Unpacking interest groups: on the intermediary role of interest groups and its effects for their political relevance
Albareda Sanz, A.

Chapter V

On Top of Mind, but Do They Mind? Explaining Perceived Influence of Prominent Groups among Public Officials

This chapter is co-authored with Caelesta Braun and Bert Fraussen.

ABSTRACT

This paper asks why and when public officials perceive some prominent interest groups as more influential for policy outcomes than others. Theoretically, we rely on resource-exchange and behavioral approaches. Perceived influence of prominent groups does not only follow from the policy capacities they bring to the table, it also relates to whether public officials consider groups as policy insiders. Both effects are assumed to be conditional on advocacy salience, i.e., the number of stakeholders mobilized in policy issues under discussion. We rely on a new dataset of 109 prominent groups involved in 29 regulatory issues passed between 2015-2016 at the European Union level. Our findings show that prominent groups with more analytical and political capacities are perceived as more influential for final policy outcomes. Yet, in policy issues with high advocacy salience, prominent groups that are considered as 'policy insiders' are perceived as more influential.

5.1 Introduction

Public officials regularly interact and consult interest groups to come up with effective, legitimate, and implementable public policies. Among the large community of interest groups that are politically active, public officials often regard a subset of groups as a key resource for formulating and developing public policies. These 'prominent groups' have distinct status among public officials as they are 'assumed to be relevant to the issue at hand' (Halpin & Fraussen, 2017a, p. 276). That is, they are on the top of public officials' mind when working on specific policy issues and thus are expected to have a significant impact on policymaking processes (Grossmann, 2012; Maloney et al., 1994). However, the influence of prominent groups remains an empirical question that needs to be answered to further understand which groups have a louder voice in our democratic systems.

The literature on interest groups' political activity has predominantly focused on the degree of access or the level of success of groups by considering group type (i.e., business and citizen groups) as well as relevant organizational attributes and capabilities (e.g., organizational form, decision-making structures, economic resources and types of information) (Bouwen, 2004; Dür et al., 2015; Dür & Mateo, 2013; Eising, 2007b; Flöthe, 2019a; Grömping & Halpin, 2019). However, we have scarce research that specifically focuses on prominent groups and that examines why some of them are more influential for final policy outcomes than others. Moreover, while most of the previous research has taken the perspective of the interest groups to assess access and influence, an examination of the policy impact of prominent groups needs to consider the preferences of public officials in charge of the legislative dossiers as they are the ones who select and interact with these prominent groups, and subsequently process their input into public policy. Therefore, to better understand which prominent groups are more influential in policymaking processes, this paper takes a public official perspective and focuses on those groups that are considered as relevant on specific policy issues. More specifically, we address the following research question: *why and when do public officials perceive some prominent groups as more influential than others?*

This paper aims to answer this question by advancing two main explanations. First, we build on resource exchange approaches theorizing that the policy capacities of groups, i.e., 'the set of skills and resources—or competences and capabilities—necessary to perform policy functions' (Wu et al., 2015), are crucial for their influential role on public-policy making (Bouwen, 2002; Daugbjerg et al., 2018; Eising, 2007b). Second, we complement this dominant approach by theorizing how behavioral dynamics and more specifically, being perceived as a policy insider among public officials – which is linked to the heuristics, shortcuts and routines that decision-makers rely on when working on policy issues (Jones, 2003; Simon, 1997) – explains the policy impact of prominent groups. Although both approaches are relevant to examine the perceived influence of interest groups in public policymaking, there is no research that simultaneously analyzes the effects of public

officials' policy needs and behavioral dynamics to clarify the varying policy impact of interest groups.

In addition to combining exchange and behavioral approaches, we also account for variation in the advocacy salience of the policy issue (i.e., the number of stakeholders that mobilize in the policy issue under discussion). The importance of issue-specific factors when studying the interaction between public officials and interest groups has been acknowledged in the literature (Bernhagen et al., 2015; Beyers et al., 2018; Junk, 2019b; Klüver et al., 2015). Accordingly, we focus on advocacy salience, which is a crucial moderating variable that alters the strategic choices and behavioral dynamics of public officials, and therefore could also shape variation in policy influence among prominent groups.

Empirically, the paper relies on quantitative information provided by top officials of the European Commission leading 29 EU regulatory issues passed between 2015-2016. More specifically, at least one of the leading officials in charge of developing the proposal of each of the 29 regulations or directives was interviewed. During the interview, they were asked about the 'key' interest groups with whom they interacted when developing the regulatory issues. Our analyses use quantitative data on 109 prominent interest groups mobilized in the 29 EU regulatory issues. Our findings show that the groups that are perceived as more influential for the final policy outcome are those that possess analytical and political capacities. When accounting for the moderating role of advocacy salience, we find that in issues with high advocacy salience prominent groups that are 'policy insiders' are perceived as more influential for policy outcomes. This novel finding has clear implications for our democratic and participatory systems. While an expansion of conflict, or the mobilization of many stakeholders, is often associated with a less influential role of policy insiders, we observe an opposite dynamic. It is particularly when faced with a higher number of stakeholders that public officials perceive policy insiders as more influential.

5.2 Explaining variation in influence among prominent groups

Prominent groups are defined as those that have 'pre-eminence for a particular constituency or viewpoint, and [are] therefore 'taken-for-granted' by a prescribed audience' (Halpin & Fraussen, 2017a, p. 725). In this paper, the audience are public officials in charge of formulating policy proposals, and thus prominent groups are those that are on top of these officials' mind when working on specific policy issues. Being perceived as a prominent group among public officials in charge of formulating policy proposals is a valuable asset for interest groups who seek policy impact by making their voices heard and taken into account in policymaking processes. Previous research has shown that not all groups achieve such a status among elected and public officials (Grossmann, 2012; see also, Ibenskas & Bunea, 2020). Furthermore, not all prominent groups are perceived as equally influential. Understanding why some prominent groups are more influential than

others adds to our knowledge about the inclusiveness of stakeholder engagement and the nature of the interaction between prominent groups and public officials.

We build upon the extensive literature on interest groups' political activity and put forward a theoretical framework that complements a resource exchange approach with behavioral dynamics of public officials to assess why some prominent groups are perceived as more influential for policy outcomes than others.

5.2.1 Policy capacities and influence

Following an exchange approach (Bouwen, 2002; Eising, 2007b; Flöthe, 2019a), we argue that public officials lack necessary resources to thoroughly develop policy proposals, and prominent groups possess (unequal levels of) policy capacities that can overcome this limitation. The ability of groups to possess and supply relevant policy input demanded by public officials is expected to shape their influential role in policymaking processes (Daugbjerg et al., 2018).

Aligned with previous work in the interest groups field, we distinguish between policy capacities related to the ability of groups to supply resources that ensure (1) technically thorough and (2) legitimate public policies (Daugbjerg et al., 2018). Public officials value groups for their ability to provide technical knowledge related to the content of policy issues, and for their capacity to provide the position of key constituencies and the political consequences of policy alternatives. In other words, we distinguish between analytical and political capacities (Bouwen, 2002, 2004; De Bruycker, 2016; Flöthe, 2019a; Hall & Deardorff, 2006; Truman, 1951).

Analytical capacities relate to the abilities to gather and offer policy expertise and technical knowledge required to understand the sector and the specific content of policy issues under debate (Daugbjerg et al., 2018). In order to develop consistent and implementable legislations, public officials are in need of quality policy input such as technical expertise as well as information about the legal aspects and the economic or societal impact of different policy measures (De Bruycker, 2016). Public officials need detailed, technical and evidence-based information in order to design policies that will be effective and feasible (Wright, 1996, p. 82). Some interest groups possess analytical capacities because of 'their daily work, their members' hands-on-experience or because they or their constituents are directly affected by the policy issue (Michalowitz, 2004; Wright, 1996)' (Flöthe, 2019a, p. 168). Yet, there is substantial variation in the extent to which interest groups possess analytical capacities (e.g., De Bruycker 2016). Public officials, therefore, will perceive those groups that possess and supply analytical capacities as more influential because their policy input is expected to facilitate the development of legislations.

> H1: Prominent groups with more analytical capacities are perceived as more influential by public officials than those with less analytical capacities.

Public officials also require political capacities to make sure that legislations have the necessary political support and are accepted by constituencies that are affected and targeted by the policy (Maloney et al., 1994). Some interest groups have the organizational ability to provide information with respect to the 'needs and interests' of its membership (or of the sector or constituency advocated for)' (Daugbjerg et al., 2018, p. 250). This is highly valuable for public officials as it signals who wants what, and the political consequences of policy alternatives. Ensuring that a legislation is aligned with the political interests of those that will be affected by it, is expected to foster the (input) legitimacy of the policy process (Klüver, 2011a). In addition, political capacities are expected to facilitate the future acceptance and implementation of policies, as those affected by a policy will have been involved in the decision-making process (Maloney et al., 1994). The ability to possess political information, mobilize public support and to mediate between key constituencies and policymakers (Berkhout et al., 2017; Bouwen, 2002; De Bruycker, 2016) varies across groups. Hence, not all groups have similar political capacities. Public officials will be particularly attentive to groups that possess and supply political capacities because their policy input is expected to reinforce the legitimacy of the policy process and facilitate the acceptance of the final legislation.

> H2: Prominent groups with more political capacities are perceived as more influential by public officials than those with less political capacities.

5.2.2 Policy insiders and influence

Public officials also rely on routine patterns of interactions with interest groups. While these interactions might be shaped by the quality of policy capacities provided by the groups, other dynamics might also be at play (Braun, 2012, 2013). Take for instance the National Farmers' Union of Scotland, which 'has been stripped of internal independent research capacity, and has a low number of expert staff. It also has a small and shrinking resource base. Yet it is the dominant farm group in Scotland' (Halpin, 2014, p. 180). As clearly described in Halpin's quote, even when groups do not possess relevant analytical and political capacities, they might be key actors shaping the content of legislative initiatives.

A common explanation of the influence of interest groups is the extent to which they are policy insiders (Jordan & Maloney, 1997a). In this paper, we refer to "policy insiders" as those groups who have frequent interactions with public officials. Policy insiders, thus, achieve such a status because they are familiar or regular partners or are one of the few alternatives for public officials, which relates to the heuristics, shortcuts and routines that public officials rely on when working on policy issues. As boundedly rational actors, public officials are 'prisoners to their limited attention spans, and the key governor of the allocation of attention: emotion' (Jones & Baumgartner, 2012). That is, even when confronted with new policy issues, public officials rely on a specific repertoire of 'encoded solutions' to which

they are emotionally attached (Jones, 2003, p. 400). As shown in classic organizational studies (Cyert & March, 1963; March & Simon, 1958), public officials routinize important decisions, and this also applies to processes of listening and taking on board policy input from specific actors that are part of their policy community – which is also in line with the idea of policy inheritances (Rose & Phillip, 1994) and the fact the previous policy choices have long-lasting consequences, including continued engagement with stakeholders that were involved in these earlier policy process (Jones & Baumgartner, 2005, p. 49).

Public officials and 'their' policy insiders will tend to develop a sense of commonality about the main problems and solutions in the policy area (Campbell, 1989, p. 5). In other words, public officials and legislators often 'listen to those whom they can trust implicitly because their interests agree perfectly' (Hall & Deardorff, 2006, p. 76). Therefore, policy insiders are expected to have an important say on the final outcome of policy issues since, as noted by Jordan and Maloney (1997, 565), 'civil servants try to satisfy "their" groups'. Due to their finite attention, public officials rely on those interest groups they already know and trust because of their frequent interaction, their familiarity or because they are considered as one of the few alternatives. That is, the extent to which some prominent groups are influential for final policy outcomes may be partially determined by socialization or routine behavior of public officials (Scott, 2001; Simon, 1997).

> *H3: Prominent groups that are more considered as policy insiders are perceived as more influential by public officials than those that are less considered as policy insiders.*

5.2.3 When are some prominent groups perceived as more influential than others?

Under which conditions do policy capacities and being considered a policy insider become important factors affecting the perceived influence of prominent groups? We know from previous research that the perceived influence of policy capacities and policy insiders is expected to vary depending on the context in which a policy issue is being developed (for a discussion, see Klüver et al., 2015). We argue that advocacy salience, defined as the number of stakeholders mobilized in a particular policy issue, is a crucial conditioning factor to assess perceived influence of prominent groups (Beyers et al., 2018; Junk, 2019b). In issues with high advocacy salience, public officials are 'bombarded with diverse information from many different sources, with varying reliabilities. Policymakers, as boundedly rational decision makers with human cognitive constraints, focus on some of this information and ignore most of it' (Jones & Baumgartner, 2012). As a consequence, as policy issues receive more attention, public officials need to be even more selective, which is likely to alter their assessment of the value and impact of prominent groups.

Firstly, when policy issues attract a large number of actors, public officials are not expected to require more analytical capacities, as they can obtain technical and expert resources through the multiple stakeholders. Instead, analytical capacities are expected to

be more important for issues with low advocacy salience (De Bruycker, 2016; Mahoney, 2008). More specifically, public officials working on policy issues where a limited number of stakeholders are mobilized are expected to rely more heavily on the analytical capacities of prominent groups. Thus, prominent groups with more analytical capacities are perceived as more influential for the final policy outcome when advocacy salience is low.

Secondly, public officials are more concerned about obtaining political capacities when an issue mobilizes many stakeholders. As shown by Willems (2020), groups that provide broad societal support (i.e., political capacities) are more likely to gain access to advisory council in highly politicized policy domains. Highly salient issues require input legitimacy that can be obtained through political capacities (De Bruycker 2016), as this can facilitate the acceptance of the final outcome among the constituency that will be directly affected as well as by the general public (Maloney et al., 1994). As noted by Junk (2019b, p. 661), when an issue is salient in the lobbying community, 'policy makers will be more wary of political repercussions of policy outcomes that lack broad support'. Consequently, prominent groups with more political capacities will be perceived as more influential for the final policy outcome when advocacy salience is high.

Thirdly, regarding the interaction between advocacy salience and policy insiders, we expect that in highly salient issues public officials are overloaded by information, and the scarce resource is not information yet attention (Simon, 1997). Because of the uncertainty surrounding salient issues, public officials are expected to rely more heavily on their routinized interaction with policy insiders, whom they can trust due to previous relations. Groups that are part of public officials' policy communities (Jordan & Maloney, 1997a), provide strong and stable guides to behavior, particularly in complex circumstances, such as the ones that characterize highly salient policy issues (Jones & Baumgartner, 2012). Therefore, the perceived influence of policy insiders is expected to be higher in highly salient issues, as public officials will prioritize interactions with stakeholders they already know and trust.

H4a: The effect of analytical capacities on the perceived influence of prominent groups decreases when advocacy salience is high.

H4b: The effect of political capacities on the perceived influence of prominent groups increases when advocacy salience is high.

H4c: The effect of policy insiders on the perceived influence of prominent groups increases when advocacy salience is high.

5.3 Method

5.3.1 The case: Public officials of the European Commission

To study why and when public officials perceive some prominent groups as more influential than others, we focus on the perspective of public officials of the European Commission leading a set of regulatory issues. We center on Commission officials formulating and developing regulatory proposals as it is the dominant legislative output at the EU level (Majone, 1999b) and thus renders it a relevant case for an assessment of how policy capacities of prominent groups together with the behavioral dynamics of public officials shape the influential role of prominent groups.

Importantly, the European Commission is the institutional venue where policymaking processes are initiated within the EU. During the formative stage – before the Commission issues a legislative proposal that will be subsequently discussed at the European Parliament and the Council – pubic officials within the Commission consult and interact with interest groups so as to obtain political and expert information about the content of the legislation. The Commission's need for interest group policy capacities may be particularly high 'as it is understaffed and more dependent on outside input and information than other institutions' (Bouwen, 2009; Mclaughlin, Jordan, & Maloney, 1993). The limited human and economic resources of the Commission as well as its intrinsic need for political information that legitimizes its activities (Rittberger, 2005) makes public officials working in this institution dependent on both analytical and political capacities from interest groups (Klüver, 2011a). Moreover, as in many other national and supranational polities, public officials of the Commission are also constrained by time and resources, which might lead to decision-making short-cuts, bias in selecting information, simplification and distortion in comprehending information, and cognitive and emotional identification with particular ways of solving problems (Jones & Baumgartner, 2005, p. 16).

5.3.2 Sampling

Our sample of regulatory issues is based on a three-step process. Frist, we selected all legislative output passed between 2015 and 2016 and that followed the ordinary legislative procedure – the standard decision-making process used for adopting EU legislation, covering the vast majority of areas of the EU (European Union, 2012). In total, we downloaded 127 legislations through Euro-Lex. Subsequently, we excluded cases that cases that were exclusively distributional in nature (N=10), centered on EU agency functioning or EU internal matters (N=8), could not be classified in any of the six policy domains of interest for the project (n = 36),[32] and codifications of previous regulations (n = 9). Secondly, Commission officials, either senior policy officers or heads or deputy heads of units leading the remaining 64 regulatory issues, were formally invited to participate in the research project. In total, we conducted 48 interviews with public officials of the European Commission

involved in 40 of our sampled issues. Lastly, this paper relies on the information provided by 31 public officials leading 29[33] regulatory issues for which interviewees mentioned at least one interest group as a key actor when developing the regulatory issue and provided information about the interest groups mentioned.[34]

In total, public officials leading the 29 regulatory issues mentioned 109 interest groups as key actors when developing the policy under discussion – some of these groups are mentioned by several public officials involved in different policy issues, in that respect, the unique number of groups is 80.[35] By sampling interest groups through this process, our observations come close to the idea of prominent groups, as they were on-top of public officials' mind when asked about the stakeholders that were important when working on a particular policy issue (Halpin & Fraussen, 2017a).

The next subsection present how we operationalize the different variables. Our operationalizations and analyses rely on three different data sources. Firstly, our dependent and explanatory variables are constructed through the responses provided by public officials during the interviews. Secondly, for each of the groups mentioned by public officials we hand coded group-level characteristics by retrieving information from their websites. Lastly, we conducted desk research using EU official documents and websites in order to collect issue-level information about the 29 policy issues included in the study. In addition, we make use of a fourth database to test the validity of our dependent variable, namely interviews with representatives of prominent groups involved in the 29 policy issues.

5.3.3 Dependent variable

Our dependent variable (i.e., perceived influence) is measured with a question asked to public officials where they had to indicate to what extent the interest groups they mentioned as being key for the development of a policy issue were decisive for the policy outcomes. That is, instead of assessing whether a particular demand of an interest group was incorporated in the final legislation, we want to know if the voice of certain groups is perceived as more significant than others in the process of developing policy issues and in shaping the policy outcomes (Halpin, 2014, p. 182; Maloney et al., 1994, p. 26). Our measure is based on the perceptions of public officials involved in the process, which 'allows to gauge the impact of such an unobtrusive mechanisms and capture both formal and informal ways of influence' (Binderkrantz & Rasmussen, 2015; Flöthe, 2019a, p. 172; Tallberg et al., 2018). By focusing on public officials' perceived influence of prominent groups, we also account for the effects of subtle mechanisms such as the provision of policy capacities and behavioral patterns of public officials. More specifically, perceived influence is measured with the following question: "to what extent where the stakeholders decisive for the final policy outcome?" The options were: 1=Not at all; 2=To some extent; 3=To a large extent. On average, interest groups mentioned by public officials score 2.243 (SD=0.585).

Even though the public officials interviewed were mostly active at the formative stage, their knowledge about the policy issue and about the positions and preferences of the actors involved ensures that their assessment of the dependent variable is accurate. Nonetheless, to assess the validity of this variable and address common source bias, we compare the responses of public officials with the one given by interest group representatives involved in the same set of regulations and directives.[36] In thirty-one out of forty-three observations with available data from both public officials and interest groups, both public officials and interest group representatives assigned identical scores on the question about how decisive were the prominent groups for the final policy outcome, confirming the validity of our dependent variable.[37]

5.3.4 Explanatory and moderating factors

Our explanatory variables are constructed based on public officials' assessment of their interaction with those groups that they mentioned as being key for the development of a regulatory issue. More specifically, we rely on the question "why did you interact with this actor". Respondents had to indicate whether each of the 9 items in Table 5.1 were applicable (1) or not (0) for the regulatory issue under scrutiny.

Table 5.1. Construct of explanatory variables

Variables	Reasons why public official interacted with interest groups
Analytical capacities	*For offering necessary policy expertise*
	For offering high quality policy input in the past
	For offering an assessment of the societal impact
Political capacities	*For offering political information*
	For their ability to mobilize public support
	For representing a key constituency
Policy insider	*For being a familiar partner*
	For being one of the few alternatives
	For being a regular partner

The items included in each of the three variables have been selected based on our conceptualization of the explanatory factors and confirmed with a Principal Component Analysis (PCA) (see Table A1 in Appendix to Chapter V). As reported in Table A1, having 'policy expertise' relates to 'analytical capacities' as well as with being a 'policy insider'. Additionally, the item 'for representing a key constituency' also relates to items in the 'analytical capacities' factor. Lastly, the item 'being a regular partner' included in the construct on 'policy insider' also relates to 'political capacities'.[38] Because some of the items relate to different dimensions, several robustness checks have been conducted to further validate the analyses.

The final variables are additive indexes that range from 0 to 3 for each of the three constructs. Prominent groups score on average 1.514 (SD=1.042) for analytical capacities, 1.202 (SD=1.034) for political capacities, and 2.009 (SD=0.986) for policy insider. Even though the three variables are significantly and positively correlated, the correlation coefficients between them are below 0.5 (see Table A2 in the Appendix to Chapter V).

In addition to these three core explanatory variables, we include a moderating factor: advocacy salience. We center on 'advocacy salience' as one of the dimensions related to salience that is distinct from 'media' and 'decision-makers' salience (Beyers et al., 2018). More precisely, this variable is measured by the number of stakeholders active on the issue through different consultation tools. This operationalization of salience based on the policy activity of lobbying actors has been used before (Bunea, 2013; Junk, 2019b; Klüver, 2011b). The fact that stakeholders mobilize in one of the consultation tools available at the EU level is a good indication that the policy matter is relevant and important for them. To obtain a complete list of groups involved in each of the legislation considered, we consulted the proposal of the European Commission, available consultation documents, and the impact assessments. As we aimed to obtain as comprehensive a picture of stakeholder mobilization as possible, we also revised other official documents, EU websites and register of expert groups. Furthermore, if the list of stakeholders participating in a particular type of consultation could not be identified via these publicly available sources, we contacted the responsible DG to request the list of stakeholders involved.[39] The final measure of advocacy salience is logged in the analysis due to a skewed distribution and transformed into a binary factor that distinguishes between issues with low advocacy salience from those with high advocacy salience.[40]

5.3.5 Control variables

At the group-level, we control for group type by distinguishing between organizations that represent economic interest from citizen groups. There is significant debate in the field about whether group type matters for how influential they are (Dür et al., 2015; Klüver, 2013; Mahoney, 2008), yet the findings are not conclusive. We also control for whether interest groups have members – either individuals or organizations/institutions – or not. This is an important distinction as membership-based interest groups are more likely to possess political capacities, whereas non-membership groups, such as firms usually possess expert knowledge (Bouwen, 2002).

Lastly, at the issue-level, we control for whether the regulation relates to an economic or a non-economic policy domain. Following the logic that context matters (Halpin, 2014, pp. 191–192) when studying interest groups policy capacities and their potential relevance for shaping policy outcomes, we distinguish policy issues developed under 'core' economic Directorate-Generals (DGs) of the Commission from those developed in non-economic DGs.[41] In that regard, we expect that these control variable might moderate the effect of

analytical and political capacities on the dependent variable, as the former are presumably more relevant among economic policy domains, whereas the latter is more demanded in non-economic policy domains.

Table A2 in the Appendix to Chapter V provides a summary of the descriptive statistics and the correlations coefficients among all the variables.

5.4   Examining perceived influence of prominent groups

Before presenting the results of the multivariate analyses, we provided a detailed description of our main variables. Regarding our dependent variable, only 8% of our observations were considered as 'not decisive at all' by public officials', whereas 60% and 32% were considered as 'to some extent' and 'to a large extent' decisive respectively. This variation in the extent to which prominent groups are perceived as influential by public officials indicates that the dependent variable (i.e., perceived influence) is empirically different from the sampling question (i.e., being a prominent group). Regarding our main explanatory factors, their average scores show that public officials more frequently consider policy insiders as prominent groups. This is followed by the possession of analytical capacities and, lastly, political capacities are the least frequently mentioned factor among public officials.[42] However, as shown in the correlation matrix (Table A2 in Appendix to Chapter V), both analytical and political capacities are positively and significantly related to our dependent variable, whereas being a policy insider is not significantly related to the perceived influence of groups on policy outcomes.

To test the four hypotheses, we conducted seven multilevel Ordinary Least Squares regression (OLS). The level of observation are prominent groups that are nested in policy issues. All models are multilevel models with random intercepts for policy issues to account for the heterogeneity of different policy issues. One issue was dropped from the analysis because public officials did not answer how decisive were the six interest groups involved. Because of that, the final n is 103 actors and 28 policy issues. The models have been built stepwise, whereas the tables presented below include the full models with all controls. The results presented below are confirmed with several robustness checks (alternative model specifications, an ordinal regression, controlling for organizational age, resources and issue-complexity, and alternative operationalizations of our explanatory factors, see robustness tests in Appendix to Chapter V). Importantly, the Vif scores in the main models range from 1.135 to 1.482, indicating that multicollinearity is not a problem. Last, all Models in Table 5.2 and 5.3 yield a significant improvement of the model fit when compared to their baseline models with only the control variables.

Models 1 to 4 test hypotheses 1 to 3. We observe that H1 and H2 are confirmed. Groups that have more analytical and political capacities become more decisive for the final policy outcomes. Related to resource-exchange approaches, we find that public officials need interest groups' policy capacities and those groups that more actively invest in analytical

and political capacities become more influential. Regarding H1, public officials in the Commission need technical, detailed, and quality information about policy issues they are working on. In line with previous research, the possession of analytical resources increases the policy impact of groups in decision-making processes (Dür et al., 2015; Flöthe, 2019a; Tallberg et al., 2018). When testing H2, we also find a positive and significant relationship between political capacities and the perceived influence of prominent groups. Intriguingly, previous investigations exploring the effects of similar construct, namely the possession of political information on lobbying success at the national (Flöthe 2019) and international (Tallberg et al. 2018) level, do not find the same relationship. Yet, political capacity (measured in terms of citizen support) has been identified as a relevant factor affecting influence of interest groups in studies focusing on the interaction between groups and the European Commission (Klüver 2011). Public officials of the Commission may be particularly attentive to groups with political information (more than public officials in other polities) due to the democratic deficit of EU institutions (Rittberger, 2005) and the need to legitimize policy choices to different audiences.

Table 5.2. Multilevel OLS regression

	(1)	(2)	(3)	(4)
H1: Analytical capacities	0.303***			0.279***
	(0.047)			(0.054)
H2: Political capacities		0.252***		0.130**
		(0.060)		(0.061)
H3: Policy insider			0.059	-0.118
			(0.083)	(0.078)
Controls				
Group type (Ref: Citizen groups)	-0.002	0.155	-0.012	0.060
	(0.094)	(0.112)	(0.115)	(0.102)
Membership group (Ref: Non-member groups)	-0.122	-0.029	0.073	-0.096
	(0.118)	(0.130)	(0.149)	(0.122)
Advocacy salience (Ref: Low)	0.328*	0.266	0.240	0.317*
	(0.185)	(0.173)	(0.180)	(0.176)
Policy domain (Ref: Non-economic)	-0.268	-0.226	-0.232	-0.317
	(0.201)	(0.189)	(0.205)	(0.198)
Constant	1.801***	1.801***	2.062***	1.852***
	(0.190)	(0.202)	(0.242)	(0.224)
N observations	103	103	103	103
N issues	28	28	28	28
Log Likelihood	-63.021	-71.196	-79.078	-59.821
Akaike Inf. Crit.	142.042	158.392	174.156	139.643
Bayesian Inf. Crit.	163.120	179.469	195.234	165.990

*p<0.1; **p<0.05; ***p<0.01

Contrary to our expectations, the extent to which groups are perceived as policy insiders by public officials does not affect their perceived influence on policy outcomes, hence H3 is rejected. Even though our descriptive statistics show that being a policy insider is the most important reasons to gain a prominent status – which is aligned with previous research (see Braun 2013) –, it does not matter when explaining perceived influence. That is, even though some prominent groups may become part of the 'policy community' of public officials and may have close relationships with them (what Baumgartner & Jones, 1993 label as policy monopoly), that does not necessarily mean that they are more influential on specific policy outcomes.

Table 5.3 tests the moderating effect that advocacy salience has on the relationship between our explanatory factors and prominent groups' perceived influence (H4s). None of our policy capacity factors is significantly related to the dependent variables when controlling for the moderating effect of advocacy salience. However, we observe different trends in Figure 5.1(a) and 5.1(b). Whereas having analytical capacities is always important to be perceived as influential for policy outcomes (regardless of the levels of advocacy salience), prominent groups with more political capacities are perceived as more influential when advocacy salience is high. The higher exposure of salient policy issues makes groups with political capacities more relevant, since public officials want to ensure that they accept the final policy outcomes. However, the effects depicted in Figure 5.1(b) are not significant when including the control variables (p-value = 0.145, see model 6).

Figure 5.1. Estimated coefficients of the explanatory variables (y-axes) in low (0) and high (1) advocacy salience (x-axes).
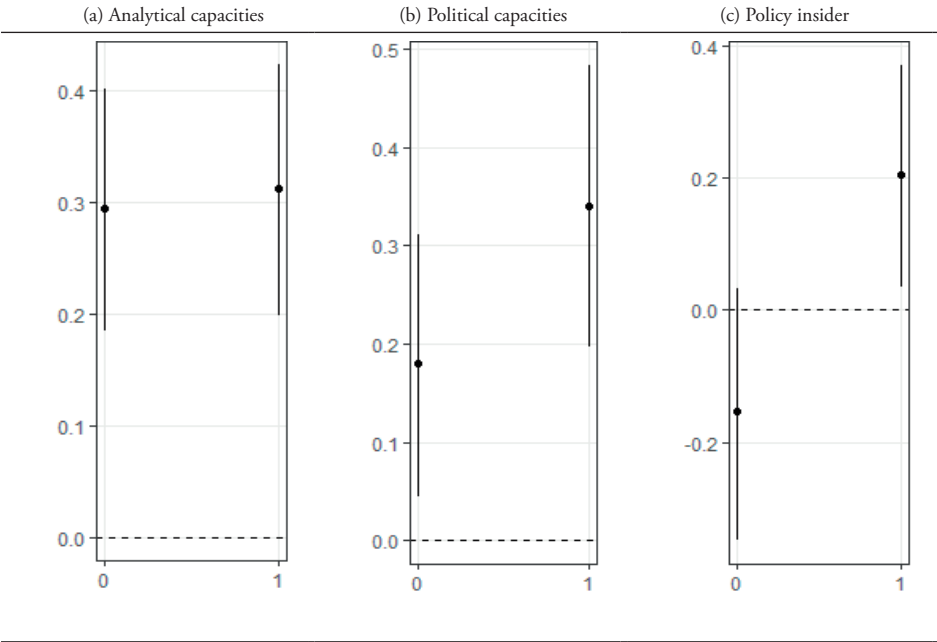
On top of mind, but do they mind?

Table 5.3. Multilevel OLS regression – Interaction effects

	(5)	(6)	(7)
Analytical capacities	0.295***		
	(0.063)		
Political capacities		0.179**	
		(0.077)	
Policy insider			-0.155
			(0.110)
Controls			
Group type (Ref: Citizen groups)	0.298	0.043	-0.456
	(0.236)	(0.229)	(0.314)
Membership group (Ref: Non-member groups)	-0.001	0.130	0.034
	(0.094)	(0.113)	(0.114)
Advocacy salience (Ref: Low)	-0.122	-0.0004	0.131
	(0.118)	(0.130)	(0.149)
Policy domain (Ref: Non-economic)	-0.266	-0.200	-0.219
	(0.200)	(0.189)	(0.183)
Interaction effects			
H4a: Analytical capacities * Advocacy salience	0.018		
	(0.089)		
H4b: Political capacities * Advocacy salience		0.162	
		(0.110)	
H4c: Policy insider * Advocacy salience			0.359**
			(0.140)
Constant	1.816***	1.887***	2.409***
	(0.202)	(0.209)	(0.258)
N observations	103	103	103
N issues	28	28	28
Log Likelihood	-63.000	-70.127	-76.232
Akaike Inf. Crit.	144.000	158.254	170.463
Bayesian Inf. Crit.	167.713	181.967	194.176

*p<0.1; **p<0.05; ***p<0.01

Regarding H4c, public officials perceive policy insiders as more influential for final policy outcomes when policy issues are highly salient. Importantly, this finding holds when considering the moderating effect of advocacy salience as a continuous (logged) variable (see Figure A1 in Appendix to Chapter V). This result indicates that public officials behave differently depending on issue saliency and they perceive policy insiders as more influential when the lobbying community is highly mobilized. In this situation, the problem for public officials is that there is too much attention and information. Consequently, they rely on previous experiences to assess which groups' policy input should be taken into account. Hence, when

there is a lot of noise around a particular policy issue, public officials rely on shortcuts and base their decisions on the input of groups that they know and trust due to previous relations, the policy insiders.

This finding is aligned with Jordan and Maloney's (1997) discussion of policy communities. As they note, 'policy community (…) are a means to make sense within the complexity of modern policy making' (Jordan & Maloney, 1997a see also, Jones and Baumgartner 2012). That is, particularly in highly salient policy issues with ambiguous and complex patterns, policy is resolved in terms of pragmatism and based on trust relationships derived from previous interactions. Yet, as a consequence, public officials might fall into the confirmation bias trap and pay more attention to those groups that were valuable or trustworthy partners in previous policy process. While this facilitates order and control over the policy process, it may hamper the ability to comprehensively tackle policy issues (Baumgartner & Jones, 2015, pp. 13–16).

As regards the group- and issue-level control variables, only advocacy salience is significantly related to our dependent variable (see Model 4 in Table 5.2). The remaining control variables are not significantly related to perceived influence for the final policy outcome: Economic groups are not perceived as being more or less influential for the final policy outcome when compared to citizen groups (for a discussion see, Dür et al., 2015). Likewise, representing members (either organizations or individuals) does not matter either for perceived success, and neither does the substantive nature of the policy issue (economic versus non-economic) shape the influence of interest groups.

5.5 Conclusions

This paper examines why and when do public officials perceive some prominent groups as more influential for policy outcomes of EU regulatory issues while accounting for the moderating role of advocacy salience. In doing so, we make three important contributions to the literature. First, we assess the political relevance of prominent groups by unpacking why and when some of them are they perceived as more influential for policy outcomes. Secondly, while providing a public official perspective, we combine resource-exchange and behavioral approaches, and in this way offer a more comprehensive understanding of prominent groups' perceived influence. Thirdly, we control for the moderating role of advocacy salience, a crucial contextual factor that alters the strategic and behavioral choices of public officials and thus may shape their interaction with prominent groups and the policy impact of such groups.

Our empirical focus and design have two implications for the interpretation and generalizability of our findings. Firstly, our contextualized analysis on prominent groups' perceived influence affects the number of observations we can include in our models as not many groups can be regarded as prominent by public officials. However, we put forward a relevant framework that can be further tested while considering interest groups in general.

Secondly, our analysis is centered on EU regulatory issues, which may affect how our results travel across other polities and legislative types. For instance, the EU demands expertise and legitimacy, two resources that may less outspoken among national governments.

Our findings have important implications for the assessment of prominent groups in policymaking processes. According to our results, public officials particularly value policy capacities as both analytical and political capacities in hands of prominent groups increase their perceived influence on policy outcomes. This is in line with expectations about the strategic choices of public officials derived from exchange theory and resonates with earlier interest group research. Intriguingly, the relevance of policy capacities for the perceived influence of prominent groups is not contingent on the advocacy salience of regulatory issues. In other words, the possession of analytical and political capacities is always important for prominent groups if they want to have policy impact on decision-making processes.

A major novelty of our study is that prominent groups considered as policy insiders among public officials are perceived as more influential when advocacy salience is high. This might be problematic as it is not yet clear why some prominent groups become policy insiders. The influence of policy insiders in highly salient issues is a clear illustration of the role of public officials' emotions and shortcuts when dealing with complex and uncertain issues. These shortcuts ease the decision-making process, but that may hamper the democratic output of these regulatory issues because relevant alternative views, perspectives and voices might not be taken into account (see the trade-off between diversity and clarity described by Baumgartner & Jones, 2015, pp. 50–52). From a normative point of view, it is precisely in highly salient policy issues that public officials should combine information from different sources to gauge the magnitude of the problem and to design an appropriate response. However, public officials seem to fall into the 'identification with the means' phenomenon (Simon 1997), which locks in previous ways of doing things, making adoption of a new or alternative policy solution more difficult and less smooth than it otherwise would be.

NOTES

32 To account for variation across policy areas (Van Ballaert, 2017), the policy issues included cover different policy areas where the EU has exclusive or shared competence with member states: (1) Finance, banking, pensions, securities, insurances; (2) State aids, commercial policies; (3) Health; (4) Sustainability, energy, environment; (5) Transport, telecommunications; (6) Agriculture and fisheries.

33 In one issue, the input provided by the leading public official was subsequently complemented with two interviewees also involved in the same dossier that provided information on three additional stakeholders that were involved in the process but not mentioned by the first interviewee.

34 In the remaining 11 legislations, public officials did not mention interest groups.

35 On average, public officials involved in the 29 regulatory issues mentioned 3,76 prominent groups (SD=2.41; min.=1, max.=9).

36 All the interest groups mentioned by public officials were invited for an interview to discuss the policy issue in which they were mentioned. In total, 41 interviews were conducted with interest group representatives. In these interviews, interest group representatives were asked (1) which were according to them the "key" stakeholders involved in the policy issue and (2) "how decisive were key stakeholders involved in the policy issue under examination".

37 We do not observe any major disagreement among the twelve cases with different scores. In eleven cases where public official indicated that the actor was decisive either to some extent or to a large extent, interest groups never said that the actors was not at all decisive. In one observation public official considered an actor as not at all decisive, whereas the interest groups interviewed regarded the actor as 'to some extent' decisive. Interest group representatives assign higher levels of decisiveness to other interest groups (mean= 2.54, SD=0.50; N=43) when compared to public officials (mean= 2.35; SD=0.52; N=43). As a further test of the validity of the variable, we ran ICC test among the scores assigned by public officials and other stakeholders. The value is 0.56, indicating a fair/good reliability score (Hallgren, 2012).

38 We understand that being a prominent group is conceptually and empirically different from being a policy insider. Whereas prominent groups are those organizations that are considered as key or relevant on a specific policy issue, policy insiders are the ones that have frequent interactions with public officials. In that regard, some groups that are considered as prominent might not be policy insiders for the public official. For instance, a niche environmental organization might be on top of public official mind when working on a regulation that taps into the topic that concerns the environmental group. But the public official might have never interacted before with such an organization because the regulation addresses a new policy issue, and thus it cannot be considered as a policy insider.

39 By relying on an adapted version of the consultation tools listed by the European Commission Better Regulation Guidelines, we reviewed the following consultation tools: open/public (online) consultation; survey and questionnaire; stakeholder conference/public hearings/events; stakeholder meetings/workshops/seminars; focus groups; interviews; commission expert groups/similar entities; SME panels; consultations of local/regional authorities (networks of the Committee of the Regions); direct consultation of special stakeholder groups (including Member States); others.

40 The skewness of the raw variable is 1.04, which is aligned with previous research (Baumgartner, Berry, Hojnacki, Kimball, & Leech, 2009). More specifically, on average policy issues attracted 98.38 stakeholders (SD=108.114), with some issues having zero stakeholders involved through the consultations mechanisms considered and one issue that attracted 341 stakeholders. The dichotomization of the logged variable is based on the quantile distribution of the logged variable (from 0 to 50% is categorized as "low" and from 51 to 100% as "high"), and is aimed at avoiding that few extreme observations drive the results of our models. However, our robustness section runs the models with this variable as a continuous (logged) factor and the results hold.

41 Regulations and directives have been coded as 1 when the DGs responsible was Competition, Economic and Financial Affairs, Financial Stability, Financial Services and Capital Markets Union, Internal Market, Industry, Entrepreneurship and SMEs, or Taxation and Customs Union. Otherwise, the policy issues have been coded as 0 (Murdoch & Trondal, 2013, p. 7).

42 Based on a one-sample t-test comparing the means of each factor to the overall mean of the three factors, we find that policy insiders have a significantly higher mean, while political capacities' mean is significantly lower. Analytical capacities, does not significantly deviate from the overall mean.