.00
Composite Ranking	EA > NA > IF > Cons	EA > IF > NA > Cons	NA > IF > EA > Cons

a The same composite rankings are obtained when using the weighted sums of the rank values. This is an instance of successful methodological triangulation (Denzin 1978).

national associations on the one hand and the individual firms or consultants on the other, is rather large. MEPs clearly prefer to talk to lobbyists from representative organizations irrespective of the level of interest aggregation (national/European). The distance between the values calculated for European and the national associations is in contrast very small (0.02). It follows that European and national associations have a similar degree of access to the European Parliament. This interesting result points at the successful “Europeanization” of national interests associations in recent decades (Bouwen, forthcoming).

## 4.2 The European Commission

The functional differentiation of the European Commission into various Directorates-General aims at providing specialized technical and administrative know-how in various policy sectors (Nugent 2001: 135). In several legislative initiatives, however, more than one Directorate-General is involved. The Internal Market DG can be identified as the leading Commission Directorate-General in the area of EU financial services. It is the part of the European Commission that is most relevant to study in order to understand business lobbying in that policy area.<sup>22</sup> In addition, so-called non-comitology consultative committees are identified as the most important access point for private interests. In contrast with expert and comitology committees, individual firms and interest groups are allowed to participate directly in these committees (Schäfer 1996). Because non-comitology consultative committees are not established for each legislative initiative, it would be wrong to

22 Whereas the Internal Market DG is always involved in the financial services legislation, sometimes also the Economic and Monetary Affairs DG or the Health and Consumer Protection DG are involved. It is logical, for example, that where retail financial services are concerned, the Internal Market DG collaborates closely with the Consumer Protection DG.

study only officials that participate in these committees. Since officials not sitting on these committees can also be important lobbying targets in the DG, all officials directly involved in the Commission's legislative activities are studied in this paper. Based on the Commission's internal "Guide de Service" 29 high and low Commission officials directly involved in preparatory legislative activities have been identified in Directorate C, i.e. the Directorate responsible for financial services in the Internal Market DG. It was decided to include all 29 officials in the sample of people that would be invited to participate in the semi-structured interviews. In May 2001, the author conducted 22 interviews with high and low officials of Directorate C of the Internal Market DG. On average, the interviews with the officials lasted about 51 minutes.

Table 7 shows the data that has been gathered among the officials in the European Commission.

*Table 7 Directorate C Officials' Preferential Contacts*

Organizational form	First Choice	Second Choice	Third Choice	Fourth Choice
European association	15	4	3	0
National association	1	7	11	3
Individual firm	6	11	5	0
Consultant	0	0	3	19
No answer	0	0	0	0
Total	22	22	22	22

df=9,  $\chi^2=90.51$ , p=smaller than 0.001 and the Cramer coefficient C=0.585

The  $\chi^2$ -test and its p-value show that there is a relationship between the different organizational forms of business interest representation and their degree of access.<sup>23</sup> The Cramer coefficient of association indicates that there is a strong association between the two variables in the table. In order to calculate the composite ranking of the officials' contacts with private interests, the data in the four columns of Table 7 have to be taken into account simultaneously. The interval scale values used to build the composite ranking are again calculated on the basis of the method of paired comparison.<sup>24</sup> The results of the calculations can be found in Table 6.

23 It should be noted that the conditions are satisfied to apply the chi-square test (Siegel/Castellan 1988: 199).

24 The F-matrix, the P-matrix and the Z-matrix required for calculating the interval scale values of the different organizational forms can be found in the appendix.

The obtained overall ranking and the interval scale values both confirm and disconfirm some of the proposed hypotheses. The hypothesis of the privileged access of individual firms (1.80) to the European Commission has been disconfirmed. The results show that, on the contrary, it is European associations (2.16) that have the highest degree of access to the European Commission. Taking the frequent critique regarding the effectiveness of European associations into account, this is an interesting finding (McLaughlin/Jordan 1993: 122; Mazey/Richardson 1996: 207). European federations are often considered to be internally divided, poorly resourced and unable to respond quickly to Commission requests for information. In addition, they are criticized for their cumbersome internal decision-making machinery. The results, however, show that European associations are not only formally the preferential partners of the European Commission; they also effectively enjoy the highest degree of access to the Commission.<sup>25</sup> However, it is important to point out that the difference in degree of access between European associations and individual companies is not very large (0.36). As predicted, national associations (1.12) and consultants (0.00) have the lowest degree of access to the Commission. This confirms the hypothesis that these two organizational forms have the lowest degree of access to Directorate C officials. It can be concluded that, although individual firms have a slightly lower degree of access to the European Commission than European associations, individual companies clearly have better access than both national associations and consultants.

### 4.3 The Council of Ministers

Only two of the more than twenty sectoral formations of the Council are important in our study of legislative lobbying in the European financial services sector: the Internal Market Council and the Council of Economics and Finance Ministers (ECOFIN). Furthermore, a thorough analysis of the Council machinery allows the administrative and governmental structures in the national capitals to be identified as the most important locus for lobbying the EU Member States within the Council framework. The starting point of the argument is that the national negotiating position of Member States in the Council is determined in the national capital by the ministers and their cabinet.<sup>26</sup> Since the Member States have dele-

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25 The European (con-)federations have been formally recognized as preferential interlocutors of the European Commission in the Communication on "An open and structured dialogue between the Commission and special interest groups" (93/C63/02).

26 It is important to point out that it is in the capital's own interest to involve the staff of the permanent representation in determining the negotiating position and drawing up the instructions for the permanent representative and his attachés. Based on their in-depth knowledge of the legislative process and their familiarity with the subject

gated authority to their EU permanent representatives so they might negotiate on their behalf in Brussels, there is a potential risk of bureaucratic drift (Mnookin/Susskind 1999). The Member States, however, have devised a number of mechanisms in order to control agency behavior (Kiewit/McCubbins 1991: 27). The regular exchange of information, the participation of national experts in the Council working groups and the so-called EU coordinating units are effective instruments by which to monitor the activities of the permanent representatives and attachés in Brussels (de Zwaan 1995: 31/99). These control mechanisms reduce agency losses because they are successfully combined with the ability of the national capital to sanction the agent in the event of shirking. However, instead of taking the important group of financial services officials in the fifteen national capitals as the population to be investigated, a less resource-intensive approach has been adopted. It was decided to identify the group of 22 financial attachés working for the fifteen permanent representations of the Member States in Brussels as the relevant population of officials to be studied in order to analyze access to the Council.<sup>27</sup> It was considered legitimate to use the attachés as an indicator to measure the access of business interests at the national level because they are well informed about the lobbying that takes place in the national capital.<sup>28</sup> With the aim of obtaining data on each Member State, a sample of 15 attachés was taken from the population of 22. In March and April 2001, the author was able to conduct 14 interviews, each of them lasting on average 1 hour and 12 minutes.

Table 8 below shows the rankings provided by the 14 financial attachés as to the preferential contacts of the national officials in the capital city. The table contains the frequencies with which national officials chose a particular organizational form as their first, second, third or fourth choice.

The  $\chi^2$ -test and the p-value indicate that there is a relationship between the two variables in the table.<sup>29</sup> Furthermore, the Cramer coefficient of association sug-

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matter, the officials of the permanent representation can assist the national authorities in establishing a position on the topics which are on the Council's agenda.

27 The financial attachés are responsible for the Council negotiations with regard to financial services issues in Brussels. Whereas in most countries one attaché is responsible for the financial services negotiations, sometimes the task is divided among two or three attachés.

28 The very close links between the financial attachés in the permanent representations in Brussels and their counterparts in the national administrations at home justifies the choice of this alternative population. In addition to the fact that the large majority of attachés have at least daily contacts with the national officials responsible for financial services at home, most financial attachés have previously worked in the national administration in the capital city.

29 It should be noted that the circumstances are not ideal for applying the chi-square test. Since the degree of freedom is greater than 1, no more than 20 percent of the cells should have an expected frequency of less than 5, and no cell should have an

Table 8 *National Officials' Preferential Contacts*

Organizational form	First Choice	Second Choice	Third Choice	Fourth Choice
European association	0	1	7	6
National association	8	6	0	0
Individual firm	6	6	1	1
Consultant	0	1	6	7
No answer	0	0	0	0
Total	14	14	14	14

Df=9;  $\chi^2=42.8$ ; p=smaller than 0.001 and the Cramer coefficient C=0.504

gests a rather strong association between organizational form and the degree of access. The data in the four columns of Table 8 are necessary in order to calculate the overall ranking of the national officials' contacts with business interests. The interval scale values used to construct the composite ranking are calculated using the method of paired comparison.<sup>30</sup> The results are reported in Table 6.

According to the results in Table 6, national associations (1.91) and individual firms (1.46) have clearly the highest degree of access to the Council of Ministers. This result corroborates the proposed hypotheses regarding access to the Council when these individual firms are national champions.<sup>31</sup> Other firms are hypothesized to have the lowest degree of access to the Council. Furthermore, the results show that European associations (0.10) have a lower degree of access to the Council than national associations (1.91) as predicted by the proposed hypotheses. Consultants (0.00) have clearly the worst access to the Council of Ministers. The distance between the values calculated for national associations and national champions on the one hand and those calculated for European associations on the other hand is rather large.

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expected frequency of less than 1 (Siegel/ Castellan 1988: 199). Since not all these conditions are met, it is difficult to interpret the results of the chi-square test.

30 The F-matrix, the P-matrix and the Z-matrix required for calculating the interval scale values of the different organizational forms can be found in the appendix.

31 Individual firms that are not national champions cannot provide Information about the Domestic Encompassing Interest and therefore do not gain preferential access to the Council of Ministers.

#### 4.4 Comparative Case Study Analysis

Since the hypotheses derived for each of the three main EU institutions in the theoretical chapter make predictions about the relative access of different business interests to that specific institution, a comparative research program designed to test the hypotheses is, strictly speaking, not necessary.<sup>32</sup> Having tested the hypotheses on relative access in each of the previous case studies, it remains nonetheless interesting to reassess the hypotheses from an inter-institutional comparative perspective. It is necessary to calculate the relative access values of the different organizational forms of business interest representation across the three EU institutions before a systematic comparison can be undertaken.<sup>33</sup> The resulting percentages are reported in Graph 1 below.

From a comparative inter-institutional perspective, individual firms have a higher degree of access to the European Commission (34%) and the Council (37%) than to the European Parliament (20%). It is important to point out that different kinds of firms are concerned in the Commission and the Council. While the individual firms that have access to the European Commission are mostly non-national companies, access of firms to the Council of Ministers is mainly restricted to national champions. Whereas it is the important demand of Commission officials for Expert Knowledge that explains the access of firms to the European Commission, it is the national officials' demand for Information about the DEI that guarantees the access of individual companies to the Council of Ministers.

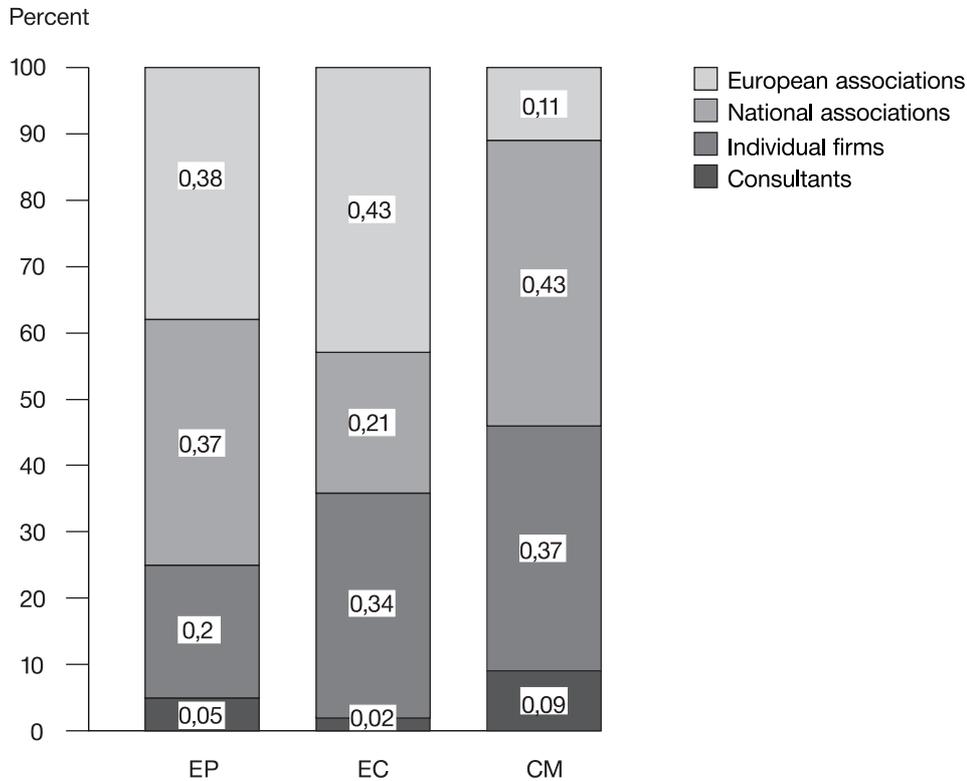
National associations have clearly proportionally a higher degree of access to the Council of Ministers (43%) than to the Parliament (37%) and the Commission (21%). These results are not surprising because Information about the DEI has only been identified in the Council of Ministers as the most demanded and therefore critical access good that can be optimally provided by national associations. In addition, the data in the graph shows that European associations have a much higher degree of access to the European Parliament (38%) and the European Commission (43%) than to the Council of Ministers (11%). While the high access of European associations to the Parliament and the low access to the Council follow logically from the hypothesized demand for access goods in the two institutions,

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32 The hypotheses make statements for each EU institution about the relative access of private actors to that institution without comparing this access with the actors' access to other EU institutions.

33 The relative access value is calculated by taking the column marginals (sigmas) of the F-matrix and dividing them by the total number of pairs ( $N*6$ ). Example:  
 Relative access of EA to the EP =  $57 / 25*6 = 38\%$   
 Relative access of NA to the EP =  $56 / 25*6 = 37\%$   
 Relative access of IF to the EP =  $29 / 25*6 = 20\%$   
 Relative access of Cons to the EP =  $8 / 25*6 = 5\%$

Graph 1 *Relative Access: EP, EC and CM Compared*



The graph is based on data presented earlier in table 6.  
 EP=European Parliament, EC=European Commission, CM=Council of Ministers.  
 Source: Own data (N=63).

the relatively high degree of access of European associations to the European Commission is more surprising. Probably, the Commission's demand for Information about the EEI has been somewhat underestimated when deriving the demand for access goods in part II. Finally, the limited capacity of consultants to provide access goods explains their very low degree of access to the three EU institutions (Parliament=5%, Commission=2% and Council=9%).

## 5 Conclusion

Even though some of the proposed hypotheses have been disconfirmed, the results of the empirical study indicate that the supply-and-demand scheme of access goods is a useful instrument for understanding the access of the different forms of business interest representation to the European institutions. Rather than striving for the complete confirmation of all the hypotheses derived from the the-

ory of access, it is the aim of this paper to propose an original and innovative perspective for the analysis of the social reality of European interest politics.

The theoretical and empirical results of this paper have two interesting normative implications. First, the new framework can be used to derive concrete strategic advice for corporate lobbying in the EU. Although often practical lobbying techniques and methods are discussed in the existing literature on European interest politics, lobbying strategies based on a clear theoretical conception of the lobbying process at the European level are scarce. The analysis of lobbying strategies in the EU has mostly been restricted to describing the various channels available to private interests (Averyt 1977; Greenwood et al. 1992: 22; Bennett 1997, 1999; Coen 1997; Kohler-Koch/Quittkat 1999). With the theory of access, an attempt is undertaken to establish a theoretical framework that can be used to develop concrete strategies for private actors to gain access to the EU institutions. The theory makes an explicit link between the organizational characteristics of private interest representation and the capacity of this representation to provide access goods and consequently gain access to the EU institutions. This important insight suggests that private interests can gain access to the EU decision-making process by carefully managing the organizational characteristics or organizational form of their interest representation both at home and in Brussels. Since certain channels, i.e. certain organizational forms, give better access to certain institutions than to others, private interests have to combine different channels in order to successfully gain access to the EU legislative process. The logic of access thereby attempts to answer the traditional question in EU interest politics as to the logic behind the use of different channels to lobby the EU institutions.

Second, the theoretical and empirical results of this paper provide a solid basis for a systematic discussion of private interest consultation in the EU polity. Starting from the current EU inter-institutional balance and business interest constellation, the theory of access points to structural interaction patterns between business interests and the EU institutions based on inter-organizational resource exchanges. It is important that this structural interdependence between public and private actors is taken into account when discussing new forms of private interest consultation at the European level. The logic of access can thereby make a valuable contribution to the current debate on the organization of private interest consultation as discussed in the European Commission's White Paper on Governance.<sup>34</sup>

Finally, it is important to discuss the implications of the new framework for future research. Although the framework has been tested in the EU financial services sector, insights from the new framework might be useful for the analysis of business lobbying in other sectors. Sectoral specificities enter the theoretical

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34 Brussels, 25.7.2002., COM (2001), 428 final.

framework indirectly and can be accommodated within the new framework. They influence the size of the firms that are active within the sector, the economic strategies of the firms and the domestic associational structures in which these firms participate. The latter three variables have been identified in the theoretical framework as determinants of the organizational form of interest representation. It can be concluded that the new framework takes sectoral specificities into account through their impact on these three variables. Furthermore, it would be interesting to investigate whether the theory of access could be useful for the study of non-business interests or non-legislative lobbying (Pollack 1997). More importantly, it might be possible to adapt the framework to either the national level or the international level. Instead of an in-depth analysis of the EU institutions to derive the demand for access goods, the specific national or international institutional setting would have to be taken into account.

In addition, the theory of access might also provide new insights into the theory of interest group formation and maintenance (Olson 1965; Wilson 1973; Moe 1980). Interest group formation could be analyzed from the perspective of the capacity of interest groups and other organizational forms to provide access goods. I would argue that an important reason why both the traditional forms of collective action and a number of new collective fora have been established is that they allow private interests to provide new and/or better access goods and to provide them in a more efficient way. Interest groups and other organizational forms offer private interests the opportunity to collaborate in the provision of access goods. They can thereby increase the capacity of the latter to gain access to the EU institutions.

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## Appendix: Calculating Interval Scale Values

### *European Parliament*

#### *The F-matrix of frequencies*

This matrix contains all the frequencies  $f_{ij}$  whereby  $f$  indicates how many times the respondents *have* chosen column-stimulus  $S_i$  over row-stimulus  $S_j$ . The diagonal remains empty. The columns have to be ranked so that the sum of the columns increases from left to right (Swanborn 1993: 37).

	Cons	IF	NA	EA
Cons	–	19	24	24
IF	6	–	20	20
NA	1	5	–	13
EA	1	5	12	–
$\Sigma$	8	29	56	57

#### *The P-matrix of proportions*

The F-matrix is transformed in the P-matrix by dividing all the frequencies  $f_{ij}$  by the total number of respondents,  $N=25$ . The P-matrix numbers represent the proportion of *respondents* that prefer  $S_i$  to  $S_j$ . All the values on the diagonal become 0.500 (Swanborn 1993: 38). Note that  $p_{ij} + p_{ji}=1$ . The proportions are interpreted as probabilities.

	Cons	IF	NA	EA
Cons	0.500	0.760	0.960	0.960
IF	0.240	0.500	0.800	0.800
NA	0.040	0.200	0.500	0.520
EA	0.040	0.200	0.480	0.500
$\Sigma$	0.820	1.660	2.740	2.780

### *The Z-matrix*

The probabilities of the p-values are associated with a cumulative normal distribution with mean zero and unit variance, which produces the scale. In fact, the p-values of the P-matrix are changed into the z-values of the Z-matrix by using the normal-curve tables (Guilford 1954: 161). When p is greater than 0.500,  $z_{ij}$  receives a positive sign; when p is less than 0.500  $z_{ij}$  receives a negative sign. The upper-right portion of the matrix is numerically identical to the lower left portion except for the algebraic sign. Any  $z_{ij}$  represents an estimate of the distance,  $D_i - D_j$ , where the latter are the as yet unknown scale positions of the stimuli  $S_i$  and  $S_j$ .

$D_1 - D_2$  is estimated to be  $-0.70$ , whereas  $D_2 - D_1$  is estimated to be  $0.70$ . The value  $0.70$  is an estimate of the distance directly obtained from the single proportion representing the direct comparison between  $S_1 = \text{Cons}$  and  $S_2 = \text{IF}$ . These two stimuli are, however, also compared with all the other stimuli (NA and EA). When they are paired with other stimuli, they can give additional information about the estimated distance between the two stimuli. The best approximation of the distance between  $S_1 = \text{Cons}$  and  $S_2 = \text{IF}$  is obtained by taking the average of all the estimated distances. Since the mean of the differences (=distances) is equal to the difference between the means, the same result can be obtained by adding the columns first and calculating the means. The distance between  $S_1$  and  $S_2$  is then the difference between the calculated means. The means themselves will serve as scale values.

The sums of the columns of the Z-matrix are shown in the table ( $\Sigma$ ). The means are calculated in the row below by dividing by the number of rows in the table ( $\Sigma / \# \text{rows}$ ). These means may be taken as scale values whose mean is arbitrarily the zero point of the new scale as a consequence of the procedure that has been followed. If one wishes to eliminate the negative signs, one can assign the value zero to the lowest stimulus (Cons), which requires us to add to each mean a positive number equal to the absolute value of the mean of the lowest stimulus (+ value 1.05). The result is the final interval scale values on the bottom line of the Z-matrix.

	Cons	IF	NA	EA	
Cons	+0.00	+0.70	+1.75	+1.75	+4.2
IF	-0.70	+0.00	+0.85	+0.85	+1
NA	-1.75	-0.85	+0.00	+0.05	-2.55
EA	-1.75	-0.85	-0.05	+0.00	-2.65
$\Sigma$	-4.20	-1	+2.55	+2.65	-0.00
$\Sigma / \# \text{rows}$	-1.05	-.25	+0.64	+2.65	-0.00
Int. Scale	0.00	0.80	1.69	1.71	-

*European Commission**The F-matrix of frequencies*

	Cons	NA	IF	EA
Cons	–	19	22	22
NA	3	–	16	19
IF	0	6	–	15
EA	0	3	7	–
$\Sigma$	3	28	45	56

*The P-matrix of proportions*

	Cons	NA	IF	EA
Cons	0.500	0.864	1.000	1.000
NA	0.136	0.500	0.727	0.864
IF	0.000	0.273	0.500	0.682
EA	0.000	0.136	0.318	0.500
$\Sigma$	0.636	1.773	2.545	3.046

Because of the so-called extreme proportions in the table (1.000 and 0.000), the continuity correction is applied (Guilford 1954: 163; Swanborn 1993: 47). This means concretely that proportion  $p = F / N$ , whereby  $N = 22$  is replaced by:

1.  $p = F + 0.5 / N$  when  $p < \text{or} = 0.02$
2.  $p = F - 0.5 / N$  when  $p > \text{or} = 0.02$

The application of the continuity correction gives the following corrected P-matrix:

	Cons	NA	IF	EA
Cons	0.500	0.864	0.977	0.977
NA	0.136	0.500	0.727	0.864
IF	0.023	0.273	0.500	0.682
EA	0.023	0.136	0.318	0.500
$\Sigma$	0.682	1.773	2.522	3.023

*The Z-matrix*

	Cons	NA	IF	EA	
Cons	+0.00	+1.10	+2.00	+2.00	+5.10
NA	-1.10	+0.00	+0.60	+1.10	+0.60
IF	-2.00	-0.60	+0.00	+0.47	-2.13
EA	-2.00	-1.10	-0.47	+0.00	-3.57
$\Sigma$	-5.10	-0.60	+2.13	+3.47	-0.00
$\Sigma/\#rows$	-1.27	-0.15	+0.53	+0.89	-0.00
Int. Scale	0.00	1.12	1.80	2.16	

*Council of Ministers**The F-matrix of frequencies*

	Cons	EA	IF	NA
Cons	–	7	13	14
EA	7	–	12	14
IF	1	2	–	8
NA	0	0	6	–
$\Sigma$	8	9	31	36

*The P-matrix of proportions*

	Cons	EA	IF	NA
Cons	0.500	0.500	0.930	1.000
EA	0.500	0.500	0.857	1.000
IF	0.070	0.143	0.500	0.571
NA	0.000	0.000	0.429	0.500
$\Sigma$	1.070	1.143	2.716	3.071

Because of the so-called extreme proportions in the table (1.000 and 0.000), the continuity correction is applied (Guilford 1954: 163; Swanborn 1993: 47). This means concretely that proportion  $p=F/N$ , whereby  $N=14$  is replaced by:

3.  $p=F + 0.5/N$  when  $p < \text{or} = 0.02$
4.  $p=F - 0.5/N$  when  $p > \text{or} = 0.02$

The application of the continuity correction gives the following corrected P-matrix:

	Cons	EA	IF	NA
Cons	0.500	0.500	0.930	0.977
EA	0.500	0.500	0.857	0.977
IF	0.070	0.143	0.500	0.571
NA	0.023	0.023	0.429	0.500
$\Sigma$	1.093	1.166	2.716	3.025

*The Z-matrix*

	Cons	EA	IF	NA	
Cons	+0.00	+0.00	+1.48	+2.00	+3.48
EA	+0.00	+0.00	+1.07	+2.00	+3.07
IF	-1.48	-1.07	+0.00	+0.18	-2.37
NA	-2.00	-2.00	-0.18	+0.00	-4.18
$\Sigma$	-3.48	-3.07	+2.37	+4.18	-0.00
$\Sigma/\#\text{rows}$	-0.87	-0.77	+0.59	+1.05	-0.00
Int. Scale	0.00	0.10	1.46	1.92	-