


Economic rather than political forces shape the pattern of lobbying at the European level

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By Democratic Audit UK

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*One argument frequently deployed by proponents of European reform is that the EU is particularly vulnerable to large-scale lobbying by international corporation. But what forces shape the pattern of this lobbying? **Joost Berkhout** argues that researchers have put too strong an emphasis on ‘political’ rather than ‘economic’ explanations for the structure of the EU business lobby community.*



The presence of a large number of lobbyists in Brussels, many unregistered and unregulated, raises concerns that special interests have greater influence in EU policymaking than citizens and those representing the public interest. Even the sheer number of registered lobbyists may make the policy process less transparent. Also, as argued long ago by Olson (1982), when narrowly interested parties defend the status-quo, they may also make it more difficult to change public policy. These concerns are particularly salient in the EU now, because the European Commission aspires to increase public support for the institution by increasing the transparency of its own activities and the activities of those who try to influence it. Additionally, groups such as the Corporate Europe Observatory and ALTER-EU reasonably claim that the EU lobby community is systematically biased in favor of business interests. Academic studies confirm the numerical dominance of business interests, even if evidence for their political dominance is mixed.

In our [recent study](#), part of the [INTEREURO](#) project, we examine the forces that shape the business interest lobbying community in Brussels. Previous studies show inconclusive and inconsistent findings. On the one hand, some studies find that businesses and their representatives are attracted to Brussels because EU regulation impacts their operations, and that this attraction is further strengthened by ‘demand’ for ‘technical’ information on the part of policy makers primarily in the European Commission. In other words, in policy areas with strong and active directorate-generals and ‘needy’ policy makers, larger numbers of business interests are present. On the other hand, and in contrast, other studies indicate that the structure and scope of economic production shapes business interest representation. In economic sectors with large numbers of firms and those that produce a sizable proportion

of the total economic pie, we find large numbers of business interest organizations active. The economy ‘supplies’ political pressures.

In our study, we, for the first time, simultaneously include both ‘demand’ and ‘supply’ explanations in our analysis of lobbyists accredited to lobby the European Parliament (2008-2009). We focus on the numbers of organizations registered per economic sector. We use information from the websites of business interest associations or individual firms to classify organizations by their economic sector. We use sector data from Eurostat structural business statistics for information on the number of firms and their turnover.

Through precise Boolean search strings we link *EURO-Lex* legislative data to economic sectors in order to assess the extent to which sectors are regulated through EU legislation. We use expert assessments to link the competence areas of the Directorate Generals of the European Commission to economic sectors and present those in an extensive conversion table. In that way, budget and staff numbers that potentially deal with the economic sector are included in the analysis. Our challenging linking of this data makes it possible to assess the several, distinct forces that drive the numbers of lobbyists in the European Parliament in the 57 economic sectors included in the study.

Our findings generally support the argument that structural economic factors largely determine numbers of lobbyists. This is what we find: To start, the distribution of lobbyists over economic sectors is highly skewed, with a small number of sectors accounting for a large number of lobbyists. This may be due to so-called ‘bandwagon’ behavior on the part of lobbyists. When we look at all the factors simultaneously, we find that a large number of lobbyists come from economic sectors with a large number of companies, a large turn-over per company and with substantial cross-border investment. These substantial and statistically significant effects for these ‘supply-side’ factors contrast with the largely insignificant effects for the ‘demand-side’ factors such as the staff numbers and budgets of Commission DGs.

More generally, these findings suggest that political scientists seem to have put too strong an emphasis on ‘political’ rather than ‘economic’ explanations for the structure of the EU business lobby community. And it also indicates that collective action by business interests is probably driven by various factors, of which influence in the policy process is just one out of many others. At the same time, the study may be sobering for those who were mainly looking inside the Brussels Bubble to ‘resolve’ business dominance, as presence of business lobbyists largely results from the real functioning economy rather than political imperatives.

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