**Supplementary Material to - (Don’t) bite the hand that feeds you:**

**Do critical interest groups gain less funding in the EU?**

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# Appendix 1 – Extensive description of the case selection

The EU represents the world’s largest public donor. In 2015, the EU made use of its €20 billion budget to fund 78,827 organizations around the world (70,000 of which are active in EU member states). The general objective of the funds is to sustain the implementation of a project (project funding) or to support an organization’s management/administrative capacity (core funding). The funds cover a broad range of topics: from business and industry to climate action and animal welfare. Eligible actors for the attainment of grants are firms, associations, NGOs, researchers and national public bodies. The subsidies are granted through funding programmes managed in EU countries. There are more than 50 different funding programmes, of which the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund are the largest and well-known ones.[[1]](#footnote-1) Most EU subsidies come in the form of structural and investment funds, allocated by the EC but managed by national authorities and the staff of funding agencies. These have little or no impact on the interest community, since the recipients of the funds, such as start-ups, small enterprises or public bodies, are generally not very active interest groups in the European system of interest representation.

Nevertheless, a proportion of the interest groups active in the EU receives funds in the form of grants that are allocated and managed directly by the EC. These are the focus of our study. European Commission grants generally form approximately 50% of the overall funding budget. Well-known funds falling in this category are the *Connecting Europe Facility*,which receives €2.5 billion for transport, energy and digital services, and *Life+*, which receives€3.4 billion for environmental policy. The importance of these grants is well documented. According to evaluation reports published by the EC (2015, pp. 8-9), funding programmes such as *FP7 NMP for research and development for European industry*, ‘has delivered various economic outputs that will provide acontribution to competitiveness of the European economy’. In the list of the positive effects of the funding scheme, the document reports increased productivity for small and medium enterprises, increased collaboration between firms and universities on scientific research, and increased positive social and environmental externalities (European Commission, 2015). This is an example of many funding schemes that testify to the importance that the EC places on the allocation of grants.

It is a requirement for interest groups wishing to lobby EU institutions, to disclose having received EU grants in the Transparency Register. Currently, approximately 20% of the registered interest groups receive funds from the EU. This is the focus of our analysis, as it ties directly into our main question. The application for funds is a complicated process that requires a noticeable investment of financial and human resources. To decide on the allocation of subsidies, the Commission relies on the expertise of specialists in charge of evaluating proposals. These specialists can be members of the Commission staff or independent specialists recruited for a specific allocation because of their experience and knowledge in the field. Proposals are evaluated against a set of criteria that depend on the funding programme (Sanchez-Salgado, 2014). In the evaluation of applications, it is the Commission’s intention to balance the inputs of interest groups and guarantee an open participatory political system for all interests (European Commission, 2017, p. 1). The EC considers interest group participation in policy-making as important for improving the input legitimacy of the EU’s political system. The balancing purposes of the scheme make the attainment of EC grants an ideal case to study bias in the funding systems.

***References:***

European Commission. 2001. “*European Governance: A White Paper”*, COM(2001) 428 final, Brussels, 25 July 2001.

European Commission. 2015. “Ex post evaluation and impact assessment of funding in the FP7 NMP thematic area”, Main Report, DG for Research and Innovation.

Sanchez-Salgado, Rosa. 2014. “Rebalancing EU interest representation? Associative democracy and EU funding of civil society organizations”, *JCMS: Journal of Common Market Studies*, *52*(2): 337-353.

# Appendix 2 - Summary statistics

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Variables** | **Operationalisation** | **Mean** | **Min** | **Max** |
| Application success  | 1=Successful in application (n=195); 0=Not successful in application (n=75). | 0.70 | 0 | 1 |
| Application to EC grant | 0=no (n=188); 1=yes (n=270); |  | 0 | 1 |
| Attitude | Attitude towards the EU: very cooperative (=1) to very confrontational (=20) | 7.05 | 1 | 20 |
| Group type | 1=NGO (n=118); 2=Business (n=66); 3=other (n=66) |  | 1 | 3 |
| Resources | 1=lowest per group type; to 10=highest per group type | 4.50 | 1 | 10 |
| Project advocacy share | What is the share of advocacy in project (in fractions) | 0.51 | 0 | 1 |
| Organisational complexity  | 1 (=not complex) to 6 (=very complex). | 3.90 | 1 | 6 |
| Importance | 1=not 2=somewhat; 3= moderately; 4=very; 5=critical  | 2.44 | 1 | 5 |
| Experience | How would you rate former application success: 1=no success; 2=20-40% successes; 3=40-60% success; 4=60-80% success; 5=80-100% success. | 2.92 | 1 | 5 |
| EU-15 | 0=non-EU-15 (n=40); 1=EU-15 (n=210). | 0.84 | 0 | 1 |
| Pan-EU  | 1= more than one country (133); 0=one country (104).  | 0.56 | 0 | 1 |
| Consortium | 1= consortium (n=191); 0=no consortium (n=77).  | 0.71 | 0 | 1 |

# Appendix 3 – Logit regression of the likelihood of receiving grants by different measures for attitudes (N=193)

|  |  |  |
| --- | --- | --- |
|  | **Nominal** | **Ordinal** |
| Attitude towards EU - nominal | 0.471 |  |
| Attitude towards EU - ordinal |  |  |
|  *Cooperative* |  | -0.483(0.443) |
|  *Moderate* |  | Ref.  |
|  *Confrontational* |  | 0.162(0.432) |
| Group type | (0.388) | (0.054) |
|  *NGO* | Ref. | Ref. |
|  *Business*  | 0.660(0.500) | 0.670(0501) |
|  *Other.* | -0.161 | -0.162 |
|  | (0.432) | (0.432) |
| Experience  | 0.703\*\*\* | 0.715\*\*\* |
|  | (0.174) | (0.176) |
| Resources | 0.220\*\* | 0.221\*\* |
|  | (0.096) | (0.096) |
| Grant Importance | 0.506\*\*\* | 0.486\*\*\* |
|  | (0.172) | (0.172) |
| Project advocacy share | 0.179(0.366) | 0.184(0.368) |
| Org. complexity | -0.143 | -0.147 |
|  | (0.127) | (0.128) |
| Consortium | -0.134 | -0.132 |
|  | (0.478) | (0.478) |
| EU-15 | 0.282 | 0.261 |
|  | (0.494) | (0.498) |
| Pan-EU | -0.501 | -0.515 |
|  | (0.384) | (0.384) |
| **Diagnostics** |  |  |
| Constant | -0.368 | -0.033 |
|  | (1.360) | (1.370) |
| Country level intercept | 0.000 | 0.000 |
|  | (0.000) | (0.000) |
| Log-likelihood | -96.50 | -96.18 |
| N | 193 | 193 |

Notes: The model is a mixed-effects logit regression which estimates a random intercept for all 26 countries/EU. The dichotomous dependent variable predicts the chance that an organization successfully applied for a grant.Coefficients with standard errors in parentheses. Significance are presented, whereby: \*P<0.05; \*\*P<0.01; \*\*\*P<0.001.

# Appendix 4 – Logit regression estimating the likelihood to apply for EU grant (N=311)

|  |  |  |
| --- | --- | --- |
|  | **Model 1** | **Model 2** |
| Attitude towards EU | -0.018 | -0.040 |
| Group type | (0.032) | (0.041) |
|  *Citizen* | Ref. | Ref.  |
|  *Business*  | -0.788\*\*(0.309) | *Included in ‘other’ (see below)* |
|  *Other* | 0.002 | -0.685 |
|  | (0.312) | (0.539) |
| Resources | 0.138\*\* | 0.124\* |
|  | (0.180) | (0.063) |
| Org. complexity | 0.061 | 0.076 |
|  | (0.087) | (0.085) |
| EU-15 | 0.201 | 0.195 |
|  | (0.347) | (0.344) |
| Pan-EU | 0.700\*\*\* | 0.617\*\* |
|  | (0.266) | (0.262) |
| Group type\*Attitude |  | -0.041 |
|  |  | (0.067) |
| **Diagnostics** |  |  |
| Constant | -0.666 | -1.185 |
|  | (0.467) | (0.529) |
| Country level intercept | 0.317 | 0.022 |
|  | (0.156) | (0.152) |
| Log-likelihood | -193.73 | -196.23 |
| Pseudo R-sq. | 0.06 | 0.05 |
| N | 311 | 311 |

Notes: The model is a mixed-effects logit regression which estimates a random intercept for all 26 countries/EU. The dichotomous dependent variable is whether an organization applied for a grant or not. Coefficients with standard errors in parentheses. Levels of significance are presented, whereby: \*P<0.05; \*\*P<0.01; \*\*\*P<0.001.

**Figure A4 – Marginal difference in application for grant, by attitude \* NGO vs other**

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*Note*: based on model 2, Table 3A. Confidence interval at <0.05. Application is dependent variable.

# Appendix 5 – Interaction effect between the importance of the grant and attitude (N=193)

|  |  |
| --- | --- |
|  | **Model 1** |
| Attitude towards EU | 0.102 |
| Group type | (0.103) |
|  *NGO* | Ref. |
|  *Business*  | 0.738 |
|  | (0.509) |
|  *Other* | -0.314 |
|  | (0.461) |
| Experience  | 0.752\*\*\* |
|  | (0.148) |
| Resources | 0.230\*\* |
|  | (0.104) |
| Grant Importance |  |
| *Very* | -1.846\* |
|  | (1.090) |
| *Moderately* | -0.774 |
|  | (1.143) |
| *Slightly* | -1.584 |
|  | (1.277) |
| *Not at all* | -0.757 |
|  | (2.115) |
| Project advocacy share | 0.116(0.384) |
| Org. complexity | -0.179 |
|  | (0.133) |
| Consortium | -0.084 |
|  | (0.491) |
| EU-15 | 0.326 |
|  | (0.512) |
| Pan-EU | -0.606 |
|  | (0.410) |
| Grant Importance\*Attitude |  |
| *Very \* Attitude* | 0.041 |
|  | (0.134) |
| *Moderately \* Attitude* | -0.116 |
|  | (0.129) |
| *Slightly \* Attitude* | -0.089 |
|  | (0.158) |
| *Not at all \* Attitude* | -0.133 |
|  | (0.300) |
| **Diagnostics** |  |
| Constant | -0.717 |
|  | (1.650) |
| Country level intercept | 0.000 |
|  | (0.000) |
| Log-likelihood | -92.55 |
| N | 193 |

Notes: The model is a mixed-effects logit regression which estimates a random intercept for all 26 countries/EU. The dichotomous dependent variable measures whether an organization successfully applied for a grant or not. Coefficients with standard errors in parentheses. Levels of significance are presented, whereby: \*P<0.05; \*\*P<0.01; \*\*\*P<0.001.

# Appendix 6 – Survey questions

The EU Grant Survey is a research project concerning the application for - and granting of - funds of the European Union. The survey explores the different types of organisations that apply for funding, their experiences with the application procedure, perceptions of the outcome and the link between organisational characteristics and the success of applications, trying to get an understanding of why some organisations succeed in their application, while others do not.

Q1 Did your organisation apply for an EU grant after January 1, 2015? (Second wave: after January 1, 2017)

|  |
| --- |
| Yes |
| No |

Q2 Why did you not apply for funding during this period? Please give an indication of your motivation by assigning percentages to each category

|  |
| --- |
| No need for additional funds |
| Funds proposed did not support our goals |
| Lack of knowledge about application system |
| We need to develop a name |
| Too competitive |
| We want to remain independent from government |
| Other |

Q3 Did you receive this grant?

|  |
| --- |
|  |
| Yes |
| No |

Q4 Roughly, what was the overall worth of the grant you applied for? (in euro's)

|  |
| --- |
|  |
| Less than 50.000  |
| Between 50.000 and 100.000  |
| Between 100.000 and 250.000  |
| Between 250.000 and 500.000  |
| Between 500.000 and 1.000.000  |
| Between 1.000.000 and 5.000.000  |
| More than 5.000.000  |

Q5 What percentage of this grant did you receive?

|  |
| --- |
| Less than 25%  |
| Between 25 and 50%  |
| Between 50 and 75%  |
| More than 75%  |

Q6 Did your organisation apply for this grant independently or as a consortium with other organisations?

|  |
| --- |
|  |
| Independently |
| Consortium |

Q7 Was your organisation the official leader of this consortium?

|  |
| --- |
|  |
| Yes |
| No |

Q8 How did you find out about the application system?

|  |
| --- |
| EU Commission's website (1)  |
| Call for application via (e)mail (2)  |
| Someone outside EU institutions informed our organisation (3)  |
| Someone inside EU institutions informed our organisation (4)  |
| Other:  |

Q9 What type of funding did you apply for?

|  |
| --- |
| Core funding |
| Project funding  |

Q10 Which policy domain did you apply for?

|  |
| --- |
|  |
| Agriculture, fisheries and foods |
| Business |
| Culture, education and youth |
| Economy, finance and tax |
| Employment and social rights |
| Energy and natural resources |
| Environment, consumers and health |
| External relations and foreign affairs |
| Justice, home affairs and citizens' rights |
| Regions and local development |
| Science and technology |
| Transport and travel |
| Other, please specify |

Q11 What activities did the grant cover? Please note that the total should add up to 100%

|  |
| --- |
|  |
| Research and innovation |
| Project costs |
| Representation of members |
| Advocacy or public affairs (e.g. pay staff, consultants, communication) |
| Promotion or other activities to create awareness |

Q12 What percentage of the overall budget of the project does the grant cover?

Q13 Roughly, how important is the subsidy for the sustainability of your organisation in the upcoming five years?

|  |
| --- |
|  |
| Extremely important |
| Very important |
| Moderately important |
| Slightly important |
| Not at all important |

Q14 Roughly, how important was this subsidy for the sustainability of your organisation in the upcoming five years?

|  |
| --- |
|  |
| Extremely important |
| Very important |
| Moderately important |
| Slightly important |
| Not at all important |

Q15 Did you feel you had to adapt aspects of your policies and operations in order to qualify for the grant?

|  |
| --- |
|  |
| Yes |
| No |

Q16 In what areas did you feel you had to change aspects of your policies and operations to qualify for the grant?

|  |
| --- |
|  |
| Register in EU transparency register |
| Create a transparency protocol |
| Develop efficient indicators |
| Set-up a separate accounting system for the organisation |
| Set-up a systematic evaluation of your organisation |
| Adapt aspects of your policy goals |
| Engage in partnerships with other organisations |

Q17 Could you give an indication of why you think your application was granted? Please assign percentages to the applicability of each reason, mounting up to a total of 100%

|  |
| --- |
|  |
| The innovative aspect of our application |
| The alignment with EU objectives |
| Our knowledge of application system |
| Track record of our organisation |
| Lack of competition on this particular issue |

Q18 Could you give an indication of why you think your application was not granted? Please assign percentages to the applicability each reason, mounting up to a total of 100%

|  |
| --- |
|  |
| The application was not innovative enough according to the European Commission |
| Our policy goals are in contrast with EU objectives |
| We were not familiar with the application system |
| Our track record was not as established as other organisations |
| Too much competition on that particular issue |

Q19 To what extent did you receive help from other organisations in completing your application?

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| We received no help whatsoever | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Someone else did the application for us | N |
| % |  |  |  |  |  |  |  |  |  |  |  |  |

Q20 To what extent have you used more resources in advocacy and public affairs since the grant was awarded?

|  |
| --- |
|  |
| Not at all |
| Slightly |
| Moderately |
| Very |
| Extremely |

Q21 Have you used more resources in advocacy and public affairs at the EU level or at the national level?

|  |
| --- |
|  |
| Mostly at the EU level |
| Equally at the EU level and the national level |
| Mostly at the national level |

Q22 Have you used these resources in inside lobbying (such as talking to Members of Parliament or public servants) or outside lobbying (such as in the media - or in protest activities)?

|  |
| --- |
|  |
| Mostly in inside lobbying |
| Equally in inside and outside lobbying |
| Mostly in outside lobbying |

Q23 Have you ever applied for EU funding during the last five years?

|  |
| --- |
|  |
| Yes |
| No |

Q24 If you consider all applications you have done during the past five years, roughly, how would you rate your success rate in applying for EU grants?

|  |
| --- |
|  |
| Less than 20% |
| Between 20 and 40% |
| Between 40 and 60% |
| Between 60 and 80% |
| More than 80% |

**Organisational background**

Q25 What type of organisation describes [name organisation] best?

|  |
| --- |
|  |
| A business association (e.g. ESBA) |
| A professional organisation (e.g. SEAP) |
| An NGO or a citizen group (e.g. Greenpeace) |
| A labour union (e.g. ETUC) |
| A research institute |
| A firm |

Q26 How often in the last year was your organisation involved in the following activities?

Answers: Not once, at least once, at least once every quarter, at least once every month, at least once every week.

|  |
| --- |
|  |
| Demonstrations |
| Advocacy in media |
| Publishing position papers |
| Organising seminars |
| Filing petitions |
| Active in online consultations |
| Speaking with domestic Parliaments |
| Speaking with domestic Ministries |
| Speaking with MEPs and/or staff |
| Speaking with EC staff |

Q27 In which of the following fields is your organisation mainly active? (if applicable)

|  |
| --- |
|  |
| Culture or religion |
| Animal rights |
| International aid |
| Environmental protection |
| Human rights |
| Rights of minorities |
| Recreative activities |

Q28 In which of the following industries is your firm mainly active? (if applicable)

|  |
| --- |
|  |
| Agriculture, forestry and fishing |
| Mining and quarrying |
| Manufacturing |
| Electricity, gas, steam and air conditioning |
| Water supply; sewerage, waste management and remediation |
| Construction |
| Wholesale and retail trade; repair of motor vehicles and motorcycles |
| Transportation and storage |
| Accommodation and food services |
| Information and communication |
| Finance and insurance |
| Real estate |
| Professional, scientific and technical activities |
| Administrative and support service activities |
| Public administration and defence; compulsory social security |
| Education |
| Human health and social work |
| Arts, entertainment and recreation |
| Other services |

Q29 Many organisations have different types of members. We use the term member in a broad sense, including both members with voting rights and donors. Roughly, how many of the following types of members does your organisations have? (Umbrella organisations can add up their own members and the members of their members): answers: 0; 0 – 10; 10 – 100; 100 – 1000; 1000 - 10.000; 10.000 - 100.000; 100.000 - 1.000.000; More than 1.000.000

|  |
| --- |
|  |
| Individuals (not work-related) |
| Individuals (work-related) |
| (Semi) Public organisations |
| NGO's or interest groups |
| Firms |

Q30 You indicated that your organisation has firms as members. In which of the following industries are these firms mainly active?

|  |
| --- |
|  |
| Agriculture, forestry and fishing |
| Mining and quarrying |
| Manufacturing |
| Electricity, gas, steam and air conditioning |
| Water supply; sewerage, waste management and remediation |
| Construction |
| Wholesale and retail trade; repair of motor vehicles and motorcycles |
| Transportation and storage |
| Accommodation and food services |
| Information and communication |
| Finance and insurance |
| Real estate |
| Professional, scientific and technical activities |
| Administrative and support service activities |
| Public administration and defence; compulsory social security |
| Education |
| Human health and social work |
| Arts, entertainment and recreation |
| Other services |
| All of the above |

Q31 You indicated that your organisation has individuals as professionals as members. In which of the following industries are these members mainly active?

|  |
| --- |
|  |
| Agriculture, forestry and fishing |
| Mining and quarrying |
| Manufacturing |
| Electricity, gas, steam and air conditioning |
| Water supply; sewerage, waste management and remediation |
| Construction |
| Wholesale and retail trade; repair of motor vehicles and motorcycles |
| Transportation and storage |
| Accommodation and food services |
| Information and communication |
| Finance and insurance |
| Real estate |
| Professional, scientific and technical activities |
| Administrative and support service activities |
| Public administration and defence; compulsory social security |
| Education |
| Human health and social work |
| Arts, entertainment and recreation |
| Other services |
| All of the above |

Q32 We would like to get an insight in how diversified your market is. Roughly, where are your costumers located?

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| From one EU country | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | From all EU countries | N |

Q33 In which country is the majority of your costumers located?

Q62 We would like to get an insight in how diversified your members are concerning their origin. Roughly, where are your members located?

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| In one EU country | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | In all EU countries | N |

Q34 In which country is the majority of your members located?

Q35 Which of the following statements apply to your organisation?

|  |
| --- |
|  |
| Our organisation has a board of directors |
| Our organisation has a communication department |
| Our organisation has at least one inhouse lobbyist |
| Our organisation has regional departments |
| Our organisation has a secretariat |
| Our organisation has professional accountants |
| Our organisation follows the project cycle approach |

Q36 Roughly, how long has your organisation been active in the EU? (In either advocacy or grant applications at the EU level)

Q37 How much staff does your organisation employ for advocacy and/or public affairs? Please give an indication in FTE

Q38 Do you have an office in Brussels?

|  |
| --- |
|  |
| Yes |
| No |

Q39 When was your office in Brussels established? (yyyy)

Q40 How much staff is employed at the office in Brussels? Please give an indication in FTE

Q41 Roughly, on a scale from 1 to 10, how would you rate your organisations' overall attitude towards the EU?

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | Consensus seeking | Confrontational |
|  |  | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| European Parliament  | % |  |  |  |  |  |  |  |  |  |  |
| European Commission | % |  |  |  |  |  |  |  |  |  |  |

Q42 Could the attitude of your organisation towards the European Union affect the success rate of your application proposals?

|  |
| --- |
| Yes |
| Somewhat |
| No |

Q43 Why do you think this is the case?

Q44 What is the total budget of your organisation? (in euro's)

|  |
| --- |
|  |
| Less than 100.000 |
| Between 100.000 and 250.000 |
| Between 250.000 and 500.000 |
| Between 500.000 and 1.000.000 |
| Between 1.000.000 and 5.000.000 |
| Between 5.000.000 and 10.000.000 |
| Between 10.000.000 and 50.000.000 |
| Between 50.000.000 and 100.000.000 |
| Between 100.000.000 and 1.000.000.000 |
| More than 1.000.000.000 |

Q45 When was your organisation founded?

Q46 In which country are the headquarters of your organisation located?

|  |
| --- |
|  |
| Austria |
| Belgium |
| Bulgaria |
| Croatia |
| Cyprus |
| Czech Republic |
| Denmark |
| Estonia |
| Finland |
| France |
| Germany |
| Greece |
| Hungary |
| Ireland |
| Italy |
| Latvia |
| Lithuania |
| Luxembourg |
| Malta |
| The Netherlands |
| Poland |
| Portugal |
| Romania |
| Slovakia |
| Slovenia |
| Spain |
| Sweden |
| United Kingdom |
| A non-EU country |

1. The allocation of all EU funds can be consulted on the website of the Financial Transparency System. http://ec.europa.eu/budget/fts/index\_en.htm [↑](#footnote-ref-1)