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Public Administration
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The actual influence of Interest organizations on the European Commission

Master Thesis

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With this thesis I finish my master Public Administration at the University of Leiden. With more self-understanding, a larger sense of responsibility and as an independent person I can look back satisfied and move on.

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Abstract

Different perspectives on the role of organized interests in politics imply somewhat different temporal sequences in the relationship between the agenda of the Commission and interest group activity. In this research the main question is if interest groups can influence the agenda of the Commission and what the relationship between these variables is. "Are lobbyists leading or lagging the Commissions agenda?" The intention in this study is to establish a causal connection between interest group activity and the Commissions agenda and to provide more information about the role of organized interests in democratic politics. From here the following hypotheses have been formulated and operationalized through observation of the timing of interest group activity and the timing of the Commissions agenda:

Null hypothesis: There is no causal relationship between the timing a subject is put on the agenda of interest groups and on the agenda of the Commission.

Alternative hypothesis 1: Interest groups lead the agenda of the Commission (and the Commission follows)

Alternative hypothesis 2: Interest groups lag the agenda of the Commission (and the Commission leads).

For statistically testing the *predictive* causality, hence testing the two alternative hypotheses, Granger causality tests have been conducted. In Granger causality tests the time series data from interest group door passes and time series data of released white- and green papers are used to determine whether one forecast one another.

From the Granger causality tests four out of fifteen policy areas have resulted in a causal relationship between interest groups and Commissions agenda, where both the first and second alternative hypothesis are accepted. For green papers the policy area monetary resulted in a significant results for both effects. For white papers the following policy areas resulted in significant results: Justice, Regional and Social policy. For the policy area Justice the p-value is significant for the effect Commissions agenda leading interest groups. And for the policy areas Regional and Social the opposite effect is significant, namely that interest group activity is leading the Commissions agenda. In the other eleven policy areas there is no causal relationship and the null hypothesis could not be rejected.

Based on this research it can be concluded that the influence of interest groups on the Commissions agenda and vice versa varies within different policy areas. Interest groups do not always lead nor always lag the Commissions agenda. Therefor it is recommended for further research to explore factors of influence, which could explain this variation.

Keywords: EU, Interest organizations, lobbying, European Commission, influence on agenda, impulse response function (IRF), Granger causality test

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Abbreviations

AG - Agenda

DG's - Directorates General

EC - European Commission

EP - European Parliament

EU - European Union

EFTA - European Free Trade Association

IG - Interest Groups

IRF - Impulse Response Function

PAC - Political Action Committee

VAR - Vector Auto Regression

1 Introduction

1.1 Introduction

The European Union (EU) was created by the Maastricht Treaty in 1992 and started with six member states to twenty-eight member states by the year of 2015. Due to increasing member states over the years the process of policymaking has become more complex. Regulations and legislation has changed while more and more actors try to influence the policy making process according to their own interests. Interest organizations are one of these actors, which try to influence policy making in the EU. These interest groups come from all sectors of the society and they break down complex policy issues for politicians, who have limited time for this extensive information gathering. The EU operates through the following institutions: the European Commission, the Council of the European Union, the European Council, the Court of Justice of the European Union, the European Central Bank, the Court of Auditors, and the European Parliament. These institutions are seated in four different cities, i.e. Brussels, Frankfurt, Luxembourg and Strasbourg. According to Corporate Europe Observatory, a watchdog campaigning for greater transparency, there are at least 30.000 lobbyists targeting EU decision-makers only in Brussels. This makes Brussels the second largest lobby industry in the world, after Washington. These lobbyists are mainly representing business interests and making the EU quarter home to one of the highest concentrations of lobbyists in the world. In Europe the European Commission always submit proposals for new European legislation. So the Commission has a monopoly in legislative initiative and this makes them the main target of interest groups. The relation between interest groups and the Commission is twofold: on one side interest groups try to influence the Commission; on the other side, the Commission receives valuable expertise, insights and data from interest groups in order to make effective policy decisions.

The EU, as a primarily regulatory body with a relatively small budget and sparse staff, relies heavily on lobbyists for technical information (Van Schendelen, 2006). According to the theory of Pieter Bouwen the most crucial thing in the whole EU decision-making system is information. The whole policy process can be compared being a market where information is the good that is been exchanged. Like a market there is a supply and demand side so someone asks for something and someone else provides it in exchange of something else. The Commission needs information and interest groups wants to have access to the Commission in order to influence their activities (Bouwen, 2002).

Due to limited time and attention politicians can only address a small number of issues to the agenda. Because of this limited time and attention lobbyists play a prominent role in European policy process. And it is interesting to find out what this role actually is. Is this role big enough to influence the agenda of the European Commission or is their role only informative? Unfortunately there is a lack of data when looking at this relationship. The scientific researchers mostly focus on two separate spheres of activity: mobilization and lobbying effects (Baumgartner and Leech, 1996). The research of Toshkov et al (2013) looked at the timing of interest group activity relative to legislative output. With this thesis I will focus on an earlier step in the policy making process namely *agenda setting*. I will research interest group activity in relation to the timing and content of the Commissions agenda. More specific, I will examine *if* there is a relationship between lobbyists and the Commissions agenda and if lobbyists are *leading* or *lagging*. By testing these hypotheses, this study will offer an enhanced understanding of the relationship that exists among variables, namely the influence of interest group activity on the Commissions agenda.

1.2 Aim and Research question

The aim of this thesis is to bring a contribution to the measurement of interest group influences at EU level. This leads to the following research question (RQ):

RQ: Does interest group activity set the agenda of the Commission or does interest group activity follow the agenda of the Commission?

This research question will be answered by researching the timing of interest group activity and the timing of the Commissions agenda for different policy areas. The answer to this question will clarify if and to what extend interest group activity influence the Commission.

2 Theoretical background & Literature review

This chapter will discuss the theoretical background and literature review. In the first part of this chapter the concepts 'lobbying' and 'interest organizations' will be deepened out and different perspectives will be given about what these terms mean. Secondly the concepts 'agenda' and 'agenda setting' will be described. It is important to handle these concepts in more detail because this gives little space for own interpretations and then there will be no misunderstandings or confused understandings in the thesis and background of the thesis. The second part of this chapter will focus on the literature review.

2.1 Concepts

2.1.1 Lobbying

First of all the concept lobbying needs to be clarified in order to get a better understanding of this research. For a term that is so well known and so frequently used, you could expect that there is some consensus about what 'lobbying' means. Unfortunately there is no such consensus. Political scientists Frank Baumgartner and Beth Leech states that the word 'lobbying' has seldom been used the same way twice by those studying the topic (Baumgartner and Leech, 1998). Some practitioners in the lobbying profession view lobbying in its most sweeping and elemental forms, as acting to influence the decisions of others, whether personal, business or governmental (Bouetiez, 2006). Koepl (2001) elaborates that this influence is only directed to political decision-making authorities and he states that lobbying is defined as an instrument of communication especially targeted to political decision-making authorities. Lester Milbrath, a professor of Political science and an environmentalist, gives a more philosophical definition of lobbying "the stimulation and transmission of communications, by someone other than a citizen acting on his behalf, directed to a governmental decision-maker with the

hope of influencing his decision" (Milbrath, 1963). Van Schendelen adds a new aspect to the definition of lobbying: 'lobbying is the informal exchange of information with public authorities, as a minimal conception on the one hand, and as trying informally to influence public authorities, as a maximal description on the other hand' (Van Schendelen, 1993). The general definition given by the Public Relations Institute of Ireland is: "The specific efforts to influence public decision making either by pressing for change in policy or seeking to prevent such change." The institutions of the EU also considerably support this definition (PRII, 2015). David Truman (1951), a political scientist, states that interest groups are those that based on shared attitudes make certain claims, upon other groups in the society for the establishment, maintenance or enhancement of forms of behavior related to those interests. When these claims are done through or upon any of the institutions of the government, it becomes a political interest group (Truman, 1951). With these very broad and different explanations one important lesson can be drawn, that there is no consensus about what the term lobbying means. This makes reliable generalizations very difficult. The challenge for every researcher is however to provide general knowledge (Gorges, 1996). The European Commission provides an equally general definition of lobbying as "All activities carried out with the objective of influencing the policy formation and decision-making process of the European institutions." (Commission, 2006). The definition of the Commission seems simpler but is in fact more embracing and will be used for this research. So a lobbyist can be a volunteer engaged in the work of an association or the lobbyist can be a professional hired to lobby for global private corporations.

2.1.2 Interest organizations

In the literature there is also little consensus about what the concept 'interest organization' is. Interest organizations are mentioned several different ways, like interest groups,

political interest groups, interest associations, interest organizations, organized interests, pressure groups, specific interests, special interest groups, citizen groups, public interest groups, non-governmental organizations, social movement organizations, and civil society organizations. As Jordan and Maloney (2007) argue, "The broad-brush labeling of interest groups runs from organizations hierarchically, bureaucratically and professionally structured with large economic resources, to informal bodies in their nascent stage of development that may be resource poor and activist based, to private companies, to public organizations etc". These different terms also emerge because many groups are 'tied' to certain specific areas of research.

The scholars Beyers et al. (2008) are describing three factors when conceptualizing interest groups: Organization, political interests and informality. The first two factors are also described by the theories mentioned above but those terms do not incorporate 'informality' as a factor. As also mentioned in the previous section where the concept lobbying is described, Van Schendelen (1993) states that lobbying is the informal exchange of information and the Commission also stated "all activities" as part of their definition of lobbying. So because interest organizations frequently pursue their goals through informal interactions, this factor is important to note.

In this thesis both terms, 'lobbying' and 'interest groups', are used synonymously.

2.1.3 Agenda Setting

The second concept that will be deepened out is agenda setting. Agendas are important in policy making because the agenda determines which issues will be handled and which not. The agenda setting process is not only about new issues entering the agenda, but also about how old issues moves up and down in the agenda and the redefinition along. The literature (Kingdon, 1995) understands 'agenda' as the list of subjects or

problems to which governmental officials, and people outside of government closely associated with those officials, are paying some serious attention at any given time. Cobb and Elder (1972) distinguish the systemic agenda and the institutional agenda. The former consists of 'all issues that are commonly perceived by members of the political community as meriting public attention and as involving matters within the legitimate jurisdiction of existing governmental authority' (Cobb and Elder, 1972). This agenda can, thus, be seen as the process where policy makers select certain issues as, as worthy of their attention, while this may not involve active policy formulation. The institutional agenda, in turn, is composed by 'that set of items explicitly up for the active and serious consideration of authoritative decision-makers' (Cobb and Elder, 1972).

This agenda setting process exists of four elements. First, issue recognition or identification is the process by which the attention of policy-makers and those around them is captured by particular problems over other ones, hence entering the agenda (Kingdon, 1995). The second element is the construction and framing of problems. Getting a particular definition may affect the rest of the whole policy-making process (Peters, 2001). The interpretation of problems made by actors is as important, if not more so: 'for those who wish to control the dynamics of an issue, the manipulation of the public's perception of it is vital' (Robinson, 2000). Moreover, it is highly important to note that problem definition 'is by no means an a priori given' as actors within policy communities will not necessarily agree on a definition (Cobb and Elder, 1972). So, the different actors in the policy-making process will try to frame the issue in their favor. The third element is the specification of different policy alternatives: this is the process where policy advocates and specialists propose their preferred solution(s) to the issue that is occupying the decision-maker's agenda (Kingdon, 1995). To put forward their preferred alternatives, they may need to frame the issue. In the last element the necessary structures will be organized to deal with the issue or problem. These

structures can either be new (if the issue is deemed to be completely new) or just part of the available institutional framework (Baumgartner and Jones, 2010).

The EU can be characterized, as fragmented decision-making systems where interest groups have multiple ways for influence. John Kingdon's work on agenda setting applies the 'garbage can model' to the agenda process. Kingdon considers that in a political system there are three different 'streams' - problems, policies and politics - each one governed by a different dynamic (Kingdon, 1995). The activities of different actors in policy making are important in each stream. Therefore, actors can have impact in both (systemic/ institutional) the agendas, although these actors have more explanatory power in the institutional agenda.

2.2 Literature review

Since the formation of the EU many research has been done involving the broad area of the EU and also in particular involving the role of organized interests in politics. This literature review studied literature from the EU but also other systems than the EU. Beyers et al. (2008) stress that a comparison of the EU with other systems besides comparing European interest groups is an additionally relevant field from both a European- and as well as from an outside European perspective. Also, lobbying in the EU has become an issue, which is gaining attention. In the recent years as the amount of research dealing with lobbying increased, activities of national associations has also increased (Dur and Mateo, 2012). Thus, the EU policy process keeps changing, which creates the need for research taking the agenda of the European Commission into account and thereby research the influence interest groups has on policy changes. In the past interest group scholars largely focused on the formal aspects of the input side of government, namely elections, political parties, European parliament, legislation policy and executive politics. But the other important aspects, the role interest groups play in agenda setting, policy design and implementation stages of the policy-making process

are mostly ignored. They are widely perceived as channels of societal representation of policy demands and as key actors in effective problem solving and implementation of EU legislation (Coen, 2009). However, the academic scholarship examining EU lobbying and interest group activities is considered to be a 'niche field of research within political science' (Beyers et al., 2008). This comes in line with the study of (Bunea and Baumgartner, 2014). In: "The state of the discipline: authorship, research designs, and citation patterns in studies of EU interest groups and lobbying", Adriana Bunea & Frank R. Baumgartner study 196 academic articles on how research on EU interest groups is conducted. The most remarkable characteristics about the literature, however, are probably what Coen (2007) called the 'exploratory and descriptive' nature of so much of the work. These articles mostly focuses on a single policy domain, features an intensive study of lobbying in the Commission (usually therefore in just a single Directorate-General), and involves a qualitative case study rather than a larger empirical base (Bunea and Baumgartner, 2014). Because the past studies mostly focused on single policy domains or single interest groups, it is hard to draw general conclusions and generalize this for all policy areas. In the study of Beyers et al. they reflect on the state of current literature around interest group politics. They also state that it is very difficult to draw general conclusions concerning the organizational structures, the functions, or the influence of interest groups (Beyers et al., 2008). It is hard to generalize because most of the time the focus and conclusions of research are restricted to certain types of interest groups and their influence with regard to specific issues or policy areas under a specific set of conditions Beyers et al. (2008). All these factors play an important role for the prevalence of research in this area.

The background literature for this thesis was the research of Toshkov et al. (2013) 'Organized interests and the timing of legislative activity'. This research looks like the research of Toshkov et al. except that they looked at the timing of interest group activ-

ity relative to legislative outcome while this research will focus on agenda setting, which is an earlier stage of the policy process. For their research Toshkov et al. (2013) combined data on interest group activity and data on legislative activity. The conclusion of their study is that, contrary to what pluralist and neo-corporatist theories propose, interest groups neither lead nor lag bursts in legislative activity in the European Union. If interest groups neither lead, nor lag bursts in legislative activity, then you can assume that both, interest groups and the Commission, are influential at the same degree. This comes in line with the statement of scholar Mayhew (1997) in which he describes lobbying as a process of influence that travels along routes sustained by exchanges of information in which both parties have an opportunity to make their message influential as well as informative. So, the study of Toshkov et al. (2013) implies that interest groups neither lead, nor lag bursts in legislative activity. However not every issue on the agenda will eventually lead to legislative activity. So a close examination of the influence of interest groups on agenda setting process is inevitable in order to get a better understanding of the policy making process.

Leading or lagging?

Lets start with the traditional pluralist view of (Truman, 1951). Truman believes that groups are a part of the whole. He states that the governmental process can be understood if the role of interest groups is fully recognized and that public policy is directly responsive to group demands of organized interests (Truman, 1951). Truman did believe that policy was determined by interest group interaction and that the competition among them will help the policy process. Because of the competition interest groups will try to provide the Commission with the best possible information, in order to get a better relationship with the Commission and this will lead to more influencing power. An extension to this view is the view of Lindblom (1977), where he argues that

business interests occupy a privileged position in capitalist democracies because their investment decisions are of key importance to public welfare. Here policymakers are frequently pressured to meet the preferences of large corporations. Large corporations can threaten to exit or threaten to pull back additional investment unless their demands are met. Lindblom's critics criticize him for only addressing why business interests win, but that he fails to explain why, if business groups are so influential, they still lose so many legislative battles (Wilson (1980); Vogel (1987)). 'While scholars disagree on the degree to which business dominates politics, they do agree that business carries significant weight in decision-making owing to its comparative advantage regarding mobilization, expertise, financial resources, and economic clout' (Yackee and Yackee, 2006). 'For these scholars the informational superiority of business groups is a key source of political influence' (Broscheid and Coen, 2007). Some other EU scholars have characterized the EU's interest group system as elite pluralist. In which an elite trust-based relationship between insider groups and EU officials has developed (Coen, 2009). Interest groups, who have developed some credentials and reputation as a provider of credible information, are granted insider status. In this way these interest groups can influence the agenda of the Commission by providing them with that kind of information that will lead them to a particular direction. But when politicians provide certain interest groups access, they can do that with the need to defend interests of their own. Corporatist theories also state that only a few select interest groups are involved with the policy making process.

Some scholars approach the influence matter on a different way and they approach this issue by looking at the EU multi level system. They argue that because of the EU multilevel system the influence of interest organization has increased, because it grants them many points of access (Pollack, 1997). In this view interest groups have easy access to the institutions of the EU and they thus have a bigger influence. This

with the resource dependencies of the EU can have a positive effect on the influences of interest organizations.

So, as described earlier, Lindblom (1977) stated that business interest groups play an important role in policy making. But the ability of business groups to dominate the policy process is expected to differ across policy domains according to the distribution of costs and benefits arising from legislation as well as the type of information and legitimacy required by decision-makers (Rasmussen, 2012). Rasmussen (2012) state that variance in business influence exists across policy domains. Each policy domain deals with a distinct arena in which different interest groups mobilize in the policy process, and form different cleavages and coalitions. This statement of Rasmussen comes in line with that of scholar Wilson et al. (2013), where he states that 'on any given issue, one or another interest group might be powerful, but no group is powerful across all issues' (Wilson et al., 2013).

The scholar Kluver also researched the influence of interest groups by analyzing their political preferences in relation to changes in the policy position of the European Commission. In this research Kluver looked at the formulation in draft and adopted proposals. This research shows that interest groups can influence the formulation of policies when they can provide the following three resources to the Commission: Policy-relevant information, citizen support and economic power (where citizen support and economic power turn out to be most influential). Kluver analyzed policy outcomes in the European Commission. The sampling mirrors research on legislative decision-making (Bailer (2014); Reh et al. (2013)) as this research only selects proposals for legislation. Most policies adopted by the Commission (communications, green papers, roadmaps, etc.) therefore escape systematic scrutiny (Van Ballaert, 2015). But it is interesting to research the influence of interest groups during the whole policy process so the earlier

stages are also relevant to study in order to get a complete picture.

Contrary there is the theory of neo- corporatists where they state that interest group lags the agenda of the Commission. Neo- corporatist scholars (Wessels (2004), p. 202; Streeck and Kenworthy (2005), p. 452) tend to emphasize the relative strength of political officials in setting the agenda and the activity of interest organizations responding to political events (Toshkov et al., 2013). So here interest groups only respond on political events and not influence them. Scholars rooted in liberal intergovernmentalism, maintain that interest groups did not have a great say in major policy decisions and that, in any case, they represent their interests only to their national governments who would act as gatekeepers to the EU (Moravcsik and Katzenstein, 1998). Kingdon and Thurber (1984) also state that many issues simply not arise on the agenda from interest group pressure. They think that interest groups in a certain way can influence the agenda but this influence is not that big that they can also lead the agenda of the Commission.

Hence, the theories about influence of interest groups on EU-policy making are contested. These different theories imply different views whether the Commission's agenda is leading or lagging the agenda of interest groups. None of the above- described literature is unique, instead they all remain extremely mixed in their evidence if organized interests can influence policies. The three major surveys in the literature (Smith (1995), Baumgartner and Leech (1998) and Burstein and Linton (2002)) reached remarkably similar conclusions, that lobbying sometimes has a strong influence, sometimes has a marginal influence and sometimes fail to exert influence.

3 Hypotheses

In reviewing the many different perspectives now offered on the relationship between the timing of interest group activity and the Commissions agenda, I start with the first of three hypotheses:

H0: There is no causal relationship between interest group activity and the agenda setting process of the Commission.

The first hypothesis suggests that the two activities are operating independent and that there is no causal relationship between them. Rather, these activities are responsive to something else. When looking at the pluralist theory Truman (1951), like-minded individuals naturally come together in response to disturbances in the policy environment. In order to influence politicians on these disturbances, organized interests engage in political activity. But executive and legislative entrepreneurs also have powerful incentives to monitor their constituents' concerns (Wawro, 2001). Parties too win elections by finding issues on which to campaign (Macdonald et al., 2007). This does not mean that lobbying play an unimportant role. Indeed, pluralists assert that they are vital in sharpening political officials' understanding of the public's concerns (Truman, 1951); (Denzau and Munger, 1986). But if both government officials and lobbyists are responding to the same public concerns, then we should see that the volume of lobbying activity and the content of the agenda change in a contemporaneous manner. And we should see that both, the volume of lobbying activity and the content of the agenda, are reflecting the public's concerns. It is important to note that while this pluralist theory can work well for national governments, it is less clear if it will work for the institutions of the EU. This is less clear because the relationship between citizens and politicians in the EU is weaker than their relationship in national governments.

HA1 (Alternative Hypothesis): Interest groups lead the agenda of the Commission.

The second hypothesis suggests that interest groups set the agenda of the Commission so interest group activity can influence the agenda of the Commission. Schattschneider (1964) & Scholzman (1984) imply that the presence of interest organizations in the lobby community insures success in defining agendas and the actions taken upon them. Thus interest groups that are more present at the EU institutions, have more influencing power than interest groups that they are less present. Other theorists imply that organizations approach politicians with demands for protection from market competition and these organizations are nearly always successful (Stigler, 1971); (Peltzman, 1976) & (Olsen, 1982). This comes in line with the theories of other critics (Drew (2000); West (2000)) who assert that interest organizations buy legislation. All these theories suggest that the agenda follows the mobilization of interest organizations. Unfortunately, all these theories are somewhat weak in empirically relating interest group activity and agenda setting. The theory of Schattschneider (1964) and Scholzman (1984) does not analyze policy agendas but they are only focusing on lobbying presence and they simply assume that with being present interest groups are automatically influencing. The models of Stigler (1971), Peltzman (1976) & Olsen (1982) are formal models with no empirical content (Toshkov et al., 2013). Despite that these theories and models are less critical about organized interests, they often choose for a sequence that shows that organized interests lead the agenda. In the punctuated equilibrium model of Baumgartner Frank and Jones Bryan (1993) they state that legislative agendas are quite sticky, changing only periodically as the prior policy regime becomes incapable of addressing new issues. But interest organizations play a significant role in bringing about these changes, raising new issues and new perspectives on old issues (Toshkov et al., 2013). As Baumgartner Frank and Jones Bryan (1993) note, “The mobilization of interests changes over time, and with these changes come differences in the likelihood of certain

issues to hit the public agenda“.

HA 2 (Alternative Hypothesis): Interest groups follow the agenda of the Commission.

The third hypothesis suggests that interest groups follow the agenda of the Commission so interest group activity lags the Commission's agenda. With this hypothesis organized interests do not form naturally, like the notion by (Truman, 1951). Because lobbyists follow the agenda of the Commission and not their own, they poorly reflect the interests of the society. The book of Kollman (1998), *Outside Lobbying*, claims that direct lobbying in the face of public opinion has little effect. Gray and Lowery also found that the number and diversity of organized interests have only a marginal influence on overall policy liberalism, Gray et al. (2004) or the adoption of health care policies (Gray et al., 2007a); (Gray et al., 2007b). As Gray et al. also note is that the density and diversity of organized interests are far more determined by the size and diversity of legislative agendas than the reverse (Gray et al., 2005). Neo-corporatist scholars are in line with this hypothesis because they tend to emphasize the relative strength of political officials in setting the agenda and the activity of interest organizations responding to political events (Wessels, 2004); (Streeck and Kenworthy, 2005). This hypothesis, with the suggestion that lobbyists lag the agenda, switches the direction of corruption where politicians extort campaign funds from economic sectors. So, politicians introduce bills to get rents or they encourage agencies to propose new regulations that will have the same effect as the introduced bills. The resulting rush to the capitol constitutes an auction that “provides valuable information whether regulator action or inaction will be more lucrative to politicians themselves; it helps to identify the likely payers and to set the amounts of compensation to be paid“ (McChesney, 1997). Over time, politicians learn which agencies are the most profitable extortion targets. And they will make sure to maintain a steady stream of proposed legislation in order to make sure money will be

flowing from funds. In this model, agendas are not formed by the demands of interest organizations or by disturbances in society but they are formed by the needs of politicians.

4 Research Design

In this chapter the unit of analysis and unit of observation will be described and how the variables have been operationalized with the method of analysis. The second section of this chapter will describe the data and data selection methods used in this research to test the hypotheses. At the end, in the last part of this chapter I will discuss the validity and reliability of this research.

4.1 Research design

Dependent and independent variable

The research question is an open question as to whether $X \rightarrow Y$ or $Y \rightarrow X$. Because the influence of both variables on one another (timing of interest group activity and the agenda of the Commission) are being studied, there will be no dependent or independent variable in advance.

Unit of analysis

The information obtained from policy areas will be data points (timing of interest group activity and timing of Commissions agenda) for subsequent analysis. Thus, the unit of analysis here is policy areas, at which level the data will be aggregated. This study will analyze if interest group activity leads or lags the Commissions agenda and this will be done at the level of general policy areas. Each policy area will be analyzed in order to conclude if interest group activity leads or lags the agenda of the Commission.

The unit of observation

For this study the timing of interest group activity will be observed in relation to the timing of different policy issues on the Commissions agenda in order to see if one of them causes the other. Therefore data will be collected at various points over time, so the unit of observation in this research is time series. Longitudinal research is performed

to study a phenomenon as it is evolving over time (Timmerman and Kiers, 2000). This longitudinal research involve single research units that are measured repeatedly from the last quarter of 2005 to the last quarter of 2009. This will result in two time series per policy area, one where interest groups are leading and one where the Commissions agenda is leading.

Operationalization

Operationalization reduces the abstract concepts by using observable and measurable elements so they can be measured in a tangible way. In this study the concepts interest group activity and the Commissions agenda needs to be operationalized in order to translate these concepts into observable and measurable elements so as to develop an index of measurement. To test the relationship between the timing of interest group activity and the Commissions agenda, the timing of the variables interest group activity and Commissions agenda needs to be measured. The timing of the Commissions agenda will be measured by searching for released green and white papers from the last quarter of 2005 to the last quarter of 2009. The timing of interest group activity will be measured by looking at the timing of their presence at EU premises, through door pass data. An important advantage of the two data sources is that interest groups and the Commissions agenda can be observed in their natural environment, without any manipulation by the researcher. This helps to support the external validity of this research.

4.2 Method of analysis

The three hypotheses presented in the previous chapter will be statistically tested by using Granger causality tests. This method provides the ability to predict future values of a time series using past values of another time series. Therefore, Granger causality could only find the *predictive* causality instead of the *true* causality between the two variables.

In these Granger causality tests the time series data from interest group door passes and time series data of released white- and green papers are used to determine whether one forecast one another. This is when the Null hypothesis could be rejected and the Alternative hypothesis (HA1 or HA2) could be accepted. The alternative hypothesis can be accepted if the p-value of Granger causality test is below significance level of 0.05.

The relationships between interest group activity and the Commissions agenda are examined using a series of vector auto regression (VAR) models. In VAR modeling, each potentially endogenous variable is regressed on lagged values of other endogenous variables and lagged values of itself (and any exogenous variables) using ordinary least squares (OLS) estimation (Toshkov et al 2013). The VARselect function in R determines an appropriate lag length according to Akaike information criterion (AIC), Hannan-Quinn (HQ), Schwarz Bayesian criterion (SC), and final prediction error (FPE). Because these multiple criteria not always agree, the AIC is used for all policy areas. The appropriate lag will be selected for each policy area individually so each policy area may have different lag lengths. Because the data is quarterly the maximum lag length is set on 4.

4.3 Data

In order to test the earlier mentioned hypotheses two data sources will be used. The first source is data on interest registration (door pass system) at the EP and the second source is data on the Commissions agenda derived from EURLEX. Both data sources are secondary data sources and in the following section these two data sources will be described briefly.

4.3.1 Codings capstone project: Lobbying in the European Union

This thesis is part of the capstone project: Lobbying in the European Union. The main goal of this capstone project is to understand the role of lobbyists in the EU. In order to know more about the lobbyists in the EU the students had to code a list of registered organizations on the basis of their websites. For this we were trained and supervised during this process. This first coding part of the thesis took about three months. This capstone project is part of the larger Intereuro project, a project between scholars from 9 European and American universities on interest groups funded by the European Science Foundation. The Leiden participants in the project include Brendan Carroll, Tine Destrooper and Professor David Lowery.

For each interest organization information was searched and then updated in a datasheet. At the start of the capstone project an Codebook was provided that was used as a manual during the coding process. Appendix B provide the extensive information about how interest organizations were coded.

4.3.2 Door pass system

The European Parliament maintains a door pass system where interest organizations have to register in order to enter the buildings of the European Parliament. This list is online available and reports personal names and organization affiliation. These passes are granted for a maximum of one year. So each year these door passes have to be renewed otherwise it will expire. The door pass requirement has been part of the Rules and Procedures of the European Parliament since 1996 (Toshkov et al., 2013). This door pass system is different from the European Commission's register (June 2008), because the registry of the European Commission is voluntary and not mandatory, which means that interest organizations can attempt to influence the European Commission

any time at any place without the European Commission is aware of it. This led to the registration of 3700 lobbyists by March 2011, which was a fraction of the thousands that lobby the European Commission on a daily basis (Chari et al., 2011). In order to get a door pass, a lobbyist must respect the code of conduct and sign the register¹. This code of conduct contains mostly minimalist codes, such as providing the name of the organization, stating the interests they represent, name/ position of the lobbyists, etc. In relation to other directories, the door pass data have several advantages for this research. First, because door passes are necessary for lobbyists to enter EU buildings and conduct their influence activities, you can clearly see which interest organizations have demonstrated at least at a minimal level towards a key European institution. Second, the door pass data with the actual activity of lobbyists is relatively time sensitive. As Gray et al. (2005) note, the annual data at best suggest that their relationship appears to be contemporaneous. However, this may only be because, at the level of annual observations, more precise assessments of their timing simply cannot be observed. In this research interest group activity will be analyzed per quarter. For the purpose of this study the door pass system is a good and representative data source because the door passes are necessary for lobbyists and the list is well administered by the European Parliament. For the door pass system the dataset from Toshkov et al. (2013) will be used. This data give the exact data sufficient for this research, namely the counts of interest groups entering the European Parliament per policy area and per quarter per year from the last quarter of 2005 to the last quarter of 2009.

In the first place this list covered all registered interest organizations. Because the organizations have been identified on the basis of exact spelling of their names, there were some duplicates. Some organizations first registered with a full name and later on with a shorter name and there were also organizations that registered with both their

¹See Appendix C

French and English names. The student coders, where I was also a part of, had already removed most of the duplicate organizations when recognized in their own portion or the sample; there are still some duplications across coders. While such duplication error is largely random, it may be that this slightly biases our sample towards, for instance, ‘tourists’ or ‘mayflies’ in the lobbying system when spelling differences arise from re-registration of national associations when these may often use multiple working languages (Toshkov et al., 2013). There is no theoretical expectation that these organization are more or less likely to lead, lag or be contemporaneous so this will not influence our results.

For this research the same door pass list will be used as in the research of Toshkov et al. (2013). They draw a random sample of 1300 organizations from the list described above. Regardless of their active time period, every organization has the same chance to be selected. As also stated by Toshkov et al., this produces a sample that was not representative of the lobby activity over the full period because organizations that where active for a longer time had developed more activities (maturation effects) than organizations that where active for a few months. However, in this research we are interested in the timing of interest group activities rather than the effects of different kind of interest organizations.

In order to conduct the data analysis, the datasets needed to be constructed for the Green- and White papers. ‘ginterest.rdata’ is the data used in Toshkov et al. It is R-formatted data so therefor this research also used R Studio for data processing. This dataset consist of four data frames distinguished by different types of interest organizations: "policy.biz" "policy.pub" "policy.soc" "policy.cro". Each data frame uses general categories and give counts of interest groups in each policy area in each quarter from IV-2005 to IV-2009. Because in this research the focus is on the timing of interest

organizations in relation to agenda setting, the four data frames are merged into one data frame.

Furthermore the door pass data of interest organizations need to correspond with green- and white papers per policy area released in each quarter from IV-2005 to IV-2009. Therefore the door pass data need to be merged again with the data of released white papers in one new dataset. Similarly the door pass data is merged with released green papers in another dataset. The R-studio script used for these operations is further described in appendix D: R-script data preparation.

4.3.3 EURLEX

The data to track subjects on the Commissions agenda is derived from the EURLEX (former CELEX) database. EURLEX is a service where the EU provides direct and free access to EU law². EURLEX contains many different types of documents, including the official journal of the EU, EU law, preparatory acts, EU case law, international agreements, EFTA documents and other public documents. There are several advantages of this database and why this database was used for this research. The first advantage of the EURLEX database is that it is updated daily so this is an actual database. Second, the EURLEX database contains more than 3 million items with some texts dating back to 1951.

4.3.4 Green- and White papers

The European Commission publishes green- and white papers. Before the European Commission proposes a new EU law a green paper is written. This is basically a draft of the bill but its purpose is purely to put the ideas forward in order to stimulate a discussion between relevant parties. Basically green papers are a kind of consultative

²EURLEX database can be accessed via its official website: europa.eu

documents to find out what relevant parties think of these ideas for new law. When the green paper is published the European Commission will get lots of useful feedback from relevant parties, such as interest groups. This feedback indicate whether they will support the proposal or not or if they want it to be changed. Further the European Commission will consider the feedback and revise the proposal to make it as workable as possible. This revised and improved version is called a white paper. After the Council receives a White Paper, it can lead to an action program. Due to a limited amount of white papers released between 2005 and 2009, green papers where also included in this research. This lead to a bigger range of information about the Commissions agenda setting process. With these papers in combination with the door pass data you could see to what extend interest group activity reacts before or after the European Commission publishes green- and white papers.

The classification headings provided by EURLEX are used in order to categorize the green- and white papers. This is used because EURLEX classification headings provide a hierarchically structured scheme. This led to two lists of policy domains: a general and a specific one. For this research the general list of policy fields will be used and looks like the EURLEX classification except that several EURLEX categories (that are not associated with legislative acts) are excluded (for example, Category 20: People's Europe). Appendix A provides a list of the general policy fields and Appendix B provides the keywords based on the specific policy fields, which are used in order to search in the EURLEX database. The keywords are used to search in both, the titles of the papers as well as the titles and full text of the papers. Whenever there where double green- and white papers per general policy area (when searching with keywords per specific policy area), these double papers where counted as one. The obtained data from the two databases, about interest group activity and the Commissions agenda, allows aggregating the data in small time periods (for example, days). But if you would

use days as the unit of observation on the Commissions agenda this would lead to an numerous empty cells, as for many of the policy area's the Commission only make a handful of proposals each year. As aforementioned, in this research the data is aggregated in time series of quarters as the unit of observation, because it is short enough to capture variation in the data of interest groups and released papers and it is long enough to filter random fluctuation in the number of interest group organizations and the released papers.

4.3.5 Data collection EURLEX

The website of EURLEX is huge and consists of 6.5 million distinct webpages, 6.5 million PDF documents and 1.8 billion RDE triples of linked data. In order to find the exact information, released green- and white papers, the 'advanced search' option is used. The advanced search option, with dedicated sections for every component, provides a more focused search result.

For each policy area the following information was added in the advanced search option: Keywords, type of document, author, date range, white/ green paper. See Figure 1: EURLEX advanced search screen.

For every policy area keywords were selected. Each general policy area includes different specific policy areas. The names of specific policy areas were used as keywords in EURLEX. The keywords were separately added under the 'text search' section. In this way all the green- and white papers per specific policy area were collected. And after this the double papers were taken out and the data was grouped per general policy area, with only the number of green- and white papers per general policy area.

▼ Author of the document

Author Other

▼ Search by Celex number

CELEX number

▼ Search by date

Type of date
 Specific date
 Date range -

Valid formats:

- YYYY
- mm/YYYY
- dd/mm/yyyy

▼ Published in the Official Journal

OJ series Number Year Initial page

OJ Special edition Chapter Volume

▼ Theme

EuroVoc thesaurus

Include sub-levels of selected narrow terms

▼ Documents related to a legislative procedure

Year Number Type of legislative procedure.

Figure 1: EURLEX advanced search screen

For the document reference option the COM and JOIN documents were selected as the Commissions documents are normally published as COM documents. In this section you can also select green- and white papers. The author of the document was the European Commission. The last option that is used in this search function is the option 'Search by date'. Here the option date range is selected and was put on 01-10-2005 and 30-12-2009 (from the last quarter of 2005 and last quarter of 2009). The available documents are referenced by their document number, title and bibliographic reference.

With these different options you can find all released green- and white papers per policy area, for the time period 2005 - 2009. The collected data was sorted in a data sheet per general policy area and per quarter of that year.

4.4 Reliability & Validity

In this research established measures are used in order to get the data of interest group activity and the agenda of the Commission. The used measures are reliable and ensure consistent measurement across time and across the various items in the instruments. The data about the Commissions agenda derived from EURLEX is stable and consistent in measuring the timing of different policy issues on the agenda. When the same keywords are used searching data in EURLEX, the same data (released green- and white papers) would be collected each time in repeated observations (test-retest reliability). This is also the case with the door pass data. Because these door passes are necessary, for interest groups in conducting their influence activities, this is a good and reliable data source for the purpose of this study. Because these lists are properly tracked they contain very precise data on interest group activity at the Parliament's premises. When repeatedly searching for the presence of certain interest groups in a certain policy area the same data would be collected. This door pass data is ready and not biased so this leaves little room for interpretations. These two measurements remain the same over time and this indicates the stability and low vulnerability to changes in the situation.

Maxwell (2012) describes assessments of validity as being a "commonsense way to refer to the correctness or credibility of a description, conclusion, explanation, interpretation, or other sort of account". In order to strengthen this credibility, the researcher must demonstrate the quality of the study through retrieving all relevant evidence, including all major rival interpretations, addressing the most significant aspects of that

case, and bringing his or her own expert knowledge into the study (Yin, 2013).

In this research important points were examined before the two data sources were used, namely if the same definitions were used, the recency of the data (because out-of-date data sources could have a negative effect on the validity), if the data collection methods and systems of measurement were known and acceptable, source bias: was the data source constructed in a way for wishing to present a particular image. The European Parliament defines the term lobbyists as: "Lobbyists can be private, public or non-governmental bodies. They can provide parliament with knowledge and specific expertise in numerous economic, social, environmental and scientific areas". The definition of the European Commission is used for this research "all activities carried out with the objective of influencing the policy formation and decision-making process of the European institutions" (Commission, 2006). One important note here is that in the definition of the European Parliament there is no explicit mention of interest groups attempting to influence the European institutions in order to get outcomes that are in their own interest. Instead of this the European Parliament portrays that the importance of lobbyists lies in what kind of knowledge and expertise they can give to the institution. But whether the European Parliament sees the lobbyists as a way to obtain knowledge and expertise or that they see lobbyists as individuals or organizations who want to influence European institutions, this does not matter in the way they constructed the data source with door pass data. Because anyone who wishes to enter the European Parliament has to have a pass and has to register, which asks only general information (name of the organization, general interest of the organization, name/ position lobbyist, etc.) and with this bias will not occur. So, this difference in the term lobbying will not influence the number and kind of population in this research. As aforementioned in the previous chapter, interest group activity can be measured on several different ways. When looking at interest group activity, this research only focuses on the influence of interest groups with being present at the EU. And because of

this demarcation the data provided with the door passes is fully and appropriate for this research. An important side note is that these door-passes only register lobbyists who lobby the European Parliament. Because the register of the Commission is voluntary this would not be a valid source. Approximately less than 7 per cent of all lobbyists (i.e. less than 1,000 lobbyists of the over 15,000 estimated) signed up to the voluntary registration system (Smyth, 2006). But with the mandatory and very well registered door pass system it is still possible to collect data about interest groups who want to influence the EU with their presence.

5 Empirical results

5.1 Descriptive statistics

This first part will provide and describe simple summaries about the data. This is the basis of quantitative analysis of data and descriptive statistics simply describes what the data is and what it shows. It helps to simplify large amounts of data in a sensible way. Each of the descriptive statistics will reduce a lot of data in a simpler summary.

Figure 2 shows the distribution of the total released green- and white papers. The majority of released papers are green papers. This was also expected as green papers are released in order to start a discussion and receive feedback from different parties and the result of this can result in a released white paper, which leads to an action program. It is important to note that not all released green papers result in released white papers. Because this research is interested in the reaction before and/or after the release of the papers, both papers are interesting to look at.

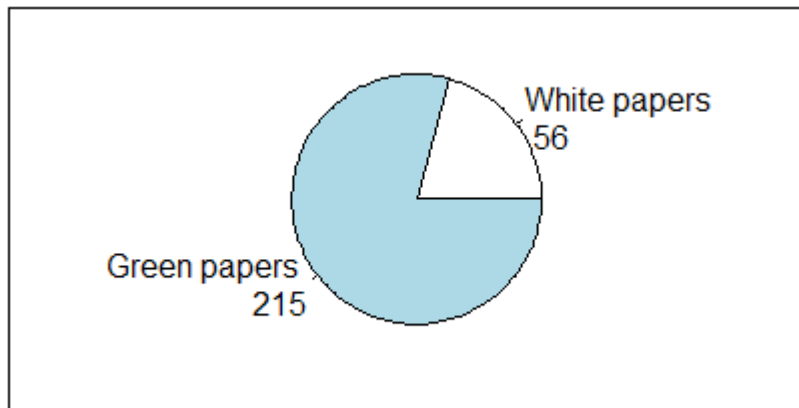


Figure 2: Released Green- and White papers (2005 - 2009)

In order to get a better image of the amount of released green- and white papers for each policy area, the central tendency (average) is described. There are several ways to describe the central tendency of data. The central position can be described using the mode, median, and mean. The mode is the most frequently occurring value in a set of values. The mode is appropriate for all levels of measurement but it is the only measure of central tendency that can be used for nominal variables like, gender, race, grade, etc. As this study does not include nominal variables the measure mode will not be used. The second measure, the median, is a good representative of a sample when scores have extreme outliers. The median is the score found at the exact middle of a set of values. This study does not have extreme outliers and it has only a few values for some policy areas. Because of this reason the median is also not used in this research. The mean or average is probably the most commonly used method for making inferences about a population from a sample. The mean can be computed by summing all the values and divide it by the number of all the values. Table 1 displays the sum of released green- and white papers and the mean per policy area.

The data shows that the total amount of released white papers for each policy area lies between 1 and 8 papers with an average of 3,7 released white papers per policy area. The total amount of released green papers for each policy area lies between 3 and 35 with an average of 14,3 released green papers per policy area. The number of released green papers shows a bigger dispersion than for the white papers. This means that the difference in the amount of released papers per policy area is larger with green papers than with white papers.

Table 1: The average amount of White-and Green papers per policy area

Policy field	White Papers		Green Papers	
	Total released	Mean	Total released	Mean
Social policy	4	0,24	11	0,65
Justice	2	0,12	5	0,29
CFSP	3	0,18	11	0,65
Science, culture and education	7	0,41	24	1,41
Environment	6	0,36	35	2,06
Regional	4	0,24	30	1,76
Internal Market	8	0,47	14	0,82
Energy	1	0,06	5	0,29
External	4	0,24	18	1,06
Monetary	2	0,12	3	0,17
Taxation	2	0,12	6	0,36
Competition	8	0,47	26	1,53
Transport	1	0,06	12	0,71
Agriculture	3	0,18	8	0,47
Fisheries	1	0,06	7	0,41

5.2 Inferential statistics

5.2.1 Granger causality analysis

After formulated the null and the two alternative hypotheses presented in the previous chapter the Granger causality tests can be applied, which indicate whether or not support has been found for the alternative hypotheses. In these Granger causality tests the time series data of interest group activity and time series data of the Commissions agenda are used to determine whether one forecast the other. To conclude that one of the two (interest group activity or Commissions agenda) is leading or lagging, the results must show a significant relationship between the variables, as hypothesized in HA1 and HA2. In the following section we will see if the results from Granger causality analysis conducted in R Studio, meet the significance level of $p=0.05$. If the p-value of the Granger causality test is equal or less than $p=0.05$, the null hypothesis is rejected, and alternative hypothesis accepted.

The green and white papers are released between the last quarter of 2005 and the last quarter of 2009. The time series has 17 quarters so the number of observations is 17. The total scope of policy area consist of 15 separate policy fields (see Appendix A and B). For each policy area door pass data of interest groups and the amount of white and green papers released per quarter were used twice in the Granger causality tests. First to test whether interest group activities "Granger cause" the Commissions agenda. And second, to test whether the Commissions agenda "Granger cause" interest group activities.

Table 1 and 2 presents the results of the granger causality tests for green- and white papers for both effects: agenda to (leading) interest groups and vice versa. These tables contain the p-values for the 15 different policy areas. For green papers the only policy area with significant p-values, for both effects, is the policy area Monetary. This

means that for the policy area Monetary the null hypothesis is rejected and both alternative hypotheses are accepted. The effect of Commissions agenda leading interest groups is more significant ($p= 0,005$) than the effect running in the opposite direction ($p= 0,05$). In other words, interest groups and the Commissions agenda both have an influence on each other but the influence of the Commission on interest groups is bigger.

The p-values for white papers in Table 2 resulted in slightly more significant results, for the policy areas Justice, Regional and Social policy. For the policy area Justice the p-value is significant ($p=0,0001917$) for the effect Commissions agenda leading interest groups. This means that in this policy area interest group activity at one moment in time is well predicted by the past activities of the Commissions agenda. Therefore it can be stated that for the policy area Justice the Commissions agenda leads interest group activity.

For the policy areas Regional and Social the opposite effect is significant, namely that interest group activity is leading the Commissions agenda. The p-value of the policy area social is more significant than for the policy area Regional. This means that for the policy area Social the interests of interest groups are better represented and can have a bigger influence on the Commissions agenda than in the policy area Regional.

5.2.2 Impulse response function analysis

Figures 2 to 9 plots the impulse response functions, showing only the plots of those policy areas where at least one of the two p-values is significant. That is the case the policy area Monetary for green papers (figure 2 & 3), and for white papers the policy areas Justice (figure 4 & 5), Regional (figure 6 & 7), and Social (figure 8 & 9).

Impulse response function (IRF) explores the behavioral characteristics of the variables and allows start thinking about causes and effects. The impulse response function investigates whether a shock at present time affects the other variable now and in the future. Figure 3 & 4 presents the impulse response functions for green papers for the policy area monetary for both effects. Figure 3 displays the effect of the Commissions agenda on interest group activity and Figure 4 displays the effect of interest group activity on the Commissions agenda. Figure 3 shows that an increase in the activity of the Commissions agenda first lead to a small decrease in interest group activity but after 5 quarters lead to an increase of the interest group activity. Figure 4 shows that an increase in interest group activity slowly lead to increased activity of the Commissions agenda, reaching a maximum increase of 0.3, eight quarters later. When comparing the two impulse response functions, the effect of AG to IG (Figure 3) is stronger than the effect of IG to AG (Figure 4). This is consistent with the significant p-values from Granger test of the policy area Monetary, were Commissions agenda lead interest groups.

Figure 5 & 6 presents the impulse response functions for white papers for the policy area Justice for both effects. In comparison to Figure 6, the impulse response function of Figure 5 (significant) shows a strong affect of Commissions agenda on interest groups, with regard to a significant p-value of 0.0001917 from its Granger test. Figure 5 shows that the Commissions Agenda cause a big increase of Interest group activity, with a maximum at quarter four. After quarter four interest group activity reach a minimum at quarter five. After quarter seven the impulse response somewhat stabilizes over time.

The impulse response function for the policy area Regional for white papers is plotted in figure 7 & 8. Here Figure 8 is significant and shows that with every increase of interest group activity the Commissions agenda first decrease in the first four quarters. And after quarter four the Commissions agenda start to increase again and stabilizes

after quarter nine. This means that for this policy area the interest group activities of the present moment are responsible for the activities of the Commissions agenda in the future.

And the last figures 9 & 10 shows the impulse response function of the policy area Social for white papers where Figure 10 is significant. It shows that the Commissions agenda barely respond till quarter five. Then it increases and after reaching a maximum at quarter seven, the response of the Commissions agenda shows a strong negative relation to Interest group activity. The minimum of this response is -30. This means that the present interest group activity has first a somewhat positive effect on the Commission agenda but after 8 quarters a strong negative effect.

6 Discussion

Based on the theory described in chapter 2, three things were expected to happen. First, there is no causal relationship between interest group activity and the Commissions agenda. Second, interest groups lead the Commissions agenda. And third, interest groups lag the Commissions agenda.

6.1 Interpretation of empirical results

In four policy areas the statistical results from Granger causality tests allow us to reject the null hypothesis and accept the alternative hypotheses, since the p-values are equal to or less than the significance level of 0.05.

From Granger causality tests of green papers, the policy area Monetary resulted in significant p-values in both directions. This means that both alternative hypothesis are accepted in one particular policy area and that both variables have a significant effect on each other. But the effect of Commissions agenda leading interest groups is stronger than the effect of interest groups leading Commissions agenda. Because the impulse response function shows a significantly strong effect and the Granger causality test a p-value of 0.005 greater than a p-value of 0.05 in the opposite direction, i can confidently claim that in 99.5 % of the time this result is true and there is only a 0.5 % chance of being wrong.

From the analysis of white papers, the results of Granger causality tests indicate that in one case the Commissions agenda leads interest groups and that in two other cases interest groups lead the Commissions agenda. Although only in 3 of 15 policy areas a predictive causality manifested, it can not be assumed that this is by chance. In policy area Justice the p-value is 0.0001917, which implies there is only a 0.019 % chance of being wrong. While this at the other hand implies that there is a 99.98 % probability that the Granger causality is correct. In other words Commissions agenda

Granger cause Interest group activity for topics related to Justice. Similarly there is a 95 % and 99.97 % probability that Interest groups Granger cause Commissions agenda for topics related to the policy area Regional respectively Social. From statistical point of view there is significant confidence to claim that the alternative hypothesis can be accepted correctly.

6.2 Connection to the theory

Due to dispersion in the results it is not possible to give one particular answer on the research question for all policy areas. For three policy areas the first alternative hypothesis, where interest groups lead the Commissions agenda, can be accepted. This includes the three policy areas Monetary (green papers), Regional and Social (white papers). Although some theories support these findings, when examining the literature which supports that interest groups are leading, it is striking to see that these theories do generalize the answer to all policy areas. The theory is described for all policy areas in the policy process instead of distinguish the different policy areas. One of these theories is the traditional pluralist view of (Truman, 1951). Truman (1951) believes that interest groups are a part of the whole. He states that the governmental process can be understood if the role of interest groups is fully recognized and that public policy is directly responsive to group demands of organized interests. Schattschneider (1964) & Schlozman (1984) imply that the presence of interest organizations in the lobby community insures success in defining agendas and the actions taken upon them. Thus, these theories are only partly in line with the results obtained in this thesis.

The other results, where the second alternative hypothesis was accepted for the two policy areas Monetary (green papers) and Justice (white papers), shows the opposite of these theories; that interest groups lags the Commissions agenda. Theories that support

that Interest groups lags the Commissions agenda or Commissions agenda lead interest groups can be found in a neo-corporatistic view. Neo- corporatist scholars tend to emphasize the relative strength of political officials in setting the agenda and the activity of interest organizations responding to political events (Wessels, 2004); (Streeck and Kenworthy, 2005). They are true in the fact that interest groups lag the Commissions agenda, but the results from this thesis does not support the fact that it is true for the whole policy process. So, these theories which support that interest groups lags the Commissions agenda also partly reflect the results in this thesis. So the truth lies somewhere in between where the influence of interest groups on the Commissions agenda and vice versa differs in different policy areas. The three major surveys in the literature (Smith (1995), Baumgartner and Leech (1998) and Burstein and Linton (2002)) reached similar conclusions, that lobbying sometimes has a strong influence, sometimes has a marginal influence and sometimes fail to exert influence.

So the results from the empirical hypotheses testing can partly be explained by the theory from which hypotheses were derived (see chapter 2). It is somewhat surprising that all hypotheses, null hypothesis and two alternative hypotheses, seems to be true in different policy areas. However there is no such theory in which distinction is made between different policy areas regarding the influence of interest groups on Commissions agenda and vice versa. In other words this research shows that one theory can be true in one policy area, while in another policy area the opposite seems to be true or even no relation at all. This variation might be a result of many factors, since, the policy process has a lot of complexities, and involves different activities of different interest organizations, different kind of policy proposals with different aims and of course the wide range of different governmental actors. As this thesis only examined the time series of interest groups and the Commissions agenda, the other external factors that could have played a role in agenda setting, lies beyond the scope of this thesis and still need to be further examined.

7 Conclusion

Does interest group activity set the agenda of the Commission or does interest group activity follow the agenda of the Commission? Interest groups play an important role in the EU and politicians are dependent on interest groups for their valuable (technical) expertise, insights and data. This thesis has examined the relationship between interest groups and the European Commission through analysis of time series data of door passes and released green and white papers between 2005 and 2009.

In this research three hypotheses were tested with Granger causality and the impulse response function. Granger causality tests whether one time series is useful in forecasting another. Impulse response function present the reaction (output signal) of an impulse (input signal). Together they indicate whether there is a causal relationship between variables and how strong the effect of one on another is.

In 9 out of 15 policy areas (73.3%) no causal relationship has been found between Interest groups and the Commissions agenda. On the contrary, in 4 out of 15 (26.6%) policy areas a bilateral relationship has been found. In policy areas Monetary, Regional Social, interest group lead Commissions agenda and in policy areas Monetary and Justice the Commissions agenda lead interest groups. Though the majority point out that there is no relationship between the variables of interest. The minority of the results, which indicate an causal relationship, cannot not be neglected. In those cases the p-values from granger tests were below our significance level of 0.05. This means there is significant certainty, hence statistical evidence, to reject the null hypothesis and accept the alternative hypotheses.

The major part of the empirical results can be supported by theoretical framework from which the hypotheses were derived. However the different causal relationships in

different policy areas did not correspond with our theoretical framework.

So based on this research it can be concluded that the influence of interest groups on the Commissions agenda and vice versa varies within different policy areas. Interest organizations sometimes lead or sometimes lag the Commissions agenda. But repeatedly Interest groups and Commissions agenda have no (predictive) causal relationship.

7.1 Limitations

There are a few limitations to this study. Most of the data examined not resulted in significant results, which made it impossible to reject the null hypothesis for all policy areas and accept the alternative hypothesis. Because interest groups and the Commissions agenda mostly don't have a causal relationship, their actions may have been caused by other external factors which contributed for the two parties to act in some way. Because this study only focused on the timing of activities the external factors were outside the limits of this study. So this cannot be answered here. One practical limitation is that this study only focused on door pass data from the EP instead of data from the European Commission. By doing that, the fact that interest group data directly from the European Commission could result in different outcomes, is ignored. This is indeed necessary to focus the study. Unfortunately this was not possible because the registry list of the European Commission is not mandatory and will not give a clear picture of all active interest organizations lobbying at the European Commission.

7.2 Recommendations

This thesis premised on the idea that the empirical results would indicate on only one answer to the research question. However this research suggest that there are more answers possible and that the policy area might have a contingent effect on the influence

of interest groups on the Commissions agenda. In other words the influence of interest groups on the Commissions agenda and vice versa depend on the Policy area. That means that for further research policy areas should be examined as a moderating variable/mediating variable, in which factors and the weight of factors should be examined in relation to the influence of interest groups and the Commissions agenda.

Table 2: P-values from Granger causality tests for Green papers

The appropriate lag length per policy area was determined by VAR select function in R.

Policy field	AG to IG		IG to AG	
	P-value	Lag	P-value	Lag
Agriculture	0,32	1	0,64	1
CFSP	0,10	3	0,38	3
Competition	0,65	4	0,48	4
Energy	0,87	1	0,25	1
Environment	0,98	4	0,60	4
External	0,47	1	0,75	1
Fisheries	0,16	4	0,43	4
Internal Market	0,22	4	0,95	4
Justice	0,30	1	0,76	1
Monetary	0,005	4	0,05	4
Regional	0,64	1	0,68	1
Science, culture and education	0,14	1	0,83	1
Social Policy	0,79	4	0,17	4
Taxation	0,65	2	0,49	2
Transport	0,13	4	0,37	4

Table 3: P-values from Granger causality tests for White papers.

The appropriate lag length per policy area was determined by VAR select function in R.

Policy field	AG to IG		IG to AG	
	P-value	Lag	P-value	Lag
Agriculture	0,56	1	0,29	1
CFSP	0,06	4	0,33	4
Competition	0,67	4	0,23	4
Energy	0,28	1	0,43	1
Environment	0,94	4	0,16	4
External	0,59	1	0,44	1
Fisheries	0,35	1	0,54	1
Internal Market	0,56	1	0,57	1
Justice	0,0001917	4	0,37	4
Monetary	0,91	1	0,20	1
Regional	0,92	3	0,05	3
Science, culture and education	0,29	4	0,60	4
Social Policy	0,90	4	0,0003451	4
Taxation	0,46	4	0,86	4
Transport	X	1	X	1

Figure 3: IRF - Policy area Monetary - Green papers

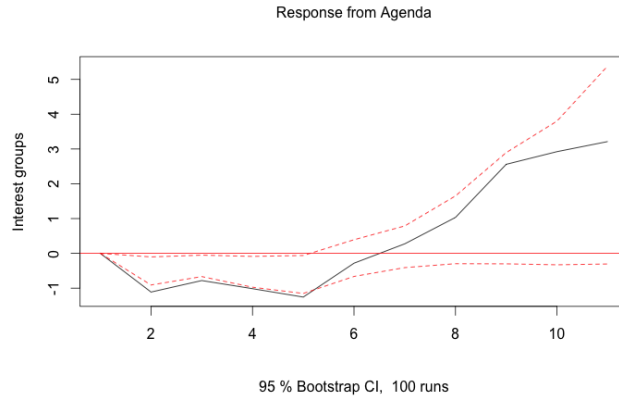


Figure 4: IRF - Policy area Monetary - Green papers

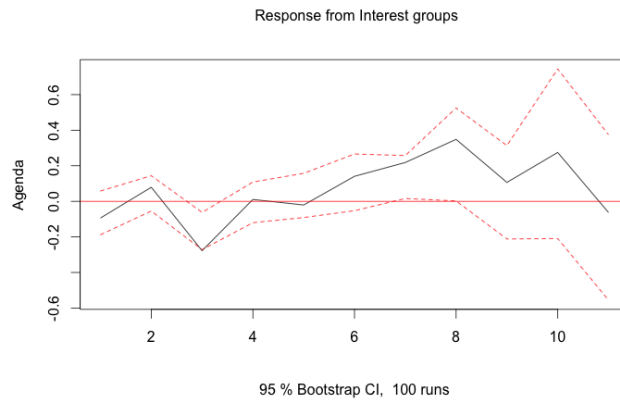


Figure 5: IRF - Policy area Justice - White papers

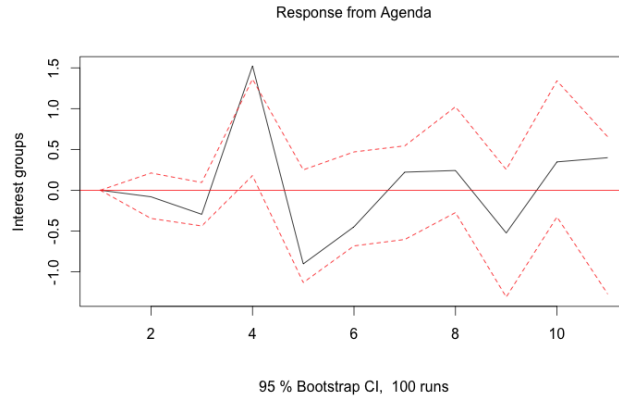


Figure 6: IRF - Policy area Justice - White papers

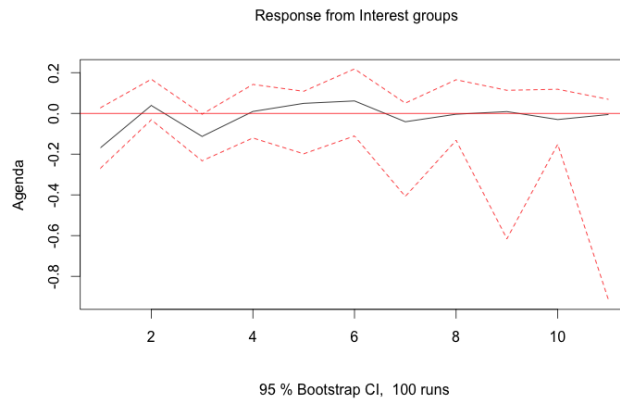


Figure 7: IRF - Policy area Regional - White papers

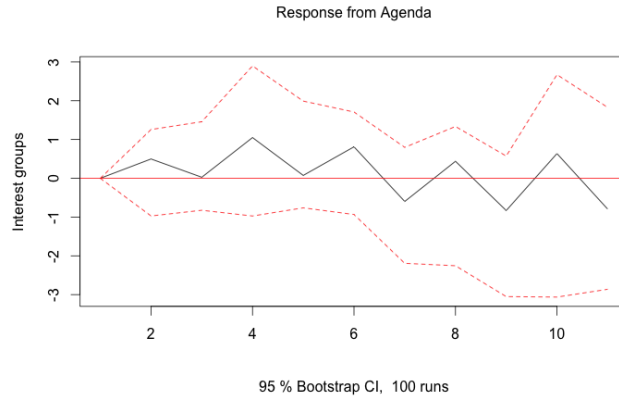


Figure 8: IRF - Policy area Regional - White papers

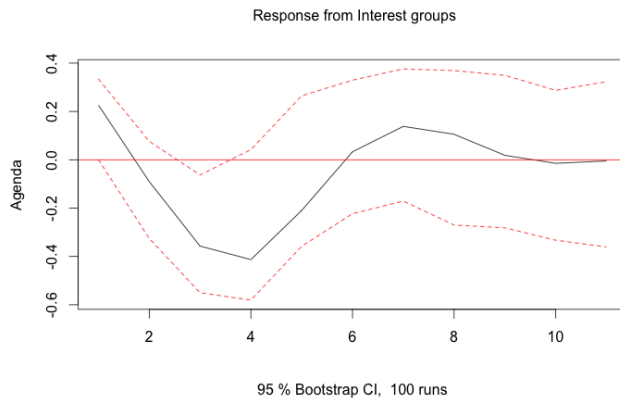


Figure 9: IRF - Policy area Social - White papers

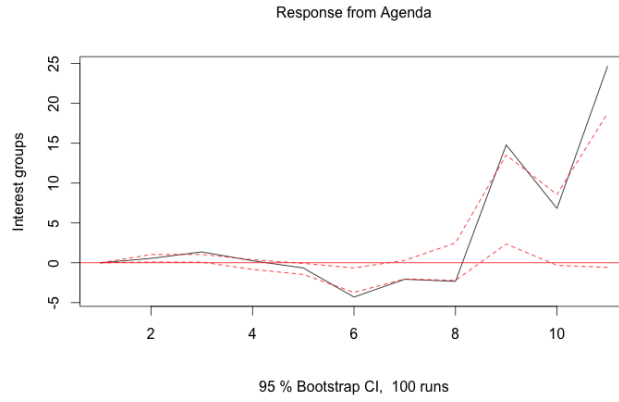
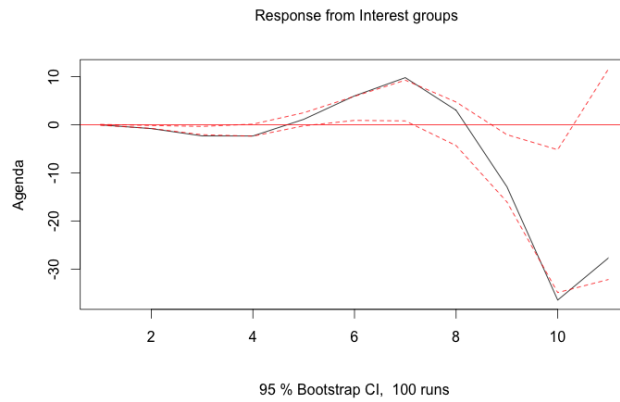


Figure 10: IRF - Policy area Social - White papers



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A General Policy fields

- 1) Agriculture
- 2) CFSP - Common Foreign and Security Policy
- 3) Competition
- 4) Energy
- 5) Environment
- 6) External
- 7) Fisheries
- 8) Internal market
- 9) Justice
- 10) Monetary
- 11) Regional
- 12) Science, culture and education
- 13) Social policy
- 14) Taxation
- 15) Transport

B Information Codebook

A. Identification variables

1. Identification number: This is a 5-digit unique identification number for each organization in the datasheet.
2. Name of the organization: Here you needed to include the official full name of the organization in different languages.
3. Website: Insert the URL of the website of the interest organization. If the website does not exist or does not open, try to find information on other website or try in another language.
4. Name of the coder
5. Date of coding

B. Territorial variables

1. Headquarters: Country in which the organizations headquarter is located.
2. Level of mobilization: These variables are related to level of mobilization of the organization. Is the organization organized in a particular region or country?

C. Organizational variables

1. Organizational membership structure: This variable describes the structure of an organization in terms of type of membership and the internal working of the organization.
2. Economic sector: Fill in the correct ISIC code. You can choose for each organization four economic fields of activity or interest.
3. Actual name of the sector
4. Social sector: For organizations that cannot be uniquely identified with an ISIC code you can check whether they fit in any of the other mentioned categories (see appendix).

5. Overall organizational structure
6. Actor type

D. Final Matters

1. Number of staff
2. Budget: The size of the budget of the organization
3. Latest annual report saved
4. Membership list saved
5. Statutes saved
6. About us: Copy the text of the 'about us' or equivalent section here.
7. General contact: Email address of the organization
8. Head of Unit/ manager: Type the name of the head of the organization/unit you are analyzing
9. Contact CEO: Contact email of the manager/head of the organization mentioned in the previous column
10. Comments

C Keywords EURLEX Database

1) Agriculture

Animals, cereals, eggs, feeding stuff, fruit and vegetables, general, hops, milk, oils and fats, plants, rice, seeds, sugar, tobacco, wine

2) CFSP - Common Foreign and Security Policy

Common Foreign and Security Policy

3) Competition

Competition policy

4) Energy

Coal, general, nuclear, oil and gas

5) Environment

Animal protection, consumer protection, general, nature, pollution, health

6) External

Development, economic, general

7) Fisheries

Fisheries

8) Internal market

Aeronautical, agricultural vehicles, vehicles, chemical, cosmetics, foodstuffs, general, iron and steel, medicinal products, other goods, ship building, telecom, textiles

9) Justice

Justice and human rights

10) Monetary

Monetary

11) Regional

Regional development

12) Science, culture and education

Culture, education, general, science

13) Social policy

Justice and human rights, social policy

14) Taxation

Taxation

15) Transport

Air, general, land, maritime

D Code of Conduct - Door Passes

CHAPTER I : MEMBERS OF THE EUROPEAN PARLIAMENT

Rule 9 : Code of conduct

1. Parliament may lay down a code of conduct for its Members. The code shall be adopted pursuant to Rule 181 and attached to these Rules of Procedure as an annex³. The code shall not in any way prejudice or restrict a Member in the exercise of his office or of any political or other activity relating thereto.

2. The Quaestors shall be responsible for issuing nominative passes valid for a maximum of one year to persons who wish to enter Parliament's premises frequently with a view to supplying information to Members within the framework of their parliamentary mandate in their own interests or those of third parties. In return, these persons shall be required to:

- respect the code of conduct published as an annex to the Rules of Procedure⁴
- sign a register kept by the Quaestors. This register shall be made available to the public on request in all of Parliament's places of work and, in the form laid down by the Quaestors, in its information offices in the Member States. The provisions governing the application of this paragraph shall be laid down in an annex to the Rules of Procedure².

3. The code of conduct and the rights and privileges of former Members shall be laid down by a decision of the Bureau. No distinction shall be made in the treatment of former Members.

Annex A: Provisions governing the application of Rule 9 (1) - Transparency and Members' financial interests

³See Annex A

⁴See Annex B

Article 1

1. Before speaking in Parliament or in one of its bodies, any Member who has a direct financial interest in the subject under debate shall disclose this interest to the meeting orally.

2. Before a Member may be validly nominated as an office-holder of Parliament or one of its bodies, pursuant to Rules 13 , 157 or 168 (2), or participate in an official delegation, pursuant to Rule 82 or 168 (3), he must have duly completed the declaration provided for in Article 2.

Article 2

The Quaestors shall keep a register in which each Member shall make a personal, detailed declaration of:

- a) his professional activities and any other remunerated functions or activities,
- b) any support, whether financial or in terms of staff or material, additional to that provided by Parliament and granted to the Member in connection with his political activities by third parties, whose identity shall be disclosed.

Members of Parliament shall refrain from accepting any other gift or benefit in the performance of their duties. The declarations in the register shall be made under the personal responsibility of the Member and must be updated every year.

The Bureau may, from time to time, draw up a list of matters which it considers should be declared in the register. If after the appropriate request a Member does not fulfill his obligation to submit a declaration pursuant to (a) and (b), the President shall remind him once again to submit the declaration within two months. If the declaration has not been submitted within the time limit, the name of the Member together with an indication of the infringement shall be published in the minutes of the first day of each part-session after expiry of the time limit. If the Member continues to refuse to

submit the declaration after the infringement has been published the President shall take action in accordance with Rule 124 to suspend the Member concerned. Chairmen of groupings of Members, both inter groups and other unofficial groupings of Members, shall be required to declare any support, whether in cash or kind (e.g. secretarial assistance) which if offered to Members as individuals, would have to be declared under this article. The Quaestors shall be responsible for keeping a register and drawing up detailed rules for the declaration of outside support by such groupings.

Article 3

The register shall be open to the public for inspection.

Article 4

Pending the introduction of a statute for Members of the European Parliament to replace the various national rules, Members shall be subject to the obligations imposed on them by the legislation of the Member State in which they are elected as regards the declaration of assets.

Annex B : Provisions governing the application of Rule 9 (2) - Lobbying in Parliament

Article 1 : Passes

1. The pass shall consist of a plastic card, bearing a photograph of the holder, indicating the holder's surname and forenames and the name of the firm, organization or person for whom the holder works. Pass-holders shall at all times wear their pass visibly on all Parliament premises. Failure to do so may lead to its withdrawal. Passes shall be distinguished by their shape and color from the passes issued to occasional visitors.
2. Passes shall only be renewed if the holders have fulfilled the obligations referred

to in Rule 9 (2). Any dispute by a Member as to the activity of a representative or lobby shall be referred to the Quaestors, who shall look into the matter and may decide whether to maintain or withdraw the pass concerned.

3. Passes shall not, under any circumstances, entitle holders to attend meetings of Parliament or its bodies other than those declared open to the public and shall not, in this case, entitle the holder to derogations from access rules applicable to all other Union citizens.

Article 2 : Assistants

1. At the beginning of each parliamentary term the Quaestors shall determine the maximum number of assistants who may be registered by each Member. Upon taking up their duties, registered assistants shall make a written declaration of their professional activities and any other remunerated functions or activities. 2. They shall have access to Parliament under the same conditions as staff of the Secretariat or the political groups. 3. All other persons, including those working directly with Members, shall only have access to Parliament under the conditions laid down in Rule 9 (2).

Article 3 : Code of conduct

1. In the context of their relations with Parliament, the persons whose names appear in the register provided for in Rule 9 shall:

- a) comply with the provisions of Rule 9 and this Annex;
- b) state the interest or interests they represent in contacts with Members of Parliament, their staff or officials of Parliament;
- c) refrain from any action designed to obtain information dishonestly;
- d) not claim any formal relationship with Parliament in any dealings with third parties;
- e) not circulate for a profit to third parties copies of documents obtained from Parliament;

- f) comply strictly with the provisions of Annex I , Article 2, second paragraph;
- g) satisfy themselves that any assistance provided in accordance with the provisions of Annex I , Article 2 is declared in the appropriate register;
- h) comply, when recruiting former officials of the institutions, with the provisions of the Staff Regulations;
- i) observe any rules laid down by Parliament on the rights and responsibilities of former Members;
- j) in order to avoid possible conflicts of interest, obtain the prior consent of the Member or Members concerned as regards any contractual relationship with or employment of a Member's assistant, and subsequently satisfy themselves that this is declared in the register provided for in Rule 9.

2. Any breach of this Code of Conduct may lead to the withdrawal of the pass issued to the persons concerned and, if appropriate, their firms.

E R-script data preparation

```
ginterest<-load("~/R Studio/Data used in Toshkov/ginterest.RData")

if(is.data.frame(ginterest)){names(ginterest)}

print(names)

print(ginterest)

load("~/R Studio/Data used in Toshkov/ginterest.RData", envir = parent.frame(),
verbose = TRUE)

attach(ginterest)

print(ginterest)

names(ginterest)

whitepaper<- read.csv("~/R Studio/learning and tutorials/Data white papers rij kollom
aangepast.csv", sep=";")

ginterestWP <- merge(policy.pub,whitepaper,by="period")

print(ginterestWP)

mergedsheet1<-merge(ginterest$policy.biz,ginterest$policy.pub,all=TRUE)
```

```
mergedsheet2<-merge(ginterest$policy.soc,ginterest$policy.cro,all=TRUE)
```

```
print(mergedsheet1)
```

```
mergedsheettotal<-merge(mergedsheet1,mergedsheet2,all=TRUE)
```

```
print(mergedsheettotal)
```

```
ddply(mergedsheettotal,.(period),numcolwise(sum))
```

```
ddply(df,"x",numcolwise(sum))
```

F R-Studio data analyses

R-script for all policy areas (simplified version)

This is an example of the used R-script. In this example the policy area Social is examined. For the examination of analysis of the other policy area only the name of the policy area is variable. For the Granger test the appropriate lag is variable in this R-script. The appropriate lag is selected with the function VARselect. The codes which are changable for the analysis of all policy areas are *Italic* and Underlined.

Analysis: Interest group activities VS Commissions agenda - White papers

```
library(vars)
library(tseries)
library(MSBVAR)
library(lmtest)

igwp <- read.csv("~/Dropbox/Thesis Lobbying in the EU/R studio/igwp.csv", sep=";")
print(igwp)
class(igwp)
ts(1:17, start = c(2005, 4), frequency = 4)
ts(igwp$wp.social, start = c(2005, 4), frequency = 4)

#####w.social
#transform variable into time serie objects
wp.social<-ts(igwp$wp.social, start=c(2005,4), freq=4)
ig.social<-ts(igwp$social,start=c(2005,4), freq=4)

## 2-VAR model
```

```

#y1 = ig.social, y2= wp.social
w.soc<-cbind(igwp$social,igwp$wp.social)

#Auto-correlations
acf(wp.social)
pacf(wp.social)
acf(ig.social)
pacf(ig.social)

#select lags
VARselect(w.soc, lag.max=4, type="const")

#Summary of the model
var_soc <-VAR(w.soc, p = 4, type = "const")
summary (var_soc <- VAR(w.soc, p = 4, type = "const"))

#Testing for stability
roots(var_soc)
plot(stability(var_soc, type="OLS-CUSUM"))

#grangertest
#Null hypthosis: "ig.social does not granger cause wp.social" = Reject null hypothesis
causality(var_soc,cause= "y1")
#Null hypthosis: "wp.social does not granger cause ig.social" = Accept null hypothesis
causality(var_soc, cause= "y2")

#alternative granger test

```



```
#Null hypthosis: "ig.social does not granger cause wp.social" = Reject null hypothesis
grangertest(ig.social,wp.social,order=2)
#Null hypthosis: "wp.social does not granger cause ig.social" = Accept null hypothesis
grangertest(wp.social,ig.social, order=2)
```

```
#impulse response function
irf_soc.1<- irf(var_soc, impulse="y1",response="y2")
irf_soc.2 <- irf(var_soc, impulse="y2", response="y1")
plot(irf_soc.1<- irf(var_soc, impulse="y1",response="y2"))
plot(irf_soc.2 <- irf(var_soc, impulse="y2", response="y1"))
```

Analysis: Interest group activities VS Commissions agenda - Green papers

```
library(vars)
library(tseries)
library(MSBVAR)
library(lmtest)

igwp <- read.csv("~/Dropbox/Thesis Lobbying in the EU/R studio/iggp.csv", sep=";")
print(iggp)
class(iggp)
ts(1:17, start = c(2005, 4), frequency = 4)
ts(iggp$gp.social, start = c(2005, 4), frequency = 4)

#####g.social
#transform variable into time serie objects
gp.social<-ts(iggp$gp.social, start=c(2005,4), freq=4)
ig.social<-ts(iggp$social,start=c(2005,4), freq=4)
```

```

## 2-VAR model
#y1 = ig.social, y2= gp.social
g.soc<-cbind(iggp$social,iggp$gp.social)

#Auto-correlations
acf(gp.social)
pacf(gp.social)
acf(ig.social)
pacf(ig.social)

#select lags
VARselect(g.soc, lag.max=4, type="const")

#Summary of the model
var_soc <-VAR(g.soc, p = 4, type = "const")
summary (var_soc <- VAR(g.soc, p = 4, type = "const"))

#Testing for stability
roots(var_soc)
plot(stability(var_soc, type="OLS-CUSUM"))

#grangertest
#Null hypthosis: "ig.social does not granger cause gp.social" = Reject null hypothesis
causality(var_soc,cause= "y1")
#Null hypthosis: "gp.social does not granger cause ig.social" = Accept null hypothesis
causality(var_soc, cause= "y2")

```

```
#alternative granger test
#Null hypothesis: "ig.social does not granger cause gp.social" = Reject null hypothesis
grangertest(ig.social,gp.social,order=2)
#Null hypothesis: "gp.social does not granger cause ig.social" = Accept null hypothesis
grangertest(gp.social,ig.social, order=2)

#impulse response function
irf_soc.1<- irf(var_soc, impulse="y1",response="y2")
irf_soc.2 <- irf(var_soc, impulse="y2", response="y1")
plot(irf_soc.1<- irf(var_soc, impulse="y1",response="y2"))
plot(irf_soc.2 <- irf(var_soc, impulse="y2", response="y1"))
```