

This item is the archived peer-reviewed author-version of:

Writing blank checks? How government funding affects interest organisations' advocacy behaviour in a multi-layered context

Reference:

Heylen Frederik, Willems Evelien.- Writing blank checks? How government funding affects interest organisations' advocacy behaviour in a multi-layered context
Journal of European public policy - ISSN 1350-1763 - 26:6(2019), p. 863-882
Full text (Publisher's DOI): <https://doi.org/10.1080/13501763.2018.1495250>
To cite this reference: <https://hdl.handle.net/10067/1521920151162165141>

Writing blank checks?

How government funding affects interest organisations' advocacy behaviour in a multi-layered context

Frederik Heylen

Evelien Willems

Abstract. This article analyses how government funding affects the interactions interest organisations initiate with governments in a multi-level context. Governments rarely write blank checks, but rather specify eligibility and spending requirements when funding interest organisations. Our primary argument is that these requirements do not only impact organisations' interactions with their benefactors, but that they may also impact interactions with governments at *other* levels. We analyse this expectation drawing data from a recent survey of a representative sample of Belgian interest organisations. Our results demonstrate that organisations dependent on funding from the subnational and European level are less prone to interact with the national government. Whereas, organisations dependent on national government funding are not less likely to contact the subnational level of government. This variation is explained by the various ways these respective governments implement discretion.

Keywords. discretion, government funding, interest organisations, multi-level strategies, resource dependency

Introduction

Governments have an interest in establishing stable ties with interest organisations because they provide expertise, signal public support, or facilitate policy implementation (Bouwen 2002; Coen 2007; Haverland & Liefferink 2012). In exchange, governments often support organised interests with funds (Fraussen 2014; Mahoney & Beckstrand 2011; Mosley 2012). However, governments may specify rules and requirements for the acquisition and use of financial support. Such conditions may impact organised interests' advocacy behaviour by making the organisation sensitive to their main funders' preferences. For instance, the European Commission (EC) demands that the activities of its beneficiaries reflect a European dimension. Furthermore, interest organisations advocating the transfer of competences back to the Member States will not be funded (Sánchez-Salgado 2007). The EC is not the only political institution that specifies a *degree of discretion* regarding the spending of its funds. For instance, Celis, Mackay, and Meier (2012:18) illustrate that the Flemish government – one of the subnational governments of Belgium – attempts to ensure a return on investment by requiring organisations not to spend too much time on national policies. However, there is little systematic research on how funding rules impact the advocacy behaviour of organised interests when organisations depend on funders at multiple levels of government.

Analysing how government funding fosters or stifles advocacy behaviour is relevant for our understanding of the overall legitimacy and coherence of multi-level political systems. Through funding, governments may stimulate the construction of political communities at their level. Supporting a steady mobilisation of an established community of organised interest may strengthen the political legitimacy of the European Union (EU) and the subnational level of government (Héritier 2004: 26; Follesdal & Hix 2006; also Keating & Wilson 2014).

Additionally, the overall coherence of a multi-level political system is affected by government funding. For instance, establishing close financial ties with interest organisations at one level may stifle organised interests' proclivity to approach governments at other levels (Bartolini 2005: 270). This may be problematic as many societal concerns (e.g. gender issues) are transversal and therefore must be addressed across levels of government (Celis et al. 2012: 2).

So how does government funding affect interest organisations' advocacy activities in a multi-layered context? We argue that the rules and requirements implemented on one governmental level may motivate or hinder interest organisations from interacting with governments at other levels. Our theoretical foundation is 'resource dependency theory' (RDT), which states that organisations experience external control from actors who supply them with resources (Pfeffer & Salancik 1978). Empirical tests of RDT often focus on dyadic interactions between funders and recipients. However, nowadays, political environments are, particularly in Europe, increasingly multi-layered. Nevertheless, empirical tests of how organisations manage multiple incompatible benefactors' demands are scarce (Hillman et al. 2009; Wry et al. 2013). Following Pfeffer and Salancik (1978) our primary expectation is that the criticality of government funding and the degree of discretion recipients enjoy are the most important conditions when organisations interact with multiple funders. Criticality is defined as an organisation's capacity to function when losing vital resources. The degree of discretion is defined as the extent to which benefactors are able and willing to regulate the eligibility and use of funding. Certain rules may stimulate or stifle advocacy toward the benefactor or other governments. Hence, strong critical dependency and low discretion increase the likelihood that government funding will affect advocacy behaviour.

In this article, we analyse recent survey evidence from 727 Belgian interest organisations. We supplement this with a qualitative analysis of key legislation and nine in-depth expert interviews regarding the funding of organised interests. Belgium provides an interesting case because previous research indicates that funding from the EU and Belgian subnational governments may steer advocacy activities (Celis et al. 2012; Sánchez-Salgado 2007). Furthermore, the institutional arrangement of Belgium allows us to compare the effect of funding from different governments on the same set of interest organisations. Our analysis reveals that a strong dependence on subnational and European funding systematically leads to fewer interactions with the national government. However, relying on national government funding does not diminish contact with subnational governments. We argue that this differential effect of government funding can be explained by how funders implement discretion at different levels of government. This conclusion applies even when controlling for the division of policy competences, resources, age, and organisation type.

Theoretical framework

Interactions between interest organisations and governments are rarely a one-way street since policymakers are incentivised to involve interest organisations in policymaking (Bouwen 2002; Coen 2007; Eising 2007). First, interest organisations can supply governments with technical expertise and information on the policy preferences of key societal actors (Bouwen 2002; Eising et al. 2017; Haverland & Liefferink 2012). Second, interest organisations perform an intermediary function which is instrumental for policy implementation (Bouwen 2002; Haverland & Liefferink 2012; Milward & Provan 2000; Streeck & Schmitter 1985). Third, the mobilisation of national (or subnational or European) interest organisations is crucial in

developing a political community, which is vital for building political orders (Bartolini 2005; Keating & Wilson 2014; Plotke 1996).

Governments can shape their interactions with civil society through funding interest organisations (Bloodgood & Tremblay-Boire 2016; Fraussen 2014; Greenwood 2007; Kohler-Koch & Finke 2007). In this regard, RDT is often employed to discuss the impact of government funding on the behaviour and structure of interest organisations. One frequently cited concern is that government funding may restrain interest organisations from political interactions because they ‘do not wish to bite the hand that feeds them’ (Bloodgood & Tremblay-Boire 2016; Chaves et al. 2004; Mosley 2012; Verschuere & De Corte 2012). However, most research demonstrates that funded organisations are more inclined to approach their beneficiary government (Buffardi et al. 2015; Chaves et al. 2004; Mosley 2012; Moulton & Eckerd 2012; Neumayr et al. 2015). These observations align with RDT. For instance, Pfeffer and Salancik (1978) claim that to survive and achieve their goals, organisations interact more with entities in their environment that control vital resources.

One important remark is that these interactions may or may not result in organised interests’ loss of autonomy. Pfeffer and Salancik (1978) describe several conditions which make external control (by governments) more likely. We analyse two of these conditions: (1) the criticality of the resource and (2) discretion. Some authors emphasise the *criticality* of resource dependency (Beyers & Kerremans 2007; Bouwen 2002; Khieng & Dahles 2014). Criticality here means, ‘*the ability of the organisation to continue functioning in the absence of the resource*’ (Pfeffer & Salancik 1978: 46). Criticality might explain the varying degree to which interest organisations interact with funding governments.

Additionally, in a multi-layered context, funding received from one government may

impact the advocacy activities between recipients and other governments. Although empirical tests of RDT typically focus on dyadic interactions between funders and recipients, interest organisations are often confronted with competing demands and opportunities at various levels of government (Hillman et al. 2009; Wry et al. 2013). Pfeffer and Salancik (1978) assert that a funder’s implemented discretion is crucial for understanding the effect of competing resource-interdependencies. However, this condition has received limited systematic research attention. We define discretion as the extent to which benefactors are able and willing to establish rules and requirements for the acquisition and use of funding (Pfeffer & Salancik 1978: 48). These rules and requirements are crucial because they may affect the advocacy activities of interest organisations. For instance, governments may demand exclusivity of territorial focus, prioritise engaging in certain policy topics, or (dis/en)courage organisations to contact governments at other levels.

Table 1. Effect of discretion and critical funding on advocacy activities directed towards other levels of government

	Government provides	
	<i>High Discretion</i>	<i>Low Discretion</i>
<i>Critical Funding</i>	No effect	Strong effect
<i>Not critical</i>	No effect	No/Weak effect

Four outcomes may result from these two conditions (Table 1). Regardless of how critical funding is, it will not affect the multi-level strategies of the recipient (left top and bottom cells) if the funder is unable or unwilling to determine with whom the organisation may interact (the equivalent of writing a blank check). However, when funders provide little or no discretion, this may affect the recipients’ multi-level strategies. If funding is critical, this will have a strong effect (top right cell). But if funding is not critical, it is unlikely that this will have a strong impact (bottom right cell). In short, critical dependencies combined with low discretion is likely

to affect interest organisations' advocacy behaviour.

We assert that governments' degree of discretion is a function of their legal-administrative capacity and their political goals. With regards to their capacity, in multi-layered political systems, governments vary in their competency over policy domains. When governments are exclusively competent, it is more likely that they will have sufficient financial autonomy and legal capacity to (extensively) regulate funding streams (Deschouwer 2012; Loughlin 2000). This may be less likely in domains where competences are limited or shared, because the diverse nature of funding relations may mitigate dependency on one government (Pfeffer & Salancik 1978: 50). Additionally, the content of government funding policies can also vary in terms of their political goals. One goal that is particularly prevalent in evolving (multi-level) contexts is political order building (Plotke 1996). According to Plotke, 'political orders are built by political blocs that include' 'movements and interest groups' (1996: 39). Specifically, governments may attempt to consolidate and develop systems of interest representation by facilitating advocacy activities and cooperation with and between organised interests (Plotke 1996: 60). Governments thereby ensure continuous policy expertise from recognised organised interests; this may contribute to the overall legitimacy of a political order (*ibid.*; Bouwen 2002).

Subnational governments may seek to foster stable ties with interest organisations within, but not beyond, their own jurisdictional boundaries (Keating & Wilson 2014: 852). In addition, previous research demonstrates that European institutions are poised to develop an EU-wide interest community which 'may create legitimacy for public action' or at least strengthen the bargaining position of EU institutions and raise support for particular policy solutions (Héritier 2004: 26; Greenwood 2007: 344). However, establishing and supporting

subnational and European interest communities may hollow out national governments by ‘undermining national mechanisms of political representation and legitimation’ (Bartolini 2005: 408; Follesdal & Hix 2006; Keating & Wilson 2014; Schmidt 2013; Skelcher 2000). We can therefore predict that subnational and European levels of government are more eager to establish rules and requirements that ensure organised interests will focus on their polity; shifting the focus from contacting national governments. National governments may counter these dynamics by stimulating cooperation among organised interests from different regions (Billiet et al. 2006; Celis et al. 2012).

Research design

Belgium provides an interesting case for examining government funding’s effect on advocacy behaviour in a multi-level context; as interest organisations can gain funding from multiple governments. Belgium is characterized by both centrifugal federalism (fleeing from the centre) and the uploading of policy competences to the EU. Currently, substantial competences are delegated to Belgium’s principal subnational governments; Dutch-speaking Flanders and predominantly French-speaking Wallonia.¹ Nowadays, domains such as sport, culture, education, environment, mobility, and infrastructure are subnational competences. The opportunity to implement funding programs for interest organisations arose alongside the delegation of competences to the subnational level (Keating & Wilson 2014). Policy domains such as gender, health and social affairs are shared. The Belgian national government currently remains primary legislator in domains such as development cooperation, fiscal policy, economic policy, social security, foreign affairs, and justice (Deschouwer 2012). These domains are, to a varying degree, also subject to European legislation. Furthermore, the EU has

several channels to fund domestic interest organisations (Mahoney & Beckstrand 2011; Sánchez-Salgado 2010). In summary, Belgian interest organisations substantially rely on funding from national, subnational and European institutions. At the same time, since many key policy domains are fragmented, Belgian interest organisations must engage with governments at multiple levels.

In this article, we opt for a broad conceptualisation of organised interests, encompassing a wide range of actors that stand between citizens and the government; these include citizen groups, non-profits organisations, labour unions, leisure, and business associations. Our sample focuses on organisations that aim to represent (sub)national constituencies and excludes organisations that primarily mobilise at the local level (provinces and cities). The data collected among organised interests is part of a larger research project consisting of comparative surveys in various European countries (www.cigsurvey.eu; Beyers et al. 2016). The sampling procedure yielded a list of 1691 interest organisations. These organisations were surveyed on topics such as political strategies, organisational development, and management. We ultimately achieved a response rate of 43 percent (n=727).² These organisations constitute a representative sample of Belgian interest organisations (Online Appendix Figure 1A). In addition, we conducted a content analysis of key legislation regarding the funding policies of subnational and national governments. We also conducted nine interviews with expert interest representatives and government officials. The experts were selected to represent different types of interest organisations active in domains with substantial funding streams across levels of government (see Online Appendix).

To map the advocacy activities of interest organisations aimed at the different levels of government in Belgium, we construct four measures (one for each level of government). These

are the dependent variables in our analysis. To construct these variables, we asked respondents how frequently their organisation had contacted governmental actors in the past 12 months. In separate batteries, we assessed contacts with governmental actors at (1) the European, (2) national, (3) Flemish, and (4) Francophone levels of government. The items in each battery contained the most important governmental actors at this level, ranging from the legislative to the executive and administrative branch. The response options ranged from ‘no access’ to ‘at least once a week’. We created four indices by adding the response options of each governmental level (see Online Appendix).

To gauge critical dependence upon government funding, the respondents indicated the percentage of the budget (2015) coming from subnational, national and European levels of government. To meaningfully compare the coefficients of funding, we standardised these three percentages.³ By including these three variables into the analysis (i.e. relative proportions of the budget), we estimate the criticality of government funding. The higher the share of funding coming from one government, the more critically dependent the organisation will be upon this government. Although we do not directly measure the degree of discretion in the statistical analysis below, we discuss the varying degrees of discretion governments offer to beneficiaries based on the content analysis and expert interviews. This helps to contextualise and illustrate the robustness of our statistical results.

We add six control variables. First, the division of competences is a crucial factor we control for. Organisations who are interested in certain domains must turn to the government competent for that matter (Greenwood 1997). To do so, we created three dichotomous variables: indicating, respectively, whether organisations are active in subnational, national or shared competences (Online Appendix Table 2A). Second, we control for whether the organisational

membership is principally located at the subnational or national level of government. This is crucial because organisations with a (sub)national membership are more likely to focus on the (sub)national level of government (Pralle 2003). Third, we control for organisations' finite capacity to conduct advocacy work. More precisely, those who interact already with one (or more) level(s) of government may interact less with other levels of government. We control for this by adding the measures of advocacy at other levels of government as control variables. Fourth, we control for resource endowment, particularly whether well-resourced organisations have greater capacity to interact with governments (e.g. Kohler-Koch et al. 2017). For this purpose, we construct a categorical variable which indicates whether the organisational budget is at (between €100000 and €500000), below the median (<€100000), or above the median (>€500000) budget in the sample. Fifth, we control for organisation type since some types of organisations may be more politically active. Based on information from their websites, we created a variable distinguishing between different types of organisations (Binderkrantz 2008; Online Appendix Table 3A). Finally, we control for organisational age (Buffardi et al. 2015) since the advocacy behaviour of older organisations may reflect the political situation before the federalisation of Belgium (distributions in Online Appendix Table 4A).

Analysis: criticality and discretion of government funding in Belgium

The key independent variable in our analysis is government funding. We argue that government funding may affect advocacy behaviour, depending on two conditions. The first condition is criticality. Among the interest organisations in our sample, on average 37 percent of their budget originates from government funding. This underlines the importance of government funding for Belgian interest organisations. In addition, 64 percent of all

organisations receive funding from at least one government. However, there are stark differences with respect to the (critical) dependence on funding from different levels of government. Of organisations who receive at least one quarter of their budget from government, 36 percent depend on subnational funding and 13 percent on national government funding. In contrast, only 2 percent depend for one quarter of their budget on EU funding. The data show that a substantial number of Belgian interest organisations critically depend upon national and subnational government funding.

The second condition is discretion, which is the extent to which governments are able and willing to implement rules and procedures regarding funding. The implementation of (extensive) funding programmes is a function of the legislative competences and thus also the financial autonomy governments have in specific policy domains (Deschouwer 2012; Loughlin 2000). As corroborated by all our expert interviewees, in policy domains for which governments hold exclusive competences, larger funding streams are often more extensively regulated. For instance, we see that the national government provides large-scale structural funding within the policy domain of international development cooperation (€1.165 billion for 85 officially recognised organisations). No less than five national laws regulate official recognition for structural funding and delineate many criteria development NGOs have to fulfil (Online Appendix Table 5A; 2016015111; 2016015088; 2015015122; 2014015123; 2014015030).⁴ The extent of regulation in this domain is much more limited at the subnational level, where governments only occasionally provide smaller funds for development NGOs. For example, in subnational legislation, the criteria detailed in the decrees and project calls are often narrowly aimed at development education (Art. 17 2007036209; Chapter 3 2013200236). The opposite applies in the exclusively subnational socio-cultural policy domain; for instance

Flanders provides large-scale structural funding of €57.656.559 divided among 146 organisations (2017020648; 2017031708). Similarly, at the Francophone level of government, structural funding for environmental organisations, also a subnational competence, is extensively regulated (at least 66 criteria have to be fulfilled; 2014200854; 2014204154). In contrast, the national government grants only limited funding in this domain (through a simple application procedure on the website of the National Lottery; see also 2017031161).⁵ In short, larger sources of funding of any government are invariably regulated more extensively compared to smaller funds (like projects).

With regards to the European level, the European Social Funds (ESFs) present a major European funding source directly aimed at domestic organisations. In Belgium, ESFs are primarily implemented, managed and supplemented by government agencies at the subnational level. For instance, in Francophone Belgium the current ESF Operational Programme totals at €1.214.434.685 (40 percent EU).⁶ Although the EU designs the programs to which this money is allocated, eligibility requirements, spending rules, and evaluation procedures are largely determined by the responsible governments who are co-financers (2015036252; 2015036442; 2002036509; 1999029514; 2002029465). Therefore, how discretion shapes advocacy activities through European funding is substantially affected by the rules and requirements of the implementing government.

To examine government funding's effects on interest organisations' advocacy behaviour, we must investigate the exact content and political goals of these funding rules. Aside from eligibility and spending criteria regarding the (technical) management of the organisation (e.g. degree of professionalization, financial solvability), some criteria regulate advocacy behaviour. Comparing development cooperation with socio-cultural (or

environmental) policy illustrates that while the national government encourages collaboration among organisations and advocacy activities in the two principal Belgian regions, the subnational governments stifle interest organisations in their multi-level advocacy activities. As the following examples demonstrate, each government wants to foster stable ties with interest organisations within, but not beyond, their own jurisdiction (Keating & Wilson 2014: 852). The target, extent of regulation, and examples of the funding criteria are summarized in Table 1A of the Online Appendix.

Regarding the national government's development cooperation policy, eligibility and spending criteria include 'a stimulus to work in consortia across the language border in common strategic frameworks', and 'having activities that cover the whole of Belgium' (Art.10 § 2 °5; Art.11 § 1 2016015088). Moreover, the national government expects a regular policy dialogue with its funded organisations (Art.11 § 1 2016015088).

In contrast, the planned activities of organisations described in the application for obtaining funds in the socio-cultural policy domain must reflect, in Flanders, the 'relevance and appearance of the Dutch-speaking community (Art. 4, Art.10 °6 2017020648) and many criteria pertain to the active use of the Dutch language by the organisations' staff and members (Art.8, Art. 33, Art. 48- 49 2017020648); while on the Francophone side, socio-cultural associations must present 'two broader awareness campaigns in the French-language community per year on concrete themes specified by decree' (Art.3 °4 2003029435). Furthermore, the rules and requirements established by the subnational governments for funds granted to environmental associations include 'being a member of an advisory council' (Art. 11 °2 2014200854; Art. 2 § 1 2016035174); stipulate 'a stimulus to work in consortia within the own region – consolidating the local and provincial level' or 'having activities in at least three out of five provinces – with

the provinces in the other regions counting as one' (2014200854; 2016035174). Moreover, the Flemish and Francophone level of government direct environmental organisations to focus advocacy activities on policy priorities determined by the government (Art. 12 °3 2014200854; Art. 8, Art. 11 2016035174). Similar legislation can be found in subnational policy domains such as youth, arts, or sports (Online Appendix Table 5A).

In addition, experts confirmed that non-compliance with the (structural) funding programme's rules and requirements will cause the application to be deemed inadmissible. Moreover, organisations granted funding are also annually controlled and mandated to report their performance regarding these criteria and in addressing policy priorities in their activities. They may lose funding or be forced to reimburse it if they do not fulfil these demands. However, governments presumably respect the political autonomy of interest organisations. More specifically, our content-analysis found no formal eligibility or evaluation criteria pertaining to the censoring of specific advocacy behaviour. To the contrary, the subnational governments for instance stipulates that socio-cultural associations have to 'make explicit their vision on their critical role and how they will fulfil this role' in society (Art. 23 °3 2017031708; Art. 1 2003029435).

In conclusion, many Belgian interest organisations are critically dependent upon government funding in policy domains in which either the national or subnational governments are able and willing to shape discretion. Whilst the national government incentivises advocacy activities across language barriers, the eligibility and spending requirements put in place by the subnational governments are not conducive to do so. In the following section, we analyse how criticality and discretion affect organised interests' advocacy behaviour in a multi-level context.

Analysis: explaining patterns of advocacy behaviour

In the distribution of the four dependent variables measuring advocacy activities (one for each level of government), there is significant variation in the extent to which Belgian interest organisations contact governments. There is generally a skewed distribution, meaning that few organisations develop strong ties with particular governments. Furthermore, the distribution includes a high proportion of zeros, meaning that many organisations never or seldom contact certain governmental actors (Online Appendix Figure 2A). However, this does not mean that they do not contact other levels of government. Examining these four measures together rather than separately may provide insight into the behavioural patterns of Belgian interest organisations and particularly the extent to which they engage in multi-level advocacy activities. Around 72 percent of all interest organisations target two or more levels of government. Of these organisations, 34 percent target two levels, 30 percent target three levels, and 8 percent target all four levels of government. In short, few organised interests display a high level of political activity; but among those who are politically active, many advocate across multiple levels of government.

The subsequent analyses compare the effects of government funding on the propensity of interest organisations to approach different levels of government. Since there are four separate dependent variables, we present four separate models. The dependent variables are count measures characterized by over-dispersion (the variance is larger than the mean) as well as many zeros; therefore, a zero-inflated negative binomial regression (ZINB) is the most appropriate modelling strategy for this type of data. ZINB models, regress the excess of zeros in a separate model. Table 2 presents the four models.

Table 2. Zero-inflated negative binominal regressions

	Flemish level	Francophone level	National level	European level
<i>Zero-inflated Model</i>				
Intercept	-0.25 (0.15)**	-0.08 (0.14)	-1.88 (0.24)***	-0.98 (0.31)**
Member (National, ref.)	-	-	-	-
Member (Flemish)	-2.89 (0.42)***	3.18 (0.35)***	1.17 (0.28)***	0.48 (0.31)
Member (Francophone)	4.08 (0.60)***	-2.57 (0.37)***	1.19 (0.30)***	0.57 (0.34)*
<i>Count Model</i>				
Intercept	1.55 (0.15)***	2.03 (0.19)***	0.84 (0.16)***	-0.02 (0.3)
Subnational Funding	0.19 (0.08)**	0.40 (0.09)***	-0.24 (0.07)***	-0.15 (0.13)
National Funding	-0.07 (0.07)	0.03 (0.08)	0.20 (0.07)***	-0.25 (0.13)*
European Funding	<0.01 (0.06)	0.06 (0.07)	-0.13 (0.06)**	0.27 (0.09)***
Subnational competences	0.16 (0.07)**	0.07 (0.08)	-0.16 (0.07)**	0.41 (0.13)***
National competences	-0.07 (0.07)	0.03 (0.08)	0.27 (0.06)***	0.15 (0.13)
Shared competences	0.03 (0.06)	0.07 (0.08)	0.09 (0.07)	0.08 (0.12)
Resources (<med., ref.)	-	-	-	-
Resources (med.)	0.16 (0.08)**	0.30 (0.09)***	0.08 (0.07)	-0.06 (0.15)
Resources (>med.)	0.16 (0.08)**	0.31 (0.10)***	0.09 (0.08)	0.21 (0.15)
Flemish contacts	-	-0.01 (0.01)	0.05 (0.01)***	<0.01 (0.01)
Francophone contacts	-0.01 (<0.01)	-	0.02 (<0.01)***	0.01 (0.01)
National contacts	0.06 (0.01)***	0.04 (0.01)***	-	0.07 (0.01)***
European contacts	0.01 (0.01)	0.02 (0.01)	0.06 (0.01)***	-
Type: (Non-profit, ref.)	-	-	-	-
Type: Professional	0.07 (0.12)	0.24 (0.13)*	0.28 (0.11)**	-0.24 (0.21)
Type: Citizen groups	0.03 (0.11)	0.21 (0.11)*	0.26 (0.10)**	-0.18 (0.19)
Type: Business	0.14 (0.11)	0.18 (0.12)	0.20 (0.11)*	-0.21 (0.19)
Type: Leisure	-0.06 (0.13)	0.23 (0.14)	0.04 (0.15)	-0.82 (0.25)***
Type: Rest	0.42 (0.14)***	0.57 (0.14)***	-0.20 (0.14)	-0.49 (0.28)*
Age (log)	-0.08 (0.03)**	-0.06 (0.04)	0.02 (0.03)	0.07 (0.07)
Log(theta)	2.22 (0.21)***	1.59 (0.13)***	2.02 (0.19)***	0.78 (0.28)***
Log-likelihood	-1059.47	-1035.04	-1333.08	-936.73
Observations	577	577	577	577

*= $p < 0.1$, **= $p < 0.05$, ***= $p < 0.01$

The excess of zeros is presumably best-captured by the origin of an organisations' constituency. Most zeros in the dataset are due to the fact that exclusively Francophone or Flemish organisations' lack of contact with the other subnational level or the national government. We therefore include this covariate in the zero-inflated part of the model. Since we are not interested in the conditional effects and our expectations impinge upon the extensiveness of advocacy behaviour, we do not include other covariates in this part of the

model. Vuong tests confirm that our ZINB models, which control for the territorial based membership, fit significantly better than regular negative binomial models.⁷

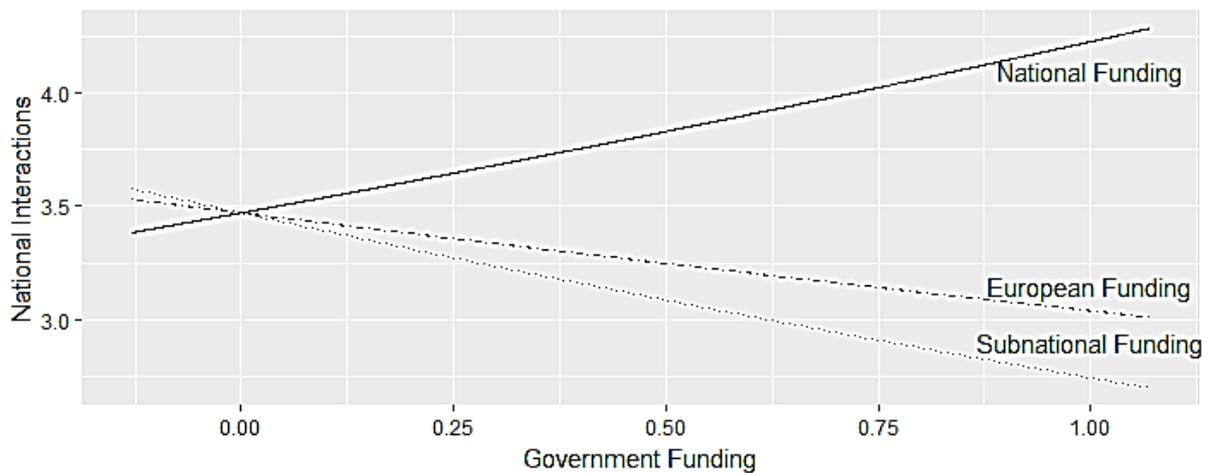
Regarding our primary expectation, introducing the variables on government funding produces a significantly better model fit.⁸ At all levels of government, there is a positive relationship between receiving funding from particular governments and advocacy contacts with those same governments. Specifically, the more critical funding becomes (in terms of a higher proportion of their budget originating from a particular government), the more organised interests will contact that government. In the various models, the effect of funding is most substantive for subnational funding when contacting the Francophone level of government ($\beta= 0.40$) and for EU funding when contacting the EU institutions ($\beta= 0.27$). When the criticality of funding moves up one unit, contacts increase by 49 percent and 30 percent respectively.³ This is substantially greater than the effects at the Flemish ($\beta= 0.19$) and national levels of government ($\beta= 0.20$); contacts increase by 20 and 22 percent respectively when the criticality of government funding increases by one unit. These results therefore confirm previous research demonstrating that government funding corresponds with a higher propensity to approach the funding government (Buffardi et al. 2015; Chaves et al. 2004).

These results are also confirmed by our expert interviewees in the domain of development cooperation; for instance, the national level of government expects a regular ‘dialogue’ (e.g. within work groups on specific themes or within advisory councils) with the interest organisations they fund. Respondents indicate that the content of these dialogues is not restricted to modalities connected to the funding, but that it also concerns specific government policies. The experts reported similar patterns with respect to subnational governments. As described by Fraussen (2014), the Flemish environmental regulatory framework triggered the

formalisation of interactions between environmental associations and the Flemish government. Since then, the Flemish government actively shapes interest mobilisation by reducing the number of organisations they recognize for funding and policy deliberations. Furthermore, the interviewed government officials indicate that project funding, directly connected to certain policy priorities, is an effective means to draw the focus of interest organisations. In sum, as one interest representative states: interest organisations tend to ‘huddle together with the one that gives the money’.

Our analysis indicates that ties between particular governments and interest organisations have implications beyond this dyadic relation. More precisely, funding from a particular governmental level can substantially impact the contacts between the recipient and other governmental levels (Figure 1). The evidence shows that, generally, increasing levels of critical dependency upon one level of government results in fewer advocacy activities aimed at other government levels. For instance, substantial subnational funding is negatively associated with contacting the national government ($\beta = -0.24$). One unit increase in subnational funding diminishes contacts with the national government by 21 percent. Furthermore, EU funding is negatively associated with the propensity of organisations to seek contact with the national government ($\beta = -0.13$). However, this is not a uniform effect, as national government funding does not significantly affect the propensity with which groups address subnational governments.

Figure 1. Predicted values of government funding from different levels on interacting with the national level of government



These varying effects may be attributed to how discretion is shaped by the subnational levels of governments relative to how the national government establishes funding requirements (Celis et al. 2012; Verschuere & De Corte 2012). However, based on statistical models alone we cannot draw firm conclusions regarding the exact causal relationship between funding and advocacy behaviour. Government funding can attract advocacy, but advocacy towards a particular government may also trigger this government to fund advocacy organisations. Yet, the qualitative evidence suggests that the funding policies governments adopt, actively seek to steer advocacy behaviour. More precisely, the content analysis illustrates that the rules established by subnational governments are not conducive to multi-level advocacy behaviour. Previous case-study research found that eligibility criteria substantially influence the functioning and political behaviour of organised interests. For instance, since the federalisation of sports policy in 1977, all Belgian sports federations had to divide into a Flemish and a Francophone chapter to fulfil eligibility requirements (De Knop & De Bosscher 2016). As one interviewed Flemish government official expressed: ‘You had to choose’. These subnational

chapters have subsequently established extensive ties with the subnational governments and reduced their connections with the national government. At the same time, funded interest organisations are subject to stringent rules and criteria regulating other aspects of their political behaviour.

According to our expert interviewees active in the completely devolved policy domains of social-cultural policy and environmental policy, the subnational governments currently take no action to enforce the exclusivity of political contacts; perhaps because organisations have long since adapted to the federalised political context. Policy domains in which the competences are shared and in which governments must compete for the focus of organised interests may therefore provide a more compelling test for our hypothesis. Indeed some expert interviewees indicated that if one critically depends on subnational funding, one should tread carefully when contacting the national government. One interviewee admitted to self-censoring their annual reports to not mention their cooperation with organisations from the other linguistic community. This corroborates Celis et al. (2012), who demonstrate that Flemish women's organisations should not spend a disproportionate amount of time addressing national government's matters. Yet, this is not formally explicated in regulations or legislation, but this appears to be an informal rule that interest organisations adhere to when balancing ties with national and subnational governments.

The national government attempts to counter these centrifugal dynamics (Billiet et al. 2006; Celis et al. 2012). For instance, a national government official indicated that funding is employed to incentivise the inclusion of both Flemish and Francophone organisations in Common Strategic Frameworks for development cooperation. This may explain national funding's insignificant effect on the likelihood of contacting the subnational levels of

government.

The control variables demonstrate some other interesting results. First, organisations active on national competences more frequently approach the national government. Similarly, organisations primarily focused on subnational competences more often approach the Flemish government. Second, we control to what extent being politically active on one level of government influences contacts with other levels of government. Generally, contacting the national government more, increases contacts with all other levels of government; this illustrates that the national government is still a central venue.⁹ Regarding resources, results are mixed. Greater access to resources increases contacts with the subnational governments, but not at the national or European level. There is no evidence suggesting that contacting ‘more distant’ levels, such as the EU, requires more resourceful organisations; this corroborates earlier research by Beyers and Kerremans (2007). The fourth control variable, group type, produced some differences. Relative to non-profit organisations, there are no differences for the other organisational types in the propensity to contact the Flemish government. In contrast, professional groups and citizen groups more frequently contact the Francophone and national levels of government. Compared to non-profit organisations, business associations only interact more with the national government. The final control variable, age, negatively impacts advocacy before the Flemish government, but not on other government levels.

Conclusion

In this article, we analysed the conditions under which funding affects Belgian interest organisations’ propensity to contact governments in a multi-layered context. Although it was already well-established that government funding stimulates more contacts between interest organisations and policymakers, few authors have examined how this might unfold in a context

with multiple funders (e.g. Buffardi et al. 2015; Chaves et al. 2004). Our research demonstrates that government funding not only affects the propensity to interact with the funding government, but may also substantially impact interest organisations' interactions with other governments. For example, when controlling for a wide range of variables, interest organisations approach the Belgian national government less frequently if they depend more critically on funding from the subnational or European level.

To interpret these results, we applied a resource dependency perspective. Following Hillman et al. (2009) and Wry et al. (2013), we argue that RDT may be fruitfully applied to understand the multi-level context in which many interest organisations find themselves nowadays. Pfeffer and Salancik (1978) emphasise two conditions; the criticality of government funding and discretion. Although highly relevant to our understanding of the effect of funding on the behaviour and functioning of organised interests, few works have taken discretion, i.e. the rules and criteria regulating funding, into account.

It is evident that governments use funding to shape the mobilisation of interest organisations. For instance, governments may wish to fund organisations that deploy activities within their territory as this could foster a vibrant interest community within their own jurisdiction. This is a crucial element of political order building (Keating & Wilson 2014; Plotke 1996). Therefore, subnational governments may wish to develop strong, nearly exclusive ties with subnational interest organisations and might thereby stifle advocacy activities towards national level of government. Whilst the national government may seek to fund organisations active across subnational boundaries.

The contribution of this article is two-fold. First, we show that acquiring and spending government funding is often subject to detailed regulation. These rules are not restricted to

technical indicators, but also include criteria of a more political nature. For instance, our qualitative evidence shows that governments may regulate the extent to which it expects a political dialogue with the funded organisations. In this regard, governments may steer the focus of organised interests by granting funding tied to specific policy priorities. In the statistical models, we show that higher levels of criticality consistently lead to more interactions between recipients and their benefactors.

Second, we show that in multi-level systems, funding conditions at one level may affect the advocacy behaviour at other levels of government. The statistical models demonstrate that subnational and European funding draws away organised interests' from the national level of government. Whilst national funding does not affect ties between subnational governments and interest organisations. In this regard, our qualitative evidence demonstrates substantial differences in how national, subnational and European institutions regulate funding. Whilst national funding is used to incentivise cooperation across regions, subnational rules on funding are not conducive for multi-level advocacy behaviour. For instance, subnational legislation details a number of stringent language and territoriality requirements that have in the past led to the splitting up of national interest organisations. These results are not only consistent with previous research, they are also aligned with the notion of political order building, in which governments seek to establish stable, almost exclusive, relations with organised interests that provide them with continuous policy expertise (Celis et al. 2012; Plotke 1996; Bouwen 2002).

In sum, this article shows that examining the relative amount of funding as well as the rules tied to funding is an important avenue for further research. Admittedly, the Belgian funding structure and its multi-level arrangements have some unique features. However, in many countries, organised interest acquire funding from the national government and in several

cases also from sub- and supranational institutions. As we show, this could affect the advocacy activities of interest organisations and might even interfere with their autonomous functioning. Governments may vary in terms of the political objectives they pursue when funding organised interests, but it would be unreasonable to expect that in supporting organised interests with public resources, governments write blank checks.

Biographical note. Frederik Heylen^a and Evelien Willems^b are PhD. candidates at the University of Antwerp (Department of Political Science), Belgium.

^a frederik.heylen @uantwerpen.be

^b evelien.willems @uantwerpen.be

Acknowledgements. An earlier version of this article was presented at the 2017 EUSA conference in Miami. We would like to thank Jan Beyers, Daniel Naurin, Peter Bursens and two anonymous reviewers for their constructive and detailed comments. We would also like to thank the student assistants who aided the data collection. This research was financed by grants from the European Research Council (ERC-2013-CoG 616702-iBias) and the Research Foundation-Flanders (FWO-V grant G032814N).

Statistical replication materials and data: Supporting data and materials for this article can be accessed at [<https://acim.uantwerpen.be/files/documentmanager/project/script.R>].

Online supplemental material: Supplemental data for this article can be accessed at [link to source – publisher will add doi at proof].

Notes

1 Belgium is divided in three territorial regions and three linguistic communities. In Flanders, the institutions of the Flemish Region and the Dutch-speaking Community have merged, therefore we speak of the Flemish government/Flanders. The Walloon Region and Francophone Community have not merged. Substantial competences of the Francophone Community have been delegated to the Walloon Region, whilst specific Walloon regional competences are delegated to the German-Speaking Community. Hence, when we speak about Francophone level of government, we refer to both the Walloon regional government and the Francophone community government.

2 Due to item non-response, we retain 577 organisations in the analyses.

3 We standardise by subtracting the mean and dividing this by two times the standard deviation (Gelman & Hill 2007:57). This allows for an interpretation analogous to a dichotomous variable. Moving one unit of analysis, corresponds to moving one standard deviation below the mean, to one standard deviation above the mean.

4 Analysed legislative acts are listed in Online Appendix Table 5A by Numac (unique identifier in Moniteur Belge), Numac also provided in text between parentheses.

5 Vlaamse Overheid (2018). Gesubsidieerde organisaties. <http://www.sociaalcultureel.be/> (consulted on 14 May 2018)

6 European Commission (2018). Operational Programmes – Belgium - Wallonie-Bruxelles 2020.eu - ESF/YEI. <http://ec.europa.eu/esf/> (consulted on 14 May 2018).

7 Flemish model, Vuong Z-stat = 15.0 p-value= <0.001; Francophone model, Vuong Z-stat = 15.2 p-value= <0.001; national model, Vuong Z-stat = 5.7 p-value= <0.001; European model, Vuong Z-stat = 1.8, p-value= 0.03

8 Compared to a baseline model with controls: model 1 Δ AIC = 3.70, model 2 Δ AIC = 18.37, model 3 Δ AIC = 26.27, model 4 Δ AIC = 8.67

9 Online Appendix Table 6A: models without the indicators of advocacy towards others levels of government.

References

- Bartolini, S. (2005). *Restructuring Europe, Centre formation, system building, and political structuring between the nation state and the European Union*. New York: Oxford University Press Inc.
- Beyers, J., Bernhagen, P., Borang, F., Braun, C., Fink-Hafner, D., Heylen, F., Maloney, W., Naurin, D., & Pakull, D. (2016). *Comparative Interest Group Survey Questionnaire* (Edition: January 2016). University of Antwerp.
- Beyers, J., & Bursens, P. (2013) 'How Europe Shapes the Nature of the Belgian Federation: Differentiated EU Impact Triggers Both Co-operation and Decentralization.' *Regional & Federal Studies* 23(3): 271–291.
- Beyers, J., & Kerremans, B. (2007) 'Critical resource dependencies and the Europeanization of domestic interest groups.' *Journal of European Public Policy* 14(3): 460–481.
- Billiet, J., Maddens, B., & Frogner, A. P. (2006) 'Does Belgium (still) exist? Differences in political culture between Flemings and Walloons.' *West European Politics* 29(5): 912–932.
- Binderkrantz, A. (2008) 'Different groups, different strategies: How interest groups pursue their political ambitions.' *Scandinavian Political Studies* 31(2): 173–200.
- Bloodgood, E., & Tremblay-Boire, J. (2016) 'Does government funding depoliticize non-governmental organizations? Examining evidence from Europe.' *European Political Science Review* 9(3): 401–424.
- Bouwen, P. (2002) 'Corporate lobbying in the European Union: The logic of access.' *Journal of European Public Policy* 9(3): 365–390.
- Buffardi, A. L., Pekkanen, R. J., & Smith, S. R. (2015) 'Shopping or Specialization? Venue Targeting among Nonprofits Engaged in Advocacy.' *The Policy Studies Journal* 43(2):188–206.
- Celis, K., Mackay, F., & Meier, P. (2012) 'Social Movement Organizations and Changing State Architectures: Comparing Women's Movement Organizing in Flanders and Scotland.' *Publius: The Journal of Federalism* 43(1): 44–67.

- Chaves, M., Stephens, L., & Galaskiewicz, J. (2004) 'Does Government Funding Suppress Nonprofits Political Activity?' *American Sociological Review* 69(2): 292–316.
- Coen, D. (2007) 'Empirical and theoretical studies in EU lobbying.' *Journal of European Public Policy* 14(3):333–345.
- De Knop, P., & De Bosscher, V. (2016) *De organisatie van de sport in Vlaanderen*. Brussel: VUB Press.
- Deschouwer, K. (2012) *The politics of Belgium: Governing a divided society*. Houndmills/New York: Palgrave Macmillan.
- Eising, R. (2007) 'The access of business interests to EU institutions: Towards lite pluralism?' *Journal of European Public Policy* 14(3): 384–403.
- Eising, R., Rasch, D., & Rozbicka, P. (2017) 'National interest organisations in EU policy-making.' *West European Politics* 40(5): 939–956.
- Follesdal, A., & Hix, S. (2006) 'Why there is a democratic deficit in the EU: A response to Majone and Moravcsik.' *JCMS: Journal of Common Market Studies* 44(3): 533-562.
- Fraussen, B. (2014) 'The Visible Hand of the State: On the Organizational Development of Interest Groups.' *Public Administration* 92(2): 406–421.
- Gelman, A., & Hill, J. (2007) *Data Analysis Using Regression and Multilevel/Hierarchical models*. New York: Cambridge University Press.
- Greenwood, J. (1997) *Representing Interests in the European Union*. New York: St. Martin's Press Inc.
- Greenwood, J. (2007) 'Organized Civil Society and Democratic Legitimacy in the European Union.' *British Journal of Political Science* 37(2): 333–357.
- Haverland, M., & Liefferink, D. (2012) 'Member State interest articulation in the Commission phase. Institutional pre-conditions for influencing "Brussels."' *Journal of European Public Policy* 19(2): 179–197.
- Héritier, A. (2004) *Policy-Making and Diversity In Europe. Escape from deadlock*. Cambridge:

Cambridge University Press.

- Hillman, A. J., Withers, M. C., & Collins, B. J. (2009) 'Resource Dependence Theory: A Review.' *Journal of Management* 35(6): 1404–1427.
- Keating, M., & Wilson, A. (2014) 'Regions with regionalism? The rescaling of interest groups in six European states.' *European Journal of Political Research* 53(4): 840–857.
- Khieng, S., & Dahles, H. (2014) 'Resource Dependence and Effects of Funding Diversification Strategies Among NGOs in Cambodia.' *International Journal of Voluntary and Nonprofit Organizations* 26(4): 1412–1437.
- Kohler-Koch, B., & Finke, B. (2007) 'The Institutional Shaping of EU–Society Relations: A Contribution to Democracy via Participation?' *Journal of Civil Society* 3(3): 205–221.
- Kohler-Koch, B., Kotzian, P., & Quittkat, C. (2017) 'The multilevel interest representation of national business associations.' *West European Politics* 40(5): 1046–1065.
- Loughlin, J. (2000) 'Regional autonomy and state paradigm shifts in Western Europe.' *Regional & Federal Studies* 10(2): 10-34.
- Mahoney, C., & Beckstrand, M. J. (2011) 'Following the Money: European Union Funding of Civil Society Organizations.' *JCMS: Journal of Common Market Studies* 49(6): 1339–1361.
- Milward, H. B., & Provan, K. G. (2000) 'Governing the hollow state.' *Journal of Public Administration Research and Theory* 10(2): 359-380.
- Mosley, J. E. (2012) 'Keeping the lights on: How government funding concerns drive the advocacy agendas of nonprofit homeless service providers.' *Journal of Public Administration Research and Theory* 22(4): 841–866.
- Moulton, S., & Eckerd, A. (2012) 'Preserving the Publicness of the Nonprofit Sector.' *Nonprofit and Voluntary Sector Quarterly* 41(4): 656–685.
- Neumayr, M., Schneider, U., & Meyer, M. (2015) 'Public Funding and Its Impact on Nonprofit Advocacy.' *Nonprofit and Voluntary Sector Quarterly* 44(2): 297–318.

- Pfeffer, J., & Salancik, G. R. (1978) *The external control of organizations: A resource dependence approach*. New York: Harper and Row Publishers.
- Plotke, D. (1996) *Building a Democratic Political Order*. Cambridge: Cambridge University Press.
- Pralle, S. B. (2003) 'Venue Shopping, Political Strategy, and Policy Change: The Internationalization of Canadian Forest Advocacy.' *Journal of Public Policy* 23(3): 233–260.
- Sánchez-Salgado, R. (2007) 'Giving a European Dimension to Civil Society Organizations.' *Journal of Civil Society* 3(3): 253–269.
- Sánchez-Salgado, R. (2010) 'NGO structural adaptation to funding requirements and prospects for democracy: The case of the European Union.' *Global Society* 24(4): 507-527.
- Schmidt, V. A. (2013) 'Democracy and Legitimacy in the European Union Revisited: Input, Output and 'Throughput'.' *Political Studies* 61(1): 2–22.
- Skelcher, C. (2000) 'Changing images of the State: Overloaded, hollowed-out, congested.' *Public Policy and Administration* 15(3): 3–19.
- Streeck, W., & Schmitter, P. C. (1985) 'Community, Market, State-and Associations? The Prospective Contribution of Interest Governance to Social Order.' *European Sociological Review* 1(2): 119–138.
- Verschuere, B., & De Corte, J. (2012) 'The Impact of Public Resource Dependence on the Autonomy of NPOs in Their Strategic Decision Making.' *Nonprofit and Voluntary Sector Quarterly* 43(2): 293–313.
- Wry, T., Cobb, J. A., & Aldrich, H. E. (2013) 'More than a Metaphor: Assessing the Historical Legacy of Resource Dependence and its Contemporary Promise as a Theory of Environmental Complexity.' *The Academy of Management Annals* 7(1): 441–488.