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### The New Research Agenda of Examining Organized Interests in Post-Communist Policy-Making

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## The New Research Agenda of Examining Organized Interests in Post-Communist Policy-Making\*

**Abstract:** This paper presents new research agenda focused on organised interests in selected policy areas in the post-communist countries. In recent years, political scientists have made significant advancements in comparatively analysing the influence of organized interests in the political process. However, the post-communist region has been largely neglected. Instead, large bodies of research have focussed on formal political institutions, party systems and the Europeanization of public administrations in Central and Eastern Europe (CEE). The research agenda discussed here seeks to overcome this research gap by exploring the structures, democratic-participative incorporation and impact of organized interests on policy-making in four post-communist EU members: Poland, Czech Republic, Slovenia and Hungary.

**Keywords:** lobbying, organized interests, civic society, Central and Eastern Europe

### Introduction

The authors of this contribution seek to provide some new ideas on the in-depth research of organized interest in the post-communist world of Central and Eastern Europe. The post-communist political and economic transformation is a well-studied phenomenon in political science.<sup>1</sup> Countless scholars have comparatively analyzed the evo-

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<sup>1</sup> J. Hellman, 'Winners take all: The politics of partial reform in post-communist transitions', *World Politics* 50(2), 1998, pp. 203-234; R. Rose, *Understanding Post-Communist Transformation: A bottom-up approach*, Routledge, 2008; S. Ramet, *Central and southeast European politics since 1989*,

lution of formal political and electoral institutions<sup>2</sup>, emerging party systems<sup>3</sup>, as well as the impact of Europeanization on formal political institutions and policy-making in CEE<sup>4</sup>. Despite the impressive wealth of knowledge on the region, the previous literature has widely neglected organized interests as key players in post-communist democracies<sup>5</sup>. This is surprising because organized interests – as a major conveyor of inputs into the political process – can be regarded as a precondition of democracy and facilitator of democratic transitions<sup>6</sup>. On the one hand, organized interests can have a legitimizing effect on democracy by injecting citizens' preferences and expertise into decision-making. On the other hand, the democratic process may also be undermined when certain groups, in particular those engaging in particularistic rent-seeking<sup>7</sup>, acquire monopolistic positions and continuously assert their demands<sup>8</sup>.

At the same time organized interests are burdened with a difficult legacy in CEE. Under communism, political parties historically attempted to turn interest associations into their own extensions or appendages and held a monopoly over participatory politics. This historical constellation and the oppression of civic participation outside

- Cambridge: Cambridge University Press, 2010; L. Bruszt and D. Stark, *Postsocialist Pathways: Transforming Politics and Property in East Central Europe*, Cambridge: Cambridge University Press, 1998.
- 2 M. Beliaev, 'Presidential Powers and Consolidation of New Postcommunist Democracies', *Comparative Political Studies* 39(3), 2006, pp. 375-398; V. Dimitrov and K. Goetz, H. Wollmann, *Governing After Communism: Institutions And Policymaking*, Lanham: Rowman and Littlefield, 2006; G. Easter, 'Preference for presidentialism: Postcommunist regime change in Russia and the NIS', *World Politics* 45, 1997, pp. 184-211.
  - 3 H. Kitschelt and Z. Mansfeldova, R. Markowski, G. Toka, *Post-Communist Party Systems, Competition, Representation, and Inter-Party Cooperation*, Cambridge: Cambridge University Press, 1999; P. Lewis, 'Party systems in Post-communist Central Europe: patterns of stability and consolidation', *Democratization* 13(4), 2006, pp. 562-583; I. McAllister and S. White, 'Political Parties and Democratic Consolidation in Post-Communist Societies', *Party Politics* 13(2), 2007, pp. 197-216.
  - 4 H. Grabbe, 'How does Europeanization affect CEE governance? Conditionality, Diffusion and Diversity', *Journal of European Public Policy* 8(6), 2001, pp. 1013-1031.
  - 5 For exceptions see: H. Pleines, 'Weakness as precondition of smooth integration?', *Journal of European Integration* 33(4), 2011, pp. 507-521; S. Avdagic, 'State-labour relations in East Central Europe: explaining variations in union effectiveness', *Socio-Economic Review* 3(1), 2005, pp. 25-53.
  - 6 P. Schmitter, 'The consolidation of democracy and representation of social groups', *American Behavioral Scientist* 35(4-5), 1992, pp. 422-449.
  - 7 M. Olson, *The Logic of Collective Action: Public Goods and the Theory of Groups*, Cambridge: Harvard University Press, 1965.
  - 8 A. Dür and D. De Bièvre, 'The Question of Interest Group Influence', *Journal of Public Policy* 27(1), 2007, pp. 1-12.

the party apparatus has reinforced the view that organized interests are weak and fragmented in the post-communist world<sup>9</sup>. For example, Attilé Ágh<sup>10</sup> speaks of a “missing middle” after the collapse of communism, thus an absence of institutions which effectively channel societal interests into state and market institutions. This view of perpetual weakness of civil society organizations has been supported by numerous scholars<sup>11</sup>. The aversion to membership in collective organizations is also frequently traced back to the persistence of private networks and the demoralization of citizens under communism, which resulted in wide-spread antipathy for the political process<sup>12</sup>. Hence, authors argue that post-communist politics has become “over-parliamentarized” and over-particized<sup>13</sup>.

In strong contrast to this, Fink-Hafner<sup>14</sup> contends that CEE is experiencing the “reinvention of civil society”, reflected in a manifest growth of new forms and strategies of collective interest representation. Numerous scholars have indeed empirically shown that organized interests have rapidly developed in CEE<sup>15</sup>. This view is backed by a growing number of analyses on the density of membership in civic organizations<sup>16</sup>, their representation in parliament<sup>17</sup>, and the regulatory constraints imposed on their lobbying activities<sup>18</sup>. At the same

9 M. D. Howard, *The Weakness of Civil Society in Post-Communist Europe*, Cambridge: Cambridge University Press, 2003.

10 A. Ágh, ‘Meso-politics in Central Europe: fighting with the infantile disease in Europeanisation and democratisation’, in: A. Ágh and G. Ilonszki (eds), *The Second Steps*, Budapest: Hungarian Centre of Democracy Studies, 1996.

11 T. Cox, ‘Interest representation and state-society relations in East Central Europe’, *Aleksanteri Papers* 2/2012.

12 *Ibid.*

13 N. Pérez-Solórzano Borrágán, ‘EU Accession and Interest Politics in Central and Eastern Europe’, *Perspectives on European Politics and Society* 5(2), 2004, pp. 243-272.

14 D. Fink-Hafner, ‘Organized interests in the policy-making process in Slovenia’, *Journal of European Public Policy* 5(2), 1998, pp. 285-302.

15 D. Duvanova, ‘Interest groups in post-communist countries: a comparative analysis of business and employer associations’, PhD Thesis, Ohio State University, 2007; S. Rose-Ackerman, ‘From Elections to Democracy in Central Europe: Public Participation and the Role of Civil Society’, *East European Politics and Societies* 21(1), 2007, pp. 31-47; C. Wallace and F. Pichler, C. Haerpfner, ‘Changing Patterns of Civil Society in Europe and America 1995-2005’, *East European Politics and Society* 26(3), 2012, pp. 3-19.

16 Fink-Hafner, ‘Organized interests’, pp. 285-302; Howard, *op. cit.*

17 Fink-Hafner, ‘Organized interests’, pp. 285-302.

18 C. McGrath, ‘The development and regulation of lobbying in the new member states of the European Union’, *Journal of Public Affairs* 8(1), 2008, pp. 15-32.

time, scholars of political economy have given increased attention to emerging forms of corporatist and pluralist interest representation of labour interests in CEE<sup>19</sup>.

Despite much progress, we believe that the state of research on organized interests in CEE is unsatisfactory for several reasons. A great deal of work from a civil society perspective has been highly normative, conceptual, and founded upon the neo-Tocquevillian logic that the consolidation and stability of liberal democracy depends on a diverse and vibrant associational landscape. Due its predominantly normative nature, previous research has yet to empirically and comparatively assess how and to what degree societal interests are actually incorporated into the policy-making process. While scattered case studies have traced the influence of organized interests on individual policies in CEE<sup>20</sup>, there has been little comparative research on their structure and influence. Finally and importantly, the strength of organized interests and civil society in CEE may well be underestimated. The European Union (EU) accession negotiations brought about a new array of organized interests at the national level aiming to impact the negotiation process by lobbying national governments. Accession led to processes of diffusion, learning, adaptation to European models and repertoires for interest representation in CEE political arenas<sup>21</sup>, which potentially may have strengthened their bargaining position vis-à-vis national governments. Contrarily, some research has shown that CEE interest groups (in particular business interests) have shifted their lobbying activities to Brussels and thus potentially altered national opportunity structures<sup>22</sup>. Thus, it remains unexplored how the structure and means of influence of organized interests have evolved as a result of European integration.

Considering the advancements and limitations of previous research, we wish to provide a better understanding of governance processes in

19 H. Pleines, 'Social partners and captors. The role of non-state actors in economic policy-making in Eastern Europe', *Romanian Journal of Political Science* 4(1), 2004, pp. 51-65.

20 Avdagic, *op. cit.*, pp. 25-53; T. Cox and L. Vass, 'Government-Interest Group Relations in Hungarian Politics Since 1989', *Europe-Asia Studies*, 52(6), 2000, pp. 1095-1114; A. Roberts, 'The Politics of Healthcare Reform in Postcommunist Europe: The Importance of Access', *Journal of Public Policy* 29:3, 2009, pp. 305-325.

21 Grabbe, *op. cit.*, pp. 1013-1031.

22 Pérez-Solórzano Borragán, *op. cit.*, pp. 243-272.

Central and Eastern Europe by comparatively exploring the position, strategies, and impact of organized interests in policy-making. Against this background, they believe that research on organized interests in CEE could benefit from previous approaches applied in the comparative study of interest groups in western democracies<sup>23</sup>. Here scholars have focused on the institutional structures, resources and strategies which promote or constrain access to decision-making processes<sup>24</sup>, the nature of interest groups (e.g. diffuse, specific)<sup>25</sup> and recently the comparative impact of interest groups<sup>26</sup>.

The outline of the article proceeds as follows: first we describe and explain the general analytical approach. Then we un-pack the research design, contextualizing the objectives, questions and generated hypothesis. In the next section we justify the countries and time-span selection as well as the methods applied. We aim at stimulating academic discourse on methodological and theoretical design useful in researching the role of organized interests in political decision making.

## 1 Objectives and research design

1. The presented research undertaking aims to contribute to the body of literature on the strategies<sup>27</sup>, structure<sup>28</sup> and impact of inter-

23 B. Weßels, 'Contestation Potential of Interest Groups in the EU: Emergence, Structure, and Political Alliances', in: G. Marks and M. R. Steenbergen (eds), *European Integration and Political Conflict*, Cambridge: Cambridge University Press, 2004, pp. 195-215; C. Mahoney, 'Lobbying success in the United States and the European Union', *Journal of Public Policy* 27(1), 2007, pp. 35-56; J. Richardson, 'Government, Interest Groups and Policy Change', *Political Studies* 48, 2000, pp. 1006-1025.

24 E. Grande, 'The State and Interest Groups in a Framework of Multi-Level Decision Making: The Case of the European Union', *Journal of European Public Policy* 3(3), 1996, pp. 318-338; J. Beyers, 'Voice and access: Political practices of European interest associations', *European Union Politics* 5(2), 2004, pp. 211-240; R. Eising, 'Institutional context, organizational resources and strategic choices explaining interest group access in the EU', *European Union Politics* 8(3), 2007, pp. 329-362.

25 M. A. Pollack, 'Representing diffuse interests in EC policy-making', *Journal of European Public Policy* 4(4), 1997, pp. 572-590.

26 See for example: H. Klüver, 'Lobbying as a collective enterprise: Winners and losers of policy formulation in the European Union', *Journal of European Public Policy* 14(3), 2012, pp. 59-76.

27 Eising, 'Institutional context', pp. 329-362.

28 A. Siaroff, 'Corporatism in 24 Industrial Democracies', *European Journal of Political Research* 36(2), 1999, pp. 175-205; C. Crouch and W. Streeck, *The Diversity of Democracy Corporatism, Social Order and Political Conflict*, Cheltenham: Edward Elgar, 2006.

est groups<sup>29</sup>, while advancing the state of research on governance in CEE. This leads to four overarching research questions:

First, what structures of interest intermediation have evolved in post-communist democracies and how have they changed over the course of two and a half decades? Are interest groups systems marked by pluralist, corporatist or more network-like structures (*structural perspective*)? Second, how do interest groups organize civil society and contribute to the political preference aggregation process (“*Willensbildung*”)? Do they seek access to governments, parliaments, or independent authorities (*democratic-participative perspective*)? Third, we are interested to examine the political clout of interest groups over policy-making. To what extent are they able to bring political outcomes in line with their preferences (*impact perspective*)? Fourth, and tying into all these issues, we investigate in parallel how European integration has affected the structure, democratic-participative means, and impact of organized interests in CEE (*Europeanization perspective*).

One outstanding characteristic of interest groups is their fragmented nature. Interest groups systems are often loosely coupled and fragmented into various sub-systems (Eising 2008: 5). Thus, heterogeneous terms are used to describe such organizations, including special interest organizations, associations, lobbies, civil society organizations, social movements, civil groups, etc. Following Eising<sup>30</sup>, we pragmatically stick to the terms “interest groups” and “organized interests” and define them as *non-state, organized groups pursuing political interests by seeking to influence political decision-making processes*.

First we examine the structure of organized interests in the three policy areas: *energy, healthcare, and higher education policy*. To do so, we develop a database of the “population ecology”<sup>31</sup>. Following Streeck and Schmitter’s notion of “*logic of membership*”<sup>32</sup> we examine the groups from which interest groups draw their members, while gathering data on their monetary, staffing and membership resources.

29 Klüver, op. cit., pp. 59-76; Mahoney, ‘Lobbying success’, pp. 35-56.

30 R. Eising, ‘Interest Groups in EU Policy-Making’, *Living Reviews in European Governance* 3(4), 2008, pp. 4-32.

31 M. Hannan and J. Freeman, ‘The Population Ecology of Organizations’, *American Journal of Sociology* 82(5), 1977, pp. 929-964.

32 Streeck and Schmitter, op. cit.

Second, we are interested in how interest organizations are incorporated into the political process and – drawing on Streeck and Schmitter’s “*logic of influence*” – we examine the actors and institutions towards which organized interests represent these interests. How penetrable are post-communist systems for organized interests and how polycentric is the policy-making process? Following the classic distinction between corporatism and pluralism<sup>33</sup>, we explore how power is dispersed across organized interests and how they interact with one another, the state and partisan actors.

Third and following Lasswell’s famous description of politics as “who gets, what, when and how”<sup>34</sup>, the main part of the project explores the factors conditioning the influence of organized interests. Building on a classification by Dür and De Bièvre<sup>35</sup>, we assess the determinants of influence by looking at variations across *interest group-related*, *issue-related* and *socio-economic* factors while also assessing the extent to which the structure of the interest group system (corporatism vs. pluralism) is decisive.

Interest group-related factors: Influence may vary by whether the group defends diffuse or concentrated interests. Due to the free-rider problem, diffuse interests (e.g. consumer groups) are faced with a collective action dilemma<sup>36</sup>, whereas concentrated interests (e.g. firms) have an inherent organizational advantage. Furthermore, organized interests differ in terms of their resources, thus giving groups with greater monetary, staffing and membership resources more political clout. Moreover, specialized expertise may also be an important power asset<sup>37</sup>.

Issue-related factors: Scholars have also highlighted key differences between distributive and regulatory policies. Regarding regulatory issues, lobbies and counter-lobbies are more likely to emerge, as both sides face concentrated costs or benefits. However, heterogeneous interests among the lobbying constituencies are likely to open paths

33 Siaroff, op. cit., pp. 175-205.

34 H. Lasswell, *Politics: Who Gets What, When, How*, Cleveland: Whittlesey House, 1936.

35 Dür and De Bièvre, op. cit., pp. 1-12.

36 Olson, op. cit.

37 S. Lohmann, ‘An Information Rationale for the Power of Special Interests’, *American Political Science Review* 92(4), 1998, pp. 809-827.



for the state to create supporting coalitions and assert their policy preferences<sup>38</sup>. As for distributive policies, it is often easier for groups to find coalition partners with homogeneous interests which can engage in log-rolling. This in turn is expected to enhance interest group influence over policy.

**Socio-economic institutions:** Since most CEE countries in the EU have introduced or more recently converged on parliamentary institutions, there is increasingly little extreme variation regarding state political institutions (i.e. parliamentarism vs. presidentialism)<sup>39</sup>. Instead, we instead look at two potentially crucial socio-economic variables on the structure and impact of organized interests. CEE countries have varied starkly among in terms of economic openness and coordination. We therefore explore the extent to which the degree of economic coordination affects the forms of interest representation and hence their means of influence. Here we assume that more free-market capitalist systems will bring about pluralist forms of interest representation, which may prevent concentrated interest from monopolizing the political process<sup>40</sup>. More coordinated economies<sup>41</sup>, by contrast, may bring about interest representation monopolies and thus corporatists structures, to the detriment of excluded interest groups. An additional key socio-economic factor is whether elections are publicly or privately funded. In privately funded systems with liberal lobbying regulations, we assume that private interests will more easily penetrate the policy-making apparatus and bring policy outputs more closely in line with their preferences than in cases of publically funded elections and tight lobbying regulations.

**Europeanization:** Finally, we explore the influence of Europeanization on interest groups from the outlined *structural, democratic-participative, and impact perspectives*. While scholars have enhanced our understanding of interest groups at the EU level (Mahoney 2007)

38 Dür and De Bièvre, op. cit., pp. 1-12.

39 A. Krouwel, 'Measuring presidentialism of Central and East European countries', *Working Papers Political Science* no. 02/2003.

40 Dür and De Bièvre, op. cit., pp. 1-12.

41 P. Hall and D. Soskice, 'An Introduction to Varieties of Capitalism', in: P. A. Hall and D. Soskice (eds), *Varieties of Capitalism*, Oxford: Oxford University Press, 2001, pp. 1-68.

and the impact of enlargements thereupon<sup>42</sup>, little research has been conducted on the impact of enlargement on CEE organized interests. Grabbe<sup>43</sup> and Pérez-Solórzano Borragán<sup>44</sup> contend that EU integration has fostered processes of diffusion, learning and adaptation, resulting in new repertoires and templates for interest groups. Thus, enlargement and the emerging multi-level nature of policy-making may have cross-effects on CEE interest groups, which engage in EU-related activities as a platform for learning from western peers<sup>45</sup>. While some authors contend that enlargement has strengthened national executives to the detriment of non-state actors<sup>46</sup>, we explore the counterhypothesis that interactions between CEE interest groups and western European counterparts have resulted in a more participative political culture in CEE, ultimately strengthening the bargaining success of interest groups. However, Richardson (2000) argues that Europeanization may also prompt interest groups to exit the national political arena and shift their efforts to the EU level. This “venue shopping” may leave behind an interest representation “vacuum” and creating new national opportunity structures and/or increase the power of the state to assert its demands over societal actors<sup>47</sup>.

Against this background, we derive the following preliminary hypotheses addressing the structure, means of influence and impact of organized interests in CEE:

**Table 1: Explored hypotheses**

Interest group-related factors	
H1	Concentrated organized interests will wield greater clout over policy outputs than diffuse interests due to their inherent organizational advantage.
H2	Organized interests with greater monetary, staffing and personnel resources will marginalize other interest groups and wield greater clout over policy outputs than organized interests with weaker resources.
H3	Organized interests with specialized expertise will enjoy greater recognition and legitimacy among other members of the interest group eco-system and thus wield greater clout over policy outputs than organized interests without specialized information.

42 H. Pleines, 'Weakness as precondition of smooth integration?', *Journal of European Integration* 33(4), 2011, pp. 507-521.

43 Grabbe, op. cit., pp. 1013-1031.

44 Pérez-Solórzano Borragán, op. cit., pp. 243-272.

45 Eising, 'Interest Groups, pp. 4-32.

46 Grabbe, op. cit., pp. 1013-1031.

47 Grande, op. cit., pp. 318-338.

Socio-economic structures	
H4	More free-market, laissez-faire capitalism will result in interest group pluralism, whereas more coordinated economies will result in more corporatist interest group structures.
H5	Organized interests will wield greater clout over policy outputs in systems in which elections are privately funded and lobbying is leniently regulated as policy-makers are more responsive to wealthy interest advocates.
Issue-related factors	
H6	Regulatory issues will bring about heterogeneous lobbies and counter-lobbies, which will enable the state to assert its policy preferences by means of creating supporting coalitions.
H7	As for distributive policies, it is easier for organized interests to find coalition partners who can engage in log-rolling, which thus enhances their clout over policy output.
Europeanization effects	
H8	Interactions between CEE interest groups and western European or transnational counterparts have resulted in the consolidation and professionalization of interest groups at the domestic level, ultimately strengthening their clout over policy output.
H9	If Europeanization has prompted interest groups to exit the national political arena ("venue shopping"), this will either increase the state's clout vis-à-vis interest groups or increase the clout of previously disadvantaged organized interests.

## 2. Selection of issue areas and countries, time period and methods

The analysis of organized interests in three areas – *energy, higher education and healthcare policy* – is justified as follows: First, the differences between and within the policy areas promise broad foundations for general insights. Second, all three policy areas have both a regulatory and redistributive component. Third, the interest group landscape includes both concentrated interests (e.g. energy producers, healthcare providers/physicians, professoriate) and more diffuse interests (environmental groups, healthcare consumers, students). Importantly, each issue area is currently subject to strong reform pressures recently reinforced by Europeanization<sup>48</sup>. This enables us to examine the impact of on the structure and political clout of interest groups, while ensuring a relatively high degree of comparability. Finally, the issues represent a large portion of public budgets and are of long-term strategic importance for the security and well-being of nations. The reform trajectories in CEE countries can be very briefly described as follows:

48 R. Riedel, 'Europeanisation as a Research Strand in EU Studies', *Studia Europejskie* 2(46), 2008, pp. 209-222.

Energy policy: CEE countries share a legacy of environmental neglect and highly inefficient energy usage. The transformation phase heralded steps to use less energy and cut emissions<sup>49</sup>, which was partially facilitated by mass bankruptcies of energy-intensive industries. Common to all our selected countries are, however, limited deposits of natural resources, increasing energy competition and prices as well as dependence on Russian energy. Against this background, CEE countries are pursuing multiple goals aimed at promoting renewable, safe, and diversified energy sources, increasing energy efficiency and forming regional energy markets. Energy policy is also subject to the European energy *acquis*<sup>50</sup>, which prescribes the liberalization of gas and electricity markets and pollution restrictions. Europeanization pressures have been reinforced with the European Energy Policy in 2007, a coordinated strategy to increase energy supply and security, ensure the availability of affordable energy, promote environmental sustainability and combat climate change.

Healthcare: During democratic consolidation, all CEE countries moved away from their inherited healthcare model based on state ownership and control towards the establishment of a national insurance authority or a system of private insurers<sup>51</sup>. Many CEE countries attempted to return to pre-Soviet structures and institutions based on the Bismarck social insurance model. However, economic downturns and high public debt forced many governments to introduce “out-of-pocket” payments to account for the gap in public expenditure. This shift away from large state-run facilities was accompanied by measures to privatize hospitals and transfer services to private providers and decentralized authorities<sup>52</sup>. Even though the healthcare systems are based on the principle of territoriality, European legislation has resulted in increased obligations for member states to integrate for-

49 Idem, 'Political Economy of the Emission Reduction Measures', *Central European Political Studies* (3), 2015, pp. 27-43.

50 Idem, *Supranationalisation of Energy Security In Europe. Theoretical Approaches*, Warszawa: Centrum Europejskie Natolin, no. 40, 2010.

51 Roberts, op. cit., pp. 305-325; B. Rechel and M. McKee, 'Health reform in central and eastern Europe and the former Soviet Union', *The Lancet* 374, 2009, pp. 1186-1195.

52 J. Björkman and J. Nemeč, *Health Reforms in Central and Eastern Europe: Options, Obstacles and Limited Outcomes*, Den Haag: Eleven International Publishers, 2013.

eign suppliers into the domestic healthcare mix<sup>53</sup>. Moreover, the EU has influenced this sector through a number of different regulatory initiatives<sup>54</sup>. In certain policy areas, such as medical trials, data protection and pharmaceuticals, EU legislation and regulations provide common standards and rights, which may exceed those granted by domestic rules. Numerous regulations and directives regarding the movement of medical professionals and social security are also target the healthcare sector.

Higher education: CEE higher education systems have undergone a process of “simultaneous transition”. They are challenged not only by the heavy burdens with which western Europe is also struggling such as underfunding amid expansion, academic output, and efficiency, but also dilemmas particular to their special socio-economic and political circumstances. Among the most crucial post-communist challenges were the dismantling of state manpower planning and the restoration of self-governance, autonomy and academic freedoms, while achieving the proper balance between state regulation and institutional autonomy has been a particularly sensitive issue. CEE higher education systems are increasingly also entrenched in a transnational environment of dynamic interactivity framed by organizations such as the OECD, World Bank and EU. The Bologna Process has provided an impetus for higher education reforms on nearly all levels, including governance, funding, and quality assurance<sup>55</sup>. The Europeanization of higher education has recently also shed light on the relative underperformance of CEE higher education with regard to research, patents, and innovations<sup>56</sup>. This has resulted in targeted state strategies to promote university-industrial collaboration to generate “home-grown” innovations and new economic dynamics.

The following table highlights the contentious (regulatory and distributive) sub-issues which will be explored in detail in the four countries:

- 53 D. S. Martinsen and K. Vrangbæk, 'The Europeanization of Health Care Governance: Implementing the market imperatives of Europe', *Public Administration* 86(1), 2008, pp. 169-184.
- 54 R. Riedel, 'European Patient's Cross Border Mobility Directive', *Public Health* 139, 2016, pp. 222-223.
- 55 M. Dobbins, *Higher Education Policies in Central and Eastern Europe: Convergence towards a common model?*, Basingstoke: Palgrave, 2011.
- 56 M. Dobbins and C. Knill, 'Higher Education Policies in Central and Eastern Europe: Convergence towards a Common Model?', *Governance* 22(3), 2009, pp. 397-430.

Table 2: policy areas and contentions sub-issues

Energy Policy	Healthcare Policy	Higher Education
Improving energy efficiency and renewable energy	Efficiency of the system (waiting times, accessibility, etc.)	University governance
	Sources and channels of funding	University funding
Ensuring energy security	Establishment of system of private insurers	Higher education expansion
Integration with pan-European energy markets	Medical personnel education, career paths, migration (brain drain), mobility	Promoting research and industrial cooperation and mitigating brain drain

As *issue-* and *interest group-*related factors vary within countries and issue areas and Europeanization effects are relatively constant for all new EU members, we base our country selection on the *socio-economic factors* which vastly differ between CEE count. As outlined above, two dimensions may be critical with regard to the potential structure and impact of interest groups: the *degree of economic coordination* and *electoral campaign funding*. Poland constitutes a relatively liberal market economy with a weak degree of coordination, thus providing the foundations for a more pluralist interest group landscape. However, elections are publically funded and extensive lobbying regulations exist, which may stymie the influence of interest groups<sup>57</sup>. The Czech Republic is also a highly open market economy with privately funding elections and weaker lobbying regulations<sup>58</sup>), thus potentially more penetrable by organized interests. Hungary exhibits a higher degree of market coordination, whereby elections are publically funded and lobbying activities relatively tightly monitored<sup>59</sup>. Slovenia is also regarded as one of the few highly coordinated and more corporatist market economies in CEE<sup>60</sup>. However, regulatory controls over lobbying, the funding of parties and electoral campaigns are comparatively weak, hence providing an interesting polar opposite case to Poland.

57 McGrath, op. cit., pp. 15-32.

58 V. Šimral, *The funding and oversight of Political Parties and Electoral Campaigns in Central and Eastern Europe*, Prague: Frank Bold, 2015.

59 J. Ikstens and M. Pinto-Duschinsky, D. Smilov, M. Walecki, 'Political finance in Central Eastern Europe: an interim report', *Österreichische Zeitschrift für Politikwissenschaft* 31(1), 2002, pp. 21-39.

60 Avdagic, op. cit., pp. 25-53.

## Summary

Measuring interest group influence is notoriously complicated, as interest group preferences may be fluid, unstable and unclearly asserted, making it difficult to pinpoint whose interventions were crucial in shaping policy output<sup>61</sup>. Lowery argues that there are “multiple faces of power”<sup>62</sup>. Influence may be based on a sense of obligation, authority or respect and aim to gratify others. Influence may also be driven by “rational persuasion” aimed at improving the logic or information of the “influencee”. Political influence may also take effect by changing the “influencee’s” perception and evaluation of potential alternatives. Hence, decision-makers frequently base their decisions on the anticipated reactions of others, thus abandoning their original preferences. Moreover, interest groups may not necessarily be primarily concerned with shaping policy, rather - in line with Streeck and Schmitter’s “logic of membership”<sup>63</sup> – securing their own survival by mobilizing resources and personnel.

Baumgartner et al.<sup>64</sup> also argue that it is crucial to consider where the status quo lies and how previous efforts in wielding influence fared. If the status quo is strongly embedded and organized interests seek to maintain it, lobbying success will turn out to be a “non-event”. Finally, temporal aspects must also be considered. Previous success in shifting the status quo may make it more difficult for the same interest groups to shape policy at a later point in time. We therefore take a pragmatic approach to operationalize interest group influence. First we analyze their control over *resources* and *actors* during the political process<sup>65</sup>. Specifically, to what extent are they able to bring about a shift in partisan preferences<sup>66</sup>? To address their influence over policy outputs, we draw on the so-called “preference realization method”<sup>67</sup>, according

61 Beyers, op. cit., pp. 211-240.

62 D. Lowery, ‘Lobbying influence: Meaning, measurement and missing’, *Interest Groups and Advocacy* 2(1), 2013, pp. 1-26.

63 Streeck and Schmitter, op. cit.

64 F. Baumgartner and J. Berry, M. Hojnacki, D. C. Kimball, B. L. Leech, *Lobbying and Policy Change: Who Wins, Who Loses, and Why*, Chicago: University of Chicago Press, 2009.

65 Dür and De Bièvre, op. cit., pp. 1-12.

66 L. Miller, *The Perils of Federalism: Race, Poverty and the Politics of Crime Control*, New York: Oxford University Press, 2008.

67 Baumgartner and Berry, op. cit.; Mahoney, ‘Lobbying success’, pp. 35-56.



to which interest group preferences are measured against the initial government proposal, the official legislative bill and the final output.

Recently, more sophisticated quantitative techniques for measuring interest group influence based on content-analysis have been applied<sup>68</sup>. However, we propose a *qualitative case study* approach based on process tracing. *Process tracing*<sup>69</sup> enables us to identify intervening causal practices between independent variables and the outcome with regard to the dependent variable, i.e. interest group influence, while tracking events as they unfold. Hence, process tracing is ideally suited to identify causal mechanisms at action in a given situation. Importantly process-tracing allows us to trace different degrees of preference realization (all of objective, some of objective)<sup>70</sup>, as reform outcomes may be compromises with multiple winners or watered down initial proposals.

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68 Klüver, op. cit., pp. 59-76.

69 A. Bennett and A. George, *Case Studies and Theory Development in the Social Sciences*, Cambridge: MIT Press, 2005.

70 Mahoney, 'Lobbying success', pp. 35-56.



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