

# Policy-Making Process and Interest Groups: How do Local Government Associations Influence Policy Outcome in Brazil and the Netherlands?

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In recent years a considerable number of studies have been undertaken concerning the impact of interest groups' influence in the European and North American policy-making process. However, little can be acquired from the literature regarding this knowledge outside of both of these environments. Therefore, this study aimed to assess conditions for policy influence of local government associations in Brazil and the Netherlands.

This comparative case study carried out exploratory research, based on interviews, a questionnaire, and document analysis. Specifically, this study looked at factors that, according to the literature, determine influence and examined these factors within the cases.

The findings suggest that the associations are relatively successful in influencing technical aspects of certain policies, however, when they try to change the core of a policy the likelihood of success decreases considerably.

Keywords: Local government associations; Policy-making process; Interest group influence.

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## Introduction

As the literature has pointed out (Mahoney 2007a; 2007b; Michalowitz 2007; Dür and De Bièvre 2007; Dür 2008c), scholars have many problems in studying influence both inside and outside of the European Union, because of the difficulty in measuring it. This difficulty stems from the complex process of decision-making, where several actors try to influence policy outcome at the same time in different stages (Howlett and Ramesh 1995; Lindblom and Woodhouse 1993; Kingdon 1995; Easton 1970). However, most scholars who have studied this field have presented some important findings

(Mahoney 2007a; 2007b; Michalowitz 2007; Dür and De Bièvre 2007; Eising 2007; Victor 2007; Hojnacki and Kimball 1999; Dür 2008a; 2008b; 2008c). Thus, taking into account the previous findings, this study intends to contribute towards a better understanding of such *phenomenon* by analyzing the determinants for policy influence of local government associations in Brazil and the Netherlands.

In Brazil the municipalities are mainly represented by the Confederação Nacional de Municípios (CNM (National Confederation of Municipalities)), with 63% of the municipalities in Brazil represented, while the Vereniging van Nederlandse Gemeenten (VNG (Association of Netherlands Municipalities)) represents 100% of the municipalities in the Netherlands.

To achieve their objectives the associations need to discuss the local interests with the central government, Parliament, and other organizations with the purpose of influencing policy outcome in favour of the municipalities. However, many factors have to be considered to succeed in this task.

According to the literature, the important factors to determine influence lie in the resources of the association (*financial resources, size of the staff team, membership representation*), its lobbying tactics (direct and indirect), the type of influence used (technical and directional), and the characteristics of the issue (far reaching policy implications, significant number of vested interests, presence of countervailing forces, and high level of public awareness).

In order to increase the likelihood of gaining influence, interest groups need to employ different tactics and/or types of influence, besides investing personnel and monetary funds into an issue.

Taking into consideration these factors, this study intends to gain a better understanding as to what extent local government associations influence public policies in Brazil and the Netherlands. In other words, what factors might determine success in influencing policies?

By attempting to answer this question, this work seeks to contribute to a better understanding of the role played by local government associations in Brazil and the Netherlands, besides assessing conditions for policy influence in these countries.

## Process of Decision-Making

According to Easton (1970), the policy-making process is comprised of three important stages, *input, withinput* and *output*.

The *input* is understood as the moment in which social demand presents its needs to the political actors; the *withinputs*, also known as “political activity”, consists of political actors, such as the Executive and Legislative powers. The latter is mostly responsible for

deliberating demands originating from within their own political environment as well as those external to it. Finally, the *output* (public policy), attained by means of interaction among a wide range of different political, social and private actors who put many different issues and interests to be discussed on the table (Howlett and Ramesh 1995; Lindblom and Woodhouse 1993; Kingdon 1995).

In the first stage (*inputs*) described by Easton, policy-makers begin to define the agenda-setting by prioritizing issues that can be divided into two different types of agenda: the public and formal. According to Cobb *et al* (1976), the former is a list of issues which have achieved a high level of public interest and visibility, while the latter is a list of items formally chosen by policy-makers. Thus, in order to attain the formal agenda, four relevant factors which play an important role are: *problems*, *politics*, and *visible* and *hidden participants* (Kingdon 1995).

In the first stage (*inputs*) *problems* are identified because they may increase the importance of a subject on the agenda (Kingdon 1995; Lindblom and Woodhouse 1993).

Throughout the second stage (*withinputs*) *politics* as well as the *visible* and *hidden participants* are responsible for defining the formal agenda and thus the actions to be carried out by the government. *Politics*, in this stage, is considered a powerful agenda setter because it is occupied by politicians, administrators, ideologies and interest groups of various descriptions which press their demands upon government, having an independent dynamic (Kingdon 1995). The *visible participants* are those who have considerable public attention, such as the high level State actors (the president, members of Congress, high-level appointees, the media and campaigners) while the *hidden participants* (academic specialists, bureaucrats, and congressional staffers) are those who support them. They do this by defining alternatives, proposals and solutions to problems.

However, according to Kingdon (1995) the *visible participants* affect the agenda while the *hidden ones* affect the alternatives. Thus, the agenda is defined when alternatives for policy choices have been narrowed down.

Having the formal agenda at hand, the government can move this list of subjects into a discussion within the Parliament where all debates about the issues continue, and after scrutinizing them, it may perhaps be moved into a legislative enactment or presidential choice (Kingdon 1995). After this, the implementation phase begins.

## Interest Groups in Policy-Making: The Determinants of Interest Group Influence

Interest groups play an important role throughout the process of decision-making by seeking to influence policy outcomes through the bureaucracy, politicians, governmental

officials and the population, warning them about problems, opportunities, and policy options (Lindblom and Woodhouse 1993; Kingdon 1995).

However, the question of whether they are successful in influencing this process or not is another story. Studies try to address this concern, but tend to be overly careful in doing so because of the high complexity in defining the determinants and therefore the degree of influence of interest groups (Mahoney 2007a; 2007b; Michalowitz 2007; Dür and De Bièvre 2007).

Most of the literature available concerning interest group influence stems from the USA and the European Union (EU) (Dür 2008c). The more developed literature from the USA provided the aforementioned broad groups of determinants already perceived in the EU cases with: 1) issue characteristics; 2) interest group resources; 3) political institutions; and 4) interest group strategies.

The issue characteristics seem to be an important factor to understand when an interest group is more likely to be successful in its purposes. According to some scholars (Dür 2008c; Mahoney 2007a; 2007b), interest groups are *less likely to be successful* in their undertaking when the issue has far-reaching policy implications. The reason for that is that issues with a big scope entail a significant number of vested interests and this situation might lead to so many different points of view that policy-makers would not be able to follow a single opinion.

In addition to that, a noticeable issue (highly salient) is likely to deliver a similar trend, when it comes to the lack of success of an interest group. It is justified, according to Mahoney (2007a; 2007b), because if this issue has a high level of public awareness then policy-makers will be more likely to follow the public opinion than the interest group opinion.

Another relevant issue characteristic, closely related to the others already mentioned, that should also be taken into consideration is the presence of countervailing forces. The latter gives rise to an increasing number of opposed visions (highly conflicting environment) that diminish the probability of success in influencing policy.

When it comes to the interest group resources, the literature (Hojnacki and Kimball 1999; Dür 2008c; Eising 2007; Mahoney 2007a; 2007b) points out that financial resources, size of the staff team, membership representation, the tactics employed (direct and indirect), and the type of influence exerted should play a role. In other words, a well-funded association might employ more tactics, put more money into an issue and/or even assign more specialists to a case. Thus, with these characteristics, it is more likely that interest groups succeed in influencing policy.

The staff size, according to Mahoney (2007a), might be a strong indicator of the level of financial resources, as well as the membership size, which can indicate the level of legitimacy of an interest group. Therefore, a well-endowed association with a high degree

of legitimacy is more likely to influence policy outcome than another interest group with small representation and scarce financial resources.

In order to succeed in influencing policy, interest groups rely on different lobbying tactics: direct and indirect. The former means presenting research or technical information, contacting government officials to present viewpoint, helping to draft legislation, speaking to congressional leaders, lobbying members of the committees, and supporting candidates with work or personnel. Indirect lobbying, on the other hand, is related to the engagement in protests or demonstrations, running campaigns, speaking with the press, setting up congresses, mobilizing public awareness, and making public endorsements of candidates likely to favour your position (Victor 2007; Mahoney 2007a).

In accordance with Victor (2007), interest groups are more likely to spend their efforts by means of direct lobbying rather than indirect lobbying, since they have the opportunity to deal with some debates face-to-face. However, Hojnacki and Kimball (1999) advocate that the choice for lobbying tactics depends upon other factors, including the interest groups' resources.

As for the level of conflict between interest groups and policy-makers, Michalowitz (2007) argues that a potential conflict may arise when interest groups exert directional influence.<sup>1</sup> It means that if they try to change the political core of a legislative act the level of conflict might increase, becoming more difficult to influence policy. However, when interest groups exert influence without touching the core content of a legislative act (technical influence),<sup>2</sup> the level of conflict tends to be lower and it therefore becomes easier to influence. Thus, the likelihood of attaining influence is higher when interest groups exert technical influence.

The political institution characteristics cited by Dür (2008c) should play a role in this influence process, affecting the degree of interest group influence. According to Mahoney (2007a) the degree of democratic accountability of a political system might have a significant impact on the level of influence attained. This author points out that the more accountable the political system, the higher the likelihood of the political institutions taking into consideration the opinion of organized groups. The less accountable the political systems, the lower the likelihood that political institutions will take society's voice into account.

In addition to this, before trying any attempt at influence, all the stages of the policy-making process (external environment) and also the resources available to interest groups to wield influence have to be considered strategically. Victor (2007, 842) believes that interest groups' strategy is quite relevant in order to be successful and affirms that "groups spend their resources strategically", therefore, the likelihood of influencing policies is higher when interest groups' resources are spent strategically.

As a result of the theories presented so far, this study intends to analyze the role

played by some of these factors within the local government association’s reality, trying to understand which of them contribute to the success, or failure, of the local government associations and in which stage of the process of decision-making they may play this important role. Thus, the variables that this study considers to be crucial are defined as seen in Table 1.

**Table 1** Variables of research

Dependent variable	Independent variables
Influence policy	<b>Internal</b>
	Interest group’s resources <ul style="list-style-type: none"> <li>- financial resources</li> <li>- staff size</li> <li>- membership representation</li> <li>- tactics               <ul style="list-style-type: none"> <li>- direct lobbying</li> <li>- indirect lobbying</li> </ul> </li> <li>- type of influence               <ul style="list-style-type: none"> <li>- directional</li> <li>- technical</li> </ul> </li> </ul>
	<b>External</b>
	Issue characteristics <ul style="list-style-type: none"> <li>- far reaching policy implications</li> <li>- a large number of vested interests</li> <li>- high level of public awareness</li> <li>- the presence of countervailing forces</li> </ul>

The variables of Table 1 and dynamics observed in the literature will be put to the test by this study by exploring particular cases experienced by the local government associations. These cases can show how, why and when these associations exert influence by employing a combination of tactics and/or types of influence.

### Difficulties of Measuring Influence

According to Andreas Dür (2008a), measuring influence is very challenging because it might involve at least three problems. The first would be the diversity of channels of influence used by interest groups. Examples of this are that interest groups can engage in *direct* and *indirect lobbying* (Victor 2007; Hojnacki and Kimball 1999; Hansen 1991), aiming at directly influencing bureaucracy, political parties, public officials and/or congressmen or even by means of public opinion. Interest groups can also choose to influence policy only in technical aspects or directionally. When it comes to the latter, interest groups try to influence policy by changing the political core of public policy, creating much more conflict with policy-makers. In the former aspect, the level of conflict with policy-makers is supposed to be lower (Michalowicz 2007).



The second difficulty is the occurrence of counteractive lobbying, or rather, “[e]ven if an interest group does not manage to move an outcome into a preferred direction, this does not necessarily mean that the group lacked influence.” (Dür 2008a, 561).

Thirdly, interest groups can influence several stages of the policy-making process such as the agenda setting by means of influencing decision-makers, their final decisions, or even decisions when they are being implemented (Lindblom and Woodhouse 1993; Dür 2008a).

## How to Measure Influence? An Overview of the Literature

There are a few complicated ways of measuring influence. In this section they will be presented by addressing the main strengths and weaknesses of each methodological approach.

### Attributed influence approach

James G. March (1955) contributed with one of the first attempts of defining a way of measuring influence with “An introduction to the theory and measurement of influence”. In this study, March (1955) tried to define a consistent concept of influence.

The attributed influence consists of asking the members of a studied group to provide a self-evaluation of its influence or “a peer assessment of the influence of other groups” (Dür 2008a, 565).

This approach is considered to be simple; however there may be difficulties in designing a good questionnaire whilst guaranteeing a high degree of responses. One advantage however, is that this method might be able to gather all the aspects of influence (Dür 2008a).

On the other hand, a disadvantage is the possibility of inaccurate estimation of the self-evaluations provided by the respondents (March 1955), furthermore the assessment might be shaped by specific prominent cases (Dür 2008a).

### Process-tracing approach

This approach was undertaken by many scholars in the EU (Dür 2008a; Dür and De Bièvre 2007; Cowles 1995; and Michalowitz 2007). According to Dür (2008a, 562), the process-tracing approach allows “scholars to scrutinize group preferences, their influence attempts, their access to decision-makers, decision-makers’ responses to the influence attempts, the degree to which groups’ preferences are reflected in outcomes and groups’ statements of (dis)satisfaction with the outcome”.

This approach is interesting for researchers who intend to complete a small-N study that gives the opportunity of acquiring in-depth knowledge about the factors that influence

policy. The data gathered by primary and secondary sources can be complemented by data gathered through the use of semi-structured interviews.

Regarding the weaknesses, Dür (2008a) highlights that 1) it might be possible that the underestimation of influence occurs because of the difficulties in gathering enough empirical data to complement the interview gaps; 2) the research would tend to rely heavily on interviews; 3) the level of influence is difficult to achieve because most of the time it is understood that influence means the “complete achievement” of the interest groups’ purpose; and 4) there are difficulties in generalizing the findings.

### **The degree of preference attainment approach**

This approach consists of measuring the policy outcome by calculating the distance between the desired point of influence and the interest group’s real achievement (Dür 2008b; Mahoney 2007a).

One of the strongest advantages of this approach is to use large-N cases and also to detect influence in various channels. However, as a disadvantage, the large-N cases can be problematic when it comes to explaining the difference between preferences and outcomes, as well as in which channel influence was exerted. The last important disadvantage closely linked to the study of large-N cases is seen in the difficulty in identifying, controlling and measuring the importance of issues in large-N case studies (Dür 2008a).

### **Using more than one approach**

Besides the presentation of the aforementioned approaches, as well as the presentation of some advantages and disadvantages, Andreas Dür (2008a) advocates that in order to measure influence, it would be better to use more than one approach, aiming at balancing the measurement of influence by the annulment of the disadvantages of one approach with the advantages of another one. Building on this concept, he mentions that the methodological triangulation was successfully used by numerous scholars (Coen 1997; Dür and De Bièvre 2007; Arts and Verschuren 1999).

Regarding the most suitable approach to be applied in this study, we have to take into account that we are dealing with a comparative case study, so the “degree of preference attainment” approach would not suit this case because this approach is stronger when used for large-N cases.

Therefore, considering the whole debate along the advantages and disadvantages of each approach, it seems to be that the best approach is to make use of the methodological triangulation between the attributed-influence and the process-tracing, because together the approaches are capable of gathering as much detailed information as possible related to the interest groups’ actions and external characteristics. On top of this, both fit the



limitations of this research by relying on a small-N studies, questionnaire, and semi-structured interviews, moreover there is the possibility of annulment of the disadvantages by means of the advantages of each one (see Table 2).

**Table 2** Methods of measuring influence: advantages and disadvantages

Method	Advantages	Disadvantages
Single methods		
Process-tracing	<ul style="list-style-type: none"> <li>• Small-N studies: possibility of good knowledge of factors leading to influence</li> <li>• Rely on semi-structured interviews: possibility of complementing missing data analysis</li> </ul>	<ul style="list-style-type: none"> <li>• Gathering very precise empirical data in order to check the evidence provided by interviews</li> <li>• Defining what “influence” means: sometimes interest groups do not need to be completely dominant to be very influential</li> <li>• Difficulty in generalizing findings for being based on small-N studies</li> </ul>
Attributed-influence	<ul style="list-style-type: none"> <li>• Simplicity: designing questionnaire, establishing the population, and ensuring a relatively high response rate</li> <li>• It is likely to cover all channels of influence</li> </ul>	<ul style="list-style-type: none"> <li>• Self-estimation can be biased towards an over or underestimation of influence</li> <li>• Expert observer opinion might be unconsciously based on specific prominent cases or on academic studies</li> <li>• Measuring of influence perceptions rather than actual influence</li> </ul>
The degree of preference attainment	<ul style="list-style-type: none"> <li>• Detecting influence even if nothing visible happens</li> <li>• Large-N studies, allowing generalizations of the findings when cases are selected appropriately</li> </ul>	<ul style="list-style-type: none"> <li>• Determination of preferences: it has to be established empirically for each issue</li> <li>• Difficulty in controlling alternative factors which explain a coincidence between preferences and outcomes</li> <li>• When considering different channels of influence it is very difficult to determine in which channels influence is exerted</li> <li>• Likelihood of overestimation of interest group influence</li> </ul>
Combined methods		
Methodological triangulation	<ul style="list-style-type: none"> <li>• Possibility of combining two or more methods</li> <li>• Possibility of solving problems that one method alone would not</li> </ul>	<ul style="list-style-type: none"> <li>• Disadvantages are compounded instead of solved</li> <li>• Possibility of competing results. How to reconcile them?</li> </ul>

Source: Dür (2008a; 2008b); Mahoney (2007a); March (1955); Dür and De Bièvre (2007); Cowles (1995); and Michalowitz (2007).

## Research Methods

It was decided to organize the methodology by using two basic criteria provided by Vergara (2005): regarding the means and regarding the end. When it comes to the latter, as can be seen in Table 3, this work is based on a comparative case study which carries

exploratory characteristics. This means that in this study there is a process of matching what the literature states with what actually happens within the cases. According to the literature, little is known about the influence of interest groups in the policy-making process; therefore, this study is intended to contribute to a better understanding of this *phenomenon*.

As for the means, Table 3 quickly allows the reader to follow the research techniques used by this study in order to be effective in achieving its purpose. Thus, it is possible to see four main techniques carried out: i) bibliographical research; ii) documental research; iii) interviews; and iv) questionnaire.

**Table 3** Main points of methodology applied to the case study

Procedures	Aim	Variable(s) involved	Sample (nonprobability)	Criterion
With regard to means				
Document analysis	<ul style="list-style-type: none"> <li>to analyze the local government association characteristics</li> </ul>	<ul style="list-style-type: none"> <li>the local government association's history</li> <li>activities developed</li> <li>main available links with bureaucracy, Legislative, and Executive powers</li> <li>scope of its activities</li> <li>local government association's structure.</li> </ul>	<ul style="list-style-type: none"> <li>National Confederation of Municipalities (CNM)</li> <li>Association of Netherlands Municipalities (VNG)</li> </ul>	<ul style="list-style-type: none"> <li>purpose; and</li> <li>convenience</li> </ul>
Bibliographic analysis	<ul style="list-style-type: none"> <li>to identify and analyze the main sources of knowledge regarding the influence of interest groups in the policy-making process</li> </ul>	<ul style="list-style-type: none"> <li>interest group influence</li> <li>policy-making process</li> <li>characteristics that mean success in influencing policy</li> <li>measuring influence</li> </ul>	<ul style="list-style-type: none"> <li>journal Citation Reports - ISI Web of Knowledge;</li> <li>books;</li> <li>theses;</li> <li>dissertations</li> </ul>	<ul style="list-style-type: none"> <li>relevance</li> </ul>
Interviews	<ul style="list-style-type: none"> <li>to build strong internal validity</li> </ul>	<ul style="list-style-type: none"> <li>the local government association's history</li> <li>activities developed</li> <li>main available links with bureaucracy, Legislative, and Executive powers</li> <li>scope of its activities</li> <li>local government association's structure (cont.)</li> <li>successful, partially successful, and non successful cases</li> </ul>	<ul style="list-style-type: none"> <li>three policy specialist in the CNM; and</li> <li>three policy specialist in the VNG;</li> </ul>	<ul style="list-style-type: none"> <li>relevance</li> </ul>

				Table 3 (cont.)
Questionnaire	<ul style="list-style-type: none"> <li>to identify important points that might complement the data gathered and analysed by previous procedures</li> </ul>	<ul style="list-style-type: none"> <li>the local government association's history</li> <li>activities developed</li> <li>main available links with bureaucracy, Legislative, and Executive powers</li> <li>scope of its activities</li> <li>local government association's structure</li> <li>successful, partially successful, and non successful cases</li> </ul>	<ul style="list-style-type: none"> <li>National Confederation of Municipalities (CNM)</li> <li>Association of Netherlands Municipalities (VNG)</li> </ul>	<ul style="list-style-type: none"> <li>purpose</li> </ul>
With regard to end				
Exploratory research	<ul style="list-style-type: none"> <li>to investigate a contemporary phenomenon within its real-life context</li> </ul>	<ul style="list-style-type: none"> <li>local government associations</li> <li>policy-making process</li> <li>interest group influence</li> <li>municipalities</li> <li>inter-relation among private, public and civil actors</li> <li>politics</li> </ul>	<ul style="list-style-type: none"> <li>National Confederation of Municipalities (CNM)</li> <li>Association of Netherlands Municipalities (VNG)</li> </ul>	<ul style="list-style-type: none"> <li>purpose;</li> <li>relevance; and</li> <li>convenience</li> </ul>

### Lobbying and Influence of CNM

The literature presented in this study highlighted some important interest groups' characteristics that might play a role in the process of influencing policy outcome. Thus, in this section there will be an attempt to provide the CNM's internal characteristics with the purpose of identifying the role played by these factors in its lobbying process.

### The resources of CNM

Scholars advocate that interest groups' resources such as the financial resources, the staff size, the membership representation, the tactics employed (direct and indirect), and the type of influence exerted should play a role in defining their degree of success. Thus, from this moment onwards, this study will *focus* on the presentation of these characteristics and the way in which the CNM uses its resources in order to increase its chances of influencing policy outcome.

According to Mahoney (2007a), the staff and membership size are strong indicators of financial power, since a high level of legitimacy might lead to an increase of the association's revenue. Consequently, this could help the association increase and improve its services by putting more specialists on a case or even putting more money into an issue. Thus, the likelihood of success could increase.

As can be seen from Table 4, the CNM, as the main representative of municipalities in Brazil, has a considerable degree of legitimacy with 62% of all Brazilian municipalities being members in 2008. This means that from the 5,562 municipalities, 3,500 municipalities are CNM's members. From the 3,500 municipalities, 65% of all small municipalities in the country are being represented by this association, as well as 38% of all *medium* municipalities, and 63% of all large municipalities. However, in accordance with the total members in 2008, 91% of its members are small municipalities.

**Table 4** Percentage of CNM's Representation

Size	# Members 2007	%	# Members 2008	%	# Municipalities in the country 2008	%
small	2,610	91%	3,150	91%	4,839	65%
medium	174	6%	210	6%	556	38%
large	87	3%	105	3%	167	63%
total	2,871	100%	3,465	100%	5,562	62%

Regarding the number of personnel, the CNM in 2008 had 4% fewer employees (Table 5) when compared to the VNG with 260 employees. However, it has to be taken into account that the VNG manages 441 members and the CNM 3,500, which means that if you consider the *ratio* of the number of members with the number of the CNM's employees, each staff member should be responsible for fourteen municipalities, which is 823% higher than the VNG's workload in which a single employee would be responsible for 1.7 members only. Thus, it is difficult to say what number of staff is appropriate to adequately handle a certain number of members. Therefore, keeping this question in mind, we decided to look inside the organization to seek out any other evidence that could complement the idea of financial power of an association.

**Table 5** CNM's personnel characteristics

Year	# Employees	Personnel expenditure US\$	% of Total expenditure
2007	279	2,589,505.,39	44.55%
2008	250	3,741,027.11	62.34%

There followed an attempt to figure out the percentage of the personnel expenditure as compared to the total expenditure of the association. This figure could give an idea of the importance given to this resource, besides suggesting the presence of well-paid and qualified staff that might lead to a high quality of the work developed, increasing the likelihood of success.

Table 5 shows the total of the CNM's expenditure in 2008 concentrated in the

payment of its personnel, 62.34%. This figure is quite reasonable when compared to the VNG with 46.65%.

Despite the good percentage of the personnel expenditure, it was discovered that 38% of the CNM's personnel in 2007 were interns which represented only 11% of all personnel expenditure of the association (Table 6). According to other sources within the CNM, most of the roughly 44% of the personnel expenditure is concentrated on a few well-qualified employees (these employees are responsible for the development of studies, technical notes, and direct lobbying). As an attempt to save money with a cheap and qualified workforce the interns were highly relied upon to carry out administrative activities. However, from 2008 onwards, the percentage of interns slumped from 38% to 9.2%, representing 1.5% of the total personnel expenditure. This is explained by the enactment of a new legislation in Brazil which awarded new rights to interns, making them much more expensive to organizations, leading to the dismissal of some of them and the hiring of others.

**Table 6** CNM's personnel characteristics

Personnel			
Year	Employee(s)	Intern(s)	Total
2007	174	105	279
2008	227	23	250
Personnel expenditure US\$			
Year	Employee(s)	Intern(s)	Total
2007	2,300,338.29	289,167.10	2,589,505.39
2008	3,685,307.60	55,719.50	3,741,027.11
Personnel expenditure %			
Year	Employee(s)	Intern(s)	Total
2007	88.83%	11.17%	100%
2008	98.51%	1.49%	100%

To complement the data regarding the staff's role in the definition of the association's financial power, the average salary was calculated and the figure found was US\$ 1,247. However, there is a problem in this figure, since within the CNM there is a very uneven salary distribution in which 62.84% of all personnel expenditure is concentrated in 90% of the staff team and the remaining 10% of the staff get 37.16% of the personnel expenditure. It means that the average salary of these 10% can reach US\$ 4,634 (56% less than the VNG's average salary) while the remaining 90% of the staff has an average salary about US\$ 870. Or rather, most of the administrative staff has a very low salary while the well-qualified staff members, linked to the lobbying tasks, has the highest salaries.

In order to verify how much it represents to Brazilian society, according to the Ministry of Labour,<sup>3</sup> the average national income of a Brazilian citizen with bachelor degree in 2007 can reach US\$ 1,672. It means that a policy specialist who works at the CNM can earn roughly three times more than an ordinary citizen. However, an administrative professional in the same organization may earn 92% less than the national average income.

These highly-qualified policy specialists, with the support of their teams, are also responsible for the following services: political representation, technical programmes, and technical training to civil servants. Furthermore, these policy specialists are much more engaged in developing direct lobbying rather than indirect lobbying, because they *focus* their work on presenting research or technical information to the parliament or central government in order to present a viewpoint, help to draft legislation, speak with congressional leaders and lobby members of the committees to which the bill was referred; when it comes to the activities related to the latter, speaking with the press, and setting up congresses are mostly done by ordinary staff.

As for the type of influence, the interviewees stated that the CNM makes use of both the directional and technical influence. However, it was said that there is no way to separate the directional from the technical influence, since in the former there might be many technical aspects to be discussed and in the latter the change in technical aspects might lead to directional influence.

## The CNM in Action

In 2003, the Brazilian president, Luiz Inácio Lula da Silva, proposed a Tax Reform which started to be discussed in the House of Representatives. As a result of this proposed reform, not all main points defended by the municipalities were accepted, such as the transference of 100% of the Tax on Rural Territory (ITR)<sup>4</sup> to the municipalities alongside the responsibility for the collection of that tax and the percentage raise in the Municipalities Participation Fund (FPM).<sup>5</sup>

This situation generated a strong mobilization of the CNM which was very much supported by the mayors, whose expectation was that these demands would guarantee a larger amount of resources to the municipalities.

One of the main ways used by the CNM to keep the mayors aware of the entire discussion was the March to Brasilia in Defense of the Municipalities. This conference is held in the capital city every year (centre of political power) and helps the CNM to spread the results of its actions. At that time it helped to spread knowledge about the consequences of the Tax Reform and also the positive points of its claims.

The CNM's policy specialists were responsible for generating reliable data about all the consequences of the Tax Reform and also about the positive results that the CNM could



claim. This work was crucial in gathering about 3,500 unhappy mayors that were welcomed by the shock troops of the Military Police at the “Palácio do Planalto” (president’s official residence) when they tried to get an audience with the president of the Republic in 2003.

All this mobilization did not convince the central government in the early stages of the policy-making process but did convince the Parliament to a greater extent. Thus, through the Parliament it was possible to generate pressure over the government, which accepted to negotiate with the association and the deputies. This situation suggests that the CNM is not usually successful in influencing policy outcome in the early stages of the process of decision-making but rather at the stage in which the discussion is already in Parliament. This can be noticed in the description of the cases.

### **Municipalities participation fund (Successful Case)**

First of all, when it comes to the FPM claims, the CNM had the opportunity of negotiating with the central government only through Parliament because the Tax Reform had already been presented by the central government in the National Congress. There was no negotiation in the early stages of this proposed reform and the CNM then had to go to the Parliament to lobby for changes. Here the influence was only possible through Parliament.

Through the congresses set up by the CNM (from 2003 to 2008) to discuss this issue, it was possible to obtain the mayors’ commitment to the issue and therefore to get the support of the Parliament (deputies). Then, with this powerful support, the CNM asked for a raise of 5% in the Municipalities Participation Fund (it is the main revenue source of around 80% of municipalities in Brazil). However, after negotiation, it was possible to get 1%, which guaranteed an amount of R\$ 2.2 billion a year<sup>6</sup> to the municipalities. According to the interviewees, they tried to ask for much more than needed and, therefore, even getting only 1% was more than expected.

In this successful case, which finished only in February 2008, it was possible to perceive that the level of conflict was very high because of the far reaching policy implications and the significant number of vested interests.

Despite these characteristics, the CNM was able to handle the case so well that its likelihood of influence increased considerably, guaranteeing the financial resources needed for the municipalities.

Another important point responsible for this victory was the work developed by the CNM’s personnel which generated high quality studies to present and discuss with mayors, Parliament and central government the complex implications of the Tax Reform. Despite the very high level of conflict, it was possible after five long years of discussion to change the constitutional transference law and increase the municipalities’ revenue.

In this case we can note that the staff and the level of legitimacy played an important

role within the whole process of lobbying, increasing the likelihood of success, since the support of all members, and some of those which were not, also helped to strengthen the movement.

When it comes to the tactics chosen, direct and indirect lobbying (when combined efficiently) can generate a strong impact, increasing the probability of influence. Or rather, from this successful case we can observe that the CNM had to rely on its direct contact with officials by presenting the results of its studies, besides setting up its most important conference with the purpose of making sure that mayors would fully support its claims. This approach was responsible, according to the interviewees, for guaranteeing the Parliament and mayors' support, increasing the likelihood of influence significantly.

Regarding the type of influence, the interviewees mentioned that only technical influence was exerted, and affirmed that the level of conflict was very high because of the issue characteristics rather than the type of influence. Therefore, it suggests that the type of influence did not conform to the literature's trend. Once again, according to the literature, the likelihood of influence is increased when the technical influence is exerted, but the reason for that is because this type of influence would generate a low conflict level with decision-makers. In this case the trend was not confirmed.

To summarize this case, it is important to emphasize the following points that increased the likelihood of the CNM's success:

- a) full mayoral support played an important role (it was obtained by means of indirect lobbying – through meetings, letters, and regional discussions);
- b) full Deputy support led to a negotiation phase with the Executive (which might depend on the mayors' support within the Parliament);
- c) very good policy specialists to discuss the points requested with the Parliament and the central government (it suggests well-qualified policy specialists with experience - probably they are more expensive);
- d) developing high quality research to support the debates (which depends on the level of the policy specialists hired).

#### **Tax on rural territory (partially successful)**

The ITR case was also included in the Tax Reform, hence the CNM had no opportunity to discuss this subject in the early stages of the policy-making process, with negotiation within the Parliament being only possible with the help of the deputies. Therefore, the influence was exerted only through the Parliament.

In this case the CNM aimed to transfer 100% of this tax collection to the responsibility of the municipalities, however, what they got was the transfer of 100% only if the municipality

agrees to sign a contract with some obligations required by the central government. The text enacted in the EC 42/03 (Constitutional Amendment) of the Tax Reform keeps the contribution as a jurisdiction of the Union, but it allows the municipalities to increase their participation from 50% to 100%.

This case did not take so much time to be solved because the central government already had a strong position on this issue and also because the mayors did not fully support this proposal. When it comes to the opposition of the central government, this tax was considered an important instrument of land policy. Therefore it could not be decentralized without some negotiated requirements. As for the mayors' support, they knew that the decentralization of 100% of this tax would be beneficial for their finances, however they were aware that they could create many conflicts with the richest people of their municipalities (most influential people responsible for important local business) because now it would be easier to apply a fair tax to all large farm lands by means of a more efficient municipal inspection.<sup>7</sup>

Taking this situation into account, it is possible to see the willingness of many mayors to change this situation by charging the real tax and then raising the tax revenue, while many others would not like to negatively affect these very important business men because they are extremely important to the local economy. This is the reason why not all mayors supported this proposal.

The CNM tried to convince the mayors about the importance of this tax decentralization by means of the indirect lobbying (the March to Brasilia in Defense of the Municipalities – 2003). However, the local business farmers were able to make the CNM less influential, through their influence over those mayors concerned with the local businesses. This action generated less support in the Parliament, because the mayors are mostly responsible for the CNM's support in the Parliament. Thus, it was easier for the government to build up a strong coalition in order to weaken the CNM's direct lobbying.

Despite the fact that the CNM worked very hard in lobbying the members of the Congress with reliable data about the benefits of such a change, it was not possible to get all the points desired. The CNM was therefore obliged to negotiate the decentralization with some negotiated agreements. Or rather, if a municipality does not show its desire in getting this 100% of taxation plus the responsibility for the inspection and collection then everything will continue as it does now.

Once again the level of conflict was very high not because of the type of influence exerted (technical influence) but rather because the political positions of the CNM and the central government were not aligned.

In this case the CNM was less likely to influence policy outcome because:

- a) the lack of the mayors' support led to the lack of support within the Parliament;
- and

b) the strong opposition of the central government led to a coalition in the Parliament. This might increase the likelihood of losses in influence-gaining.

**Fund for the maintenance and development of primary school education and the valorization of primary school teaching (Fundo de Manutenção e Desenvolvimento do Ensino Fundamental e de Valorização do Magistério (FUNDEF)) (non-successful case)**

The purpose of this programme was to guarantee the universalization of primary education (from 7 to 14 years old) and to improve the teacher's salary by redistributing financial resources from the central government to the states and municipalities and also from the states to the municipalities. It was created in 1996 and was supposed to end in 2006.

A few years before the official end of the programme (2006), the debates were started within the central government about how the new programme could be. As noticed, in this case the CNM was able to participate in the discussions in the early stage of the policy-making process but the central government proposal was not defeated. The central government defended the creation of a single fund to support the entire basic education (primary and secondary education level 1 and 2) and the CNM fully opposed the proposal, presenting the creation of three new funds, one to each level of study.

According to the interviewees, the governors of the states were against CNM's proposal because it would take more money from the states to the municipalities. Thus, the governors supported the government's proposal because it would benefit them and they together were able to get the support of the Parliament. As the issue was very technical, the mayors did not understand very well what was good for the municipalities. Therefore, this lack of the mayors' support and the coalition between the central government and the governors weakened the CNM's influence.

As a result of this situation it can be perceived that the CNM seems to be less likely to influence policy outcome when:

- a) there is a strong opposition formed by the central government and the governors (presence of countervailing forces). When they act together (coalition) against the municipalities they become strong enough to avoid the municipalities' influence;
- b) there is a lack of the mayors' support that leads to the lack of support within the Parliament;
- c) there are a lack of arguments which allow the mayors to understand the issue discussed (even exerting the direct and indirect lobbying intensely, the CNM was not able to make the mayors understand the highly technical issue); and
- d) there is an attempt of directional influence (CNM's proposal was totally different from the Executive proposal).

### Lobbying and Influence of the VNG

Regarding the VNG, it seems to have a comfortable position within the central government. According to the policy specialists interviewed, all the thirteen ministries are obliged to deal with issues regarding the municipalities by discussing it with the VNG, the major municipalities' representative. It is a result of the Code of Inter-administrative Relations that gives the VNG at least the possibility of being heard by the government at the earlier stage of the policy-making process. By means of this Code the VNG can negotiate all issues regarding the municipalities, focusing mainly on those with financial impact.

### The VNG's resources

As already discussed, interest group resources matter in order to increase the likelihood of influence-gaining, thus, when it comes to the staff and membership size, the VNG might be considered a strong association that has the maximum level of legitimacy (see Table 7).

**Table 7** Percentage of VNG's representation

Size	# Members 2007	%	# Members 2008	%	# Municipalities in the country 2008	%
small	240	54%	240	54%	240	100%
medium	170	38%	170	39%	170	100%
large	33	7%	31	7%	31	100%
total	443	100%	441	100%	441	100%

Regarding the staff size, according to Table 8, in 2008, the VNG had 260 employees who are responsible for 46.6% of all VNG's expenditure. These employees carried out services to 441 members in 2008.

Furthermore, the average salary in the VNG is 56% higher than the top salaries in the CNM, roughly US\$ 7,230 a month.

In order to have a real picture of the VNG's average income, it was compared to the national average income of the Netherlands. The results showed that the VNG pays roughly 20% more than the national average income.<sup>8</sup> It suggests that the VNG deems personnel as one of its main keys to success and that the staff size is definitely an important factor to determine the financial power of the association.

**Table 8** VNG's financial features

Year	# Employees	Personnel expenditure US\$	Total expenditure (%)
2007	252	21,150,000.00	44.78%
2008	260	22,560,000.00	46.65%

When asked about the most frequently-used tactic to influence policy, the sources claimed that direct lobbying is the prominent tactic. Or rather, the VNG usually presents research or technical information when contacting government officials to present its point of view. This happens because the Dutch local government representative usually tries to influence the beginning of the process, before the issue is in Parliament. This technique is achieved by helping officials to draft legislation and by discussing issues with special committees comprised of aldermen, mayors and other VNG members. When the contact with the Executive fails, it is then necessary to lobby members of Parliament.

Regarding indirect lobbying, it was said that it is very important to the association when they intend to keep society aware of an issue, but it works more as a means of gaining publicity, and is therefore not important for some policies.

The interviewees did not provide much information on the type of influence exerted by them, but said that the organization uses both the directional and technical influence, grading the former with a high degree of importance and use and the latter with a very high degree.

## The VNG in Action

Before starting the description of the cases, it is important to mention that the VNG, differently from the CNM, discusses issues regarding the municipalities always in the early stage of the process of decision-making. This condition, as already mentioned, is guaranteed by the Code of Inter-administrative Relation. However, it does not mean that the association is always successful or that it does not discuss certain issues with the Parliament.

### **Hazardous material (successful case)**

In 2003 the VNG started discussing an environmental issue related to the transportation of hazardous materials that had to be transported from the producers to the consumers. These materials carry several risks to the population (explosion and pollution) mainly because they have to be transported by roads that go through inhabited areas.

This issue was considered very complicated because it combines many different and powerful interests such as the chemical industry, the economy, safety, and transport interests (far reaching policy implications, significant number of vested interests, and presence of countervailing forces). However, despite the fact that these characteristics seem to play a negative role in the VNG's influence-gaining, it was able to overcome the obstacles in order to succeed in its primary goal, to guarantee a safe transportation of these hazardous materials through the cities.

First of all, the central government was divided in two: the Department of the Environment was on the VNG's side, while the Department of Infrastructure was more



or less on the side of the manufacturers. Thus, within this situation of conflict the VNG exerted its influence over the Department of Environment and took advantage of this, in order to increase its likelihood of influence-gaining. This hard situation forced the central government to moderate between safety and the economy.

Secondly, the negotiation phase was very hard in the early stage of the policy-making process because the central government was not willing to consider the points suggested by the VNG regarding safety, and then drafted the bill in partnership with others. When the bill arrived in Parliament to be discussed, the VNG was already there with the total support of the mayors, the Parliament, and the population. This positive support allowed the VNG to discuss, once again, the issue with the central government and other parts and then incorporate the points required. As could be seen, despite the “advantage” of discussing issues in the early stages of the process of decision-making, the VNG was able to exert influence in the second stage in which the bill is already in Parliament being discussed by everyone.

According to the interviewees, the VNG was very successful in this case because its aim was parallel to the population and mayoral interest. Therefore, it suggests that the VNG is more likely to influence policy when its aims are fully support by the Parliament, the mayors and the population.

Thirdly, when it comes to the tactics employed by the VNG, we can note that direct lobbying played a very important role in this process by means of discussions with officials and by lobbying members of the Congress, however, they did not develop any sort of research or data in this case because all studies were developed by advisers paid by the departments (central government) that were shared among all parties involved.

Regarding indirect lobbying, the VNG tried to keep the population aware of the issue by means of articles in national newspapers and letters to the Parliament. These initiatives seemed to be important but less so than the direct contact that was very much emphasized by the interviewees.

As for the type of influence, the VNG only exerted technical influence that led to a high level of conflict. Once again the reason for the level of conflict was not the type of influence exerted by interest groups but rather political position. That is to say that it was not aligned with the central government.

To summarize this successful case it can be said that the VNG is more likely to influence policy outcome when:

- a) there is full mayoral support concerning the issue in question;
- b) there is full parliamentary support;
- c) there is division of opinion within the national government;

- d) the VNG's interest is parallel to the population's interest; and
- e) direct lobbying is well employed.

### **European Environmental Measures (partially successful)**

This case was a problem for the municipalities because the central government did not pay attention to this subject when it was passed in Brussels. The obligations of this new legislation had to be applied in the Netherlands and the central government passed on the responsibility to the municipalities.

It was a very difficult issue because the biggest cities of the Netherlands have serious air problems and the standard measurement defined by the European legislation was impossible to be applied in such a short period of time.

Therefore, the VNG solution was twofold: first of all, the VNG complained to Brussels about this situation by saying that one of the main parties responsible for this situation was the car producers, suggesting that Brussels should obligate them to develop less harmful cars; and secondly, the association tried to show that this was the responsibility of the central government. For the VNG the central government had to recognize at least a shared responsibility in improving the air quality in the Netherlands.

Thus, by lobbying the members of the Parliament directly, the VNG was able to get its support, making it possible to define a suitable way of measuring air quality (spreading the measures throughout the country and taking into consideration a one year period – it was a way to balance the measures of a very polluted area and a less polluted one), besides sharing the responsibility with the central government.

This case was considered partially successful because the VNG aimed to transfer all responsibility to the central government, as well as defining a suitable way of measuring air quality. What the VNG achieved was the replacement of the way to measure air quality and the sharing of the responsibility in measuring it.

In this unusual case the VNG was able to influence the Parliament rather than the central government.

The reasons why the VNG was partially successful can be expressed in the following factors:

- a) partial support from Parliament;
- b) lack of support among the population;
- c) partial support from the mayors; and
- d) the strong opposition of the central government.

In this case the opposition of the central government seemed to play a strong role

against the VNG's aims. Besides this, the lack of support of the population, plus the partial mayor's support, weakened the VNG. This only allowed for a partial success. Therefore, the VNG seems to be less likely to succeed when there is no support from the population plus a partial support of the mayors in the Parliament.

### **Zoning laws (non-successful)**

The VNG aimed to keep the task of regulating the use of land under municipal responsibility. However, the central government, and even many members of the Parliament, thought that these tasks and responsibilities should belong to another level of government, at the provincial level.

In order to guarantee this power to the municipalities, the VNG exerted only direct lobbying by trying to convince the central government, the members of the Parliament and the front leaders of the political parties that the municipalities are the most suitable government level to carry out this sort of task. They were unsuccessful in this endeavour.

According to the interviewees, the VNG faced many important countervailing forces such as politicians in Parliament and policy-makers in the central government.

On this subject, it would be very difficult to get the population's support because it is not a simple issue to understand and even to get the support from those who knew the importance of this subject in-depth would be difficult. In addition, the mayors' support was not enough to guarantee the VNG's victory, however, the only small success possible by the VNG was the mayors' support to keep some tasks and responsibilities regarding the subject of public transport.

To summarize this unsuccessful case, it is important to see the factors that might have contributed to this result:

- a) lack of the population's support;
- b) lack of Parliament's support;
- c) lack of the mayors' support; and
- d) the strong opposition of the central government.

It is interesting to notice that when the VNG has a lack of support from all its possible partners then it is less likely to influence the policy outcome.

### **Common Trends and Differences**

One of the most surprising findings observed in the cases studied was that most of the factors considered important to succeed in influencing policy outcome and also the factors that negatively affect influence-gaining in the European Union, play a role within different countries with different political and cultural contexts.

As for the resources of the two local government associations, it is noticeable from Table 9 that the VNG seems to be a well-endowed association and is able to put more resources into a case or even employ more tactics or hire more qualified professionals to its staff team. This is because the VNG carries 100% legitimacy and the highest number of staff when compared to the CNM.

**Table 9** Local government associations' resources

Characteristics	VNG	CNM
Degree of legitimacy	100%	62%
Staff size	260	250
Percentage of personnel spending from the total of expenditure	46.65%	62.34%
Average salary	US\$7,230	<ul style="list-style-type: none"> <li>• 90% = US\$870</li> <li>• 10% = US\$4,634</li> </ul>
# of members	441	3,500

The CNM bears 62% of legitimacy which, in fact, is a high percentage, as well as having the highest percentage of personnel expenditure, which reaches 62.34% of all CNM's expenditure; however, the average salary is substantially lower than the VNG even when compared to the 10% highest salaries of the CNM. On the other hand, a policy specialist at the CNM can earn almost three times the average salary in Brazil, while at the VNG the same specialist usually earns only about 25% more than the average professional in the Netherlands.

When it comes to the staff size, the CNM has nearly the same as the VNG, however it has substantially more members to provide services to. Thus, it suggests a lack of resources that might negatively affect the CNM's performance.

These data suggest that the VNG is more likely to plough resources into its cases, becoming more likely to influence policy outcome when compared to the CNM. As for the latter, it seems to be less likely to influence policy outcome when compared to the VNG.

Despite the dearth of resources, the CNM still seems to be able to provide high salaries to its key policy specialists responsible for the main lobbying activities. Therefore, it increases the possibility of influence-gaining mainly because these associations rely heavily on direct lobbying.

Now, after comparing the associations' resources, it is interesting to take a look within the cases they provided and see how these resources are employed and which factors might indicate a high or low likelihood of gaining influence.

As can be noticed from Table 10, the factors that positively affect the likelihood of influence are the same in both associations, excepting the necessity of the VNG's interest

being parallel to the interest of the population.

As far as the associations' cases are concerned, the full support of the mayors and of the Parliament seems to play an important role in the influencing process. Or rather, according to the interviewees, when the associations have this kind of support and exert direct and indirect lobbying properly (one action must complement the other one) then they are more likely to influence policy outcome even when the degree of conflict is very high.

**Table 10** Positive factors that might contribute to the influence-gaining

CNM	VNG
<ul style="list-style-type: none"> <li>• Full support of the mayors</li> <li>• Full support of the Parliament</li> <li>• Combination of direct and indirect lobbying</li> <li>• Employment of technical influence</li> </ul>	<ul style="list-style-type: none"> <li>• Full support of the mayors</li> <li>• Full support of the Parliament</li> <li>• Association's interest parallel to the interest of the population</li> <li>• Combination of direct and indirect lobbying</li> <li>• Employment of technical influence</li> </ul>

With regards to the VNG, if its interests are also parallel to the interest of the population, their likelihood of influence-gaining increases.

Furthermore, in the cases analyzed in this study, the level of conflict was always either high or very high, despite the technical influence exerted. This condition suggests that the type of influence exerted in the successful and partially successful cases does not follow the same pattern as described in the literature. Or rather, the technical influence did not provide a low degree of conflict between the central government and the associations. Conversely, it seems that what defines the degree of conflict between both might be the political position when unaligned.

The data suggests that when all factors in Table 10 happen together, then even with a high degree of the central government's opposition, the likelihood of influence is still high.

However, when there is a lack of parliamentary support, then the likelihood of a coalition between the central government and the Parliament increases and the associations become less likely to influence the policy outcome (Table 11).

In situations in which the associations do not have the parliamentary/mayoral support and also face the opposition of the central government then the associations might be less likely to influence policy. Keeping this in mind, we can say that issue characteristics (presence of countervailing forces and significant number of vested interests) seem to play an important role in defining the degree of influence-gaining of the associations.

Another interesting fact to be considered is that directional influence was exerted in all unsuccessful cases discussed in the interviews. In these cases the level of conflict between interest groups and central governments was very high and thus it might suggest

that directional influence, in this moment, could lead to the high degree of conflict and hence it becomes the tactic least likely to influence policy outcome. This dynamic is the same as in the literature.

**Table 11** Negative factors that might affect the influence-gaining

CNM	VNG
<ul style="list-style-type: none"> <li>• Lack of support of the mayors</li> <li>• Lack of support of the Parliament</li> <li>• Central government opposition</li> <li>• Governors opposition</li> <li>• Parliamentary opposition</li> <li>• Employment of directional influence</li> </ul>	<ul style="list-style-type: none"> <li>• Lack of support of the mayors</li> <li>• Lack of support of the Parliament</li> <li>• Central government opposition</li> <li>• VNG's interest is not parallel to the population interest</li> <li>• Governors opposition</li> <li>• Parliamentary opposition</li> <li>• Employment of directional influence</li> </ul>

By going through this data it is possible to see that the associations are very similar in their lobbying dynamics. Or rather, all of them tend to exert influence mainly by means of the Parliament rather than in the early stage of the policy-making process. This condition does not mean that it is an option of the associations but rather that it is very tough to influence the central government at the beginning. In order to have an idea, in almost the majority of the cases studied in this research, influence was obtained only through Parliament, after not being considered by the central government at the beginning of the policy-making process.

Taking into account this remark and considering the information from Table 11, it is reasonable to say that most of the influence shown by these cases might be considered small changes (technical influence) rather than substantial ones (directional influence), since in the Parliament the changes are hardly substantial.

Another fact to be mentioned is that despite the fact that the VNG has the Code of Inter-administrative Relations which gives it the possibility of discussing all subjects related to the municipalities with the central government in the early stage of the policy-making process, it does not guarantee influence at the beginning of the process of decision-making. For instance, the VNG was able to exert influence only in the Parliament, rather than in the early stage when discussing the issue with the central government.

### The Local Government Associations and their Linkages with Executive and Legislative Branches

According to the analysis undertaken in this study, the VNG and CNM, in order to achieve their purpose, firstly have to operate in accordance with their respective country's



peculiarities such as the political system (type and levels of government and separation of powers), the laws, and the stages of the process of decision-making. In doing so they are able to use and spend their knowledge and assets wisely.

In the CNM's case, all the aforementioned factors have led to a strong linkage between the association and the legislative branch. The latter usually gives support to the CNM, partially because of those deputies who believe in the municipal movement (former mayors) and partially because of the quality of information provided by the association to them.

When it comes to the CNM's relationship with the Executive, it seems to be a little bit conflicting because of the CNM's political position that sometimes runs against the central government. Hence, when negotiations are not going well with the Executive, the CNM exerts its influence over the Legislative. (CNM works mainly in the second stage of the policy-making process.)

Regarding the VNG, it has a strong relationship with the Executive, having the possibility to discuss issues at the beginning of the policy-making process. This favourable condition is granted by the Code of Inter-administrative Relations which obliges the executive branch to discuss issues related to the municipalities in the early stages of the policy-making process. On the other hand, this condition does not mean that VNG is able to exert influence mainly over the Executive, or rather, again according to the data its influence is exerted mainly over the Legislative.

In addition to this, the VNG's relationship with the Parliament is more likely to occur when things are not going well between VNG and the central government. Otherwise, all can be defined in the first stage.

## What Really Matters in Influencing Policy Outcome?

### Resources

As shown above, the associations' resources seem to play an important role in influencing policy simply because interest groups, through their available resources, are able to define their strategies to face, efficiently, the external challenges stemming from the issue characteristics (large number of vested interests, presence of countervailing forces, far reaching policy implications, and high level of public awareness).

According to the literature (Mahoney 2007a), a well-endowed association might employ more tactics, put more money into an issue, involve more specialists in a case and/or even hire specialized professionals. Thus, it is more likely that interest groups succeed in influencing policy outcome.

In fact, interest groups' resources seemed to increase the likelihood of influence-gaining of the associations studied because, by means of their staff, the discussions around

the issues might be effective. Rather, in the successful and partially successful cases it is possible to see that the associations worked hard on the preparation of conferences and papers for the media (indirect lobbying), besides preparing speeches, presentations, and information (direct lobbying) to present to mayors, members of Parliament, and also to officials. This work was responsible for clarifications that led to the strengthening of the associations' support.

### **Tactics**

Another important and interesting fact that suggests the importance of the associations' resources can be noticed from the length of time of the successful cases analyzed. Specifically, these cases took more than 4 years to be concluded. It means that the associations employed all necessary tactics, putting forth their best team and even hiring more employees to succeed. These actions, applied during about 4 years, might suggest that the expenses were high in order to achieve their goals.

When it comes to the tactics employed by the associations, what can be seen is that in the successful and partially successful cases the associations were able to apply both tactics, getting the support of the mayors and the Parliament. This dynamic suggests that the tactics, when applied together (direct and indirect lobbying), increase the likelihood of influence-gaining.

When analyzing the unsuccessful cases, it is possible to notice that interest groups relied only on direct lobbying, decreasing their probability of influence.

Despite the fact that, in order to be more influential, interest groups tend to employ both tactics, it is important to say that according to the interviewees the prominent tactic is direct lobbying.

### **Type of influence**

As far as the type of influence is concerned, what could be noticed from the cases is that the technical influence played a prominent role in the successful and partially successful cases. However, it did not follow the same trend described by the literature. Or rather, the literature advocates that it is more likely to influence policy outcome when technical influence is exerted and the reason for this is that the technical influence leads to a low degree of conflict between interest groups and policy-makers. However, what was noticed is that even in exerting technical influence, the interviewees affirmed that the level of conflict was always either high or very high.

Therefore, the causes of the high degree of conflict could not have been the technical influence but rather the political position of the associations that were not aligned to the central government, as mentioned by the interviewees.

On the other hand, it was noticed that in the unsuccessful cases the directional influence exerted might have followed the literature's trend, increasing the level of conflict and therefore diminishing the likelihood of influence-gaining of the associations.

Taking into consideration all data analyzed so far, we can say that the associations' resources matter and therefore play an important role in influencing the process.

### **Issue characteristics**

According to the literature, interest groups are less likely to influence policy outcome when an issue has some characteristics such as the far reaching policy implications, a significant number of vested interests, a high level of public awareness, and the presence of countervailing forces.

These characteristics in the cases analyzed seem to play a role in influencing the process. However, it was noticed that in the successful cases it does not seem to be a very crucial issue. Specifically, when interest groups are able to convince mayors and then get their support, it seems to be easier to get the support of the Parliament. Therefore, when the associations have support guaranteed from both parties, then the likelihood of influence-gaining seems to be significantly higher. The data suggested that even with highly complex issue characteristics, by means of guaranteed support, the associations are more likely to face the challenges and then succeed in their undertakings.

Regarding the partially successful and the unsuccessful cases, what can be noticed is that when an association has a lack of mayoral support, then it is harder to get full parliamentary support. With this lack of support, it is likely that the association does not succeed completely when facing an issue with a significant number of vested interests and with the presence of countervailing forces. It might happen because the central government can make coalitions, taking advantage of the lack of the association's support. However, in cases with a high level of public awareness in which the association's purpose is parallel to the population, this characteristic seems to compensate for the lack of the mayoral support and consequently it becomes more likely that the association gets full parliamentary support in order to increase its likelihood to influence. This trend can only be witnessed in the VNG's cases.

Getting back to the coalition subject, it was noticed that by means of coalitions (with governors, Parliament, or with both at the same time), the central government seems to be able to avoid the association's influence. Thus, taking into consideration these scenarios (partially and unsuccessful cases), it is possible to conclude that the likelihood of the associations' influence-gaining is decreased.

It is apparent that the factors defined by the literature as important to influence policy outcome are also important to the associations analyzed; however, the findings suggest that most of the 80 factors alone do not seem to play an important role in determining

influence in Brazil and the Netherlands, but rather a set of combined characteristics and challenges that should play a very important role in determining the degree of influence of the associations.

### **Stages of the policy-making process**

As for the influence exerted by the associations, it was noticed that in the majority of the cases, the associations were not able to exert influence in the early stage of the policy-making process. As perceived, the central government seemed to be in very strong opposition when the aim of the associations was not aligned to the central government's aim.

As a consequence of this, what was clearly noticed was the associations' action in the Parliament. Through the deputies and the mayoral support, they seemed to be more likely to exert influence mainly in technical details.

However, if full mayoral support is not available, the likelihood of full support in the Parliament seems to be affected, decreasing the possibility of influence-gaining. It suggests that they can exert influence, but only over small aspects of an issue, which can be considered, to some extent, as a big achievement at the local level.

Another factor that can strengthen this argument is that in all unsuccessful cases analyzed, the associations might not have been successful because they tried to exert directional influence. Or rather, they were not able to convince mayors, Parliament, and central government that such a kind of structural change was needed.

Therefore, the associations seem to be more influential when they are dealing with small political aspects and less influential when dealing with large political aspects.

## **Conclusions**

Interest groups seem to be an important tool to the whole of society since they might deliver an effective opportunity for participation for the latter in the process of decision-making. This participation, in an organized way, may be stronger and perhaps more efficient than acting alone, increasing the possibility of exerting influence on the topic desired.

However, it is quite difficult to completely understand how interest groups might influence policy outcome, particularly when it might be exerted throughout the whole process of decision-making. Perhaps the most challenging task is not to understand how they influence, but rather to what extent they influence.

The search for understanding such *phenomenon* led to the study of local government associations in Brazil and the Netherlands and the reason for that choice was based on the growing importance of municipalities in the policy development (decentralization of public services).

Municipal lobbying has become a crucial activity because there are not enough resources to effectively carry out the necessary activities to guarantee the quality of life of the population. Therefore, by means of an organized representation run by specialists, municipalities are able to provide reliable information regarding the difficulties they face by means of discussions and presentations to the central government and Parliament, with the purpose of communicating their difficulties to stimulate the search for solutions.

The findings from this study suggest that local government associations in Brazil and the Netherlands do matter and are responsible for enhancing, to some extent, the managerial conditions of municipalities and, consequently, the quality of life of the population. This means that they are able to influence policy in certain technical aspects, in favour of the municipalities.

Unfortunately, because this is a case study, the findings are not strong enough to be generalized. They are, however, important to contribute towards a better understanding of the influence of local government associations.

In conclusion, this research shows that local government associations in Brazil and the Netherlands are relatively successful in influencing technical aspects of policy outcome, despite the structural differences within their respective countries.

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## Notes

- 1 This occurs when interest groups try to influence policy by changing the political core of the public policy. This process often creates much more conflict with policy-makers.
- 2 This pertains to interest groups' ability to influence policy by changing only technical points in the public policy.
- 3 Data retrieved from [http://www.rais.gov.br/RAIS\\_SITIO/oque.asp](http://www.rais.gov.br/RAIS_SITIO/oque.asp).
- 4 In Portuguese ITR means "Imposto Territorial Rural".
- 5 In Portuguese FPM means "Fundo de Participação dos Municípios".
- 6 Data provided by the CNM.
- 7 The central government was responsible for the ITR tax collection and had only 5 inspectors to cover all the Brazilian territory. Thus, this situation collaborated to an unfair land taxation in which many big farmers do not pay the real tax of their huge lands, while ordinary people pay the real tax amount.
- 8 Data retrieved from the CBS statistics Netherlands on 24/09/09 (<http://www.cbs.nl/en-GB/menu/themas/inkomen-bestedingen/publicaties/artikelen/archief/2007/2007-2215-wm.htm>).

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