



CHAPTER 11

Interest Groups

LEARNING OBJECTIVES

- 11-1** Explain what an interest group is, and identify the main factors that led to their rise in America.
- 11-2** Detail the various types of interest groups in America, and explain the types of people who join interest groups.
- 11-3** Summarize the ways interest groups relate to social movements.
- 11-4** Explain the various ways interest groups try to influence the policymaking process.
- 11-5** Describe the ways in which interest groups' political activity is limited.

You probably do not think of yourself or of people you know as belonging to an “interest group.” But are you or friends of yours part of an effort to improve the environment? Do you have family or friends who build houses, teach school, or practice law? If the answer to any of these questions is yes, then you likely know someone who belongs to the Sierra Club or the Audubon Society, a labor union, the American Federation of Teachers, or the American Bar Association. In short, if you examine your own activities and affiliations and those of at least some people you know well, chances are that you or they belong to one or more interest groups.

An **interest group** is an organization of people sharing a common interest or goal that seeks to influence public policy. The size and diversity of our country, the decentralizing effects of our Constitution, and the vast number of nonprofit organizations make it certain that interest groups will be an important way for people to have their voices heard. But while interest groups are as old as the republic itself, the number of interest groups has grown rapidly since 1960, and the number of interest groups that have lobbyists working full time in Washington has reached new highs in just the last decade.

THEN

During the 1770s, many groups arose to agitate for American independence; during the 1830s and 1840s, the number of religious associations increased sharply, and the antislavery movement began. In the 1860s, craft-based trade unions emerged in significant numbers, farmers formed the Grange, and various fraternal organizations were born. In the 1880s and 1890s, business associations proliferated.

The great era of organization-building, however, was in the first two decades of the 20th century. Within this 20-year period, many of the best-known and largest associations with an interest in national politics were formed: the Chamber of Commerce, the National Association of Manufacturers, the American Medical Association, the National Association for the Advancement of Colored People (NAACP), the Urban League, the American Farm Bureau Federation, the Farmers’ Union, the National Catholic Welfare Conference, the American Jewish Committee, and the Anti-Defamation League.

NOW

The wave of interest group formation that occurred in the 1960s led to the emergence of environmental, consumer, and political reform organizations such as those sponsored by consumer activist Ralph Nader. In 1973, a new federal campaign finance law made it legal for interest

groups to create political action committees. A **political action committee (PAC)** is an organization created by a business firm, labor union, trade association, or ideological group that recruits members from whom it obtains campaign contributions. By the mid-1990s, there were about six times as many PACs (more than 4,000) as there had been in the mid-1970s, about a quarter of them ideological in character.

The growth in ideological groups has been equaled and, of late, exceeded only by the growth in business groups. For instance, between 1981 and 2005, the number of full-time and part-time lobbyists (a **lobbyist** tries to influence legislation on behalf of an interest group) in Washington representing just the S&P 500 corporations increased from 1,475 to 2,765.¹ Today about 14,000 lobbyists for business, union, and other groups are listed in the (over 2,000-page) *Washington Directory*, up from about 7,000 lobbyists (and 531 pages) three decades ago. Adjusted for inflation, the roughly \$3.55 billion spent on lobbying in 2010 was nearly seven times the amount spent on lobbying a quarter-century earlier.²

Why are associations in general and political interest groups in particular created more rapidly in some periods than in others? After all, there have always been farmers in this country, but there were no national farm organizations until the latter part of the 19th century. African Americans were victimized by various white-supremacy policies from the end of the Civil War on, but the NAACP did not emerge until 1910. Men and women worked in factories for decades before industrial unions were formed. Every political era featured activists who believed strongly in liberal or conservative ideology, but only in recent decades have ideological groups become so pervasive. Organized business interests have battled organized labor interests over public policy for more than a hundred years, but only in recent decades has the big-business lobbying presence in Washington expanded so dramatically both in absolute terms and relative to big labor.

Four factors have helped shape how and when given interest groups arose in America. We now turn to a consideration of them.

interest group An organization of people sharing a common interest or goal that seeks to influence public policy.

political action committee (PAC)

A committee set up by a corporation, labor union, or interest group that raises and spends campaign money from voluntary donations.

lobbyist A person who tries to influence legislation on behalf of an interest group.



HOW WE COMPARE

Interest Groups in America, Great Britain, and Germany

Suppose we were a small country that had no state governments and operated under a parliamentary system that made the prime minister the only important official. Suppose further that strong parties dominated how policies were made and that our tax laws made it hard to support nonprofit organizations. If these things were true, then interest groups would be much less important. Most of the political decisions would be made by the ruling party. If you wanted to affect how those decisions were made, you would have to be a leader of that party or part of one or two very powerful interest groups.

But in America these things are not true. This country has a great variety of ethnic groups, scores of religious organizations, and a Constitution that requires power to be shared by three branches of government and that ensures independent authority for 50 state governments. In our diverse nation, political authority is so decentralized that it invites the creation of interest groups that try to affect some part of every decision. And the Constitution makes it clear that lobbyists are protected: They are exercising freedom of speech and petitioning the government for a redress of grievances, just as the First Amendment guarantees them the right to do.

Compare the United States with the United Kingdom. Both nations are democratic, but in the United Kingdom only a few big interest groups exist; here, there are thousands. In the United Kingdom, only one lobbying organization represents farmers; here, there are at least three major agribusiness lobbies, each of which contains numerous individual lobbies.

Or compare the United States and Germany. Both countries are democratic, but German environmentalists created an influential political party (the Green Party), which formed part of the federal government coalition from 1998 until 2005, and continues to have seats in the federal Parliament. In this country, the Green Party has won no seats in Congress; most environmentalists instead have worked through a score of interest groups.

little reason to become organized for political activity so long as most of them consumed what they produced. The importance of regular political activity became evident only after most farmers began to produce cash crops for sale in markets that were unstable or affected by forces (the weather, the railroads, foreign competition) that those farmers could not control. Similarly, for many decades most workers were craftspeople working alone or in small groups. Such unions as existed were little more than craft guilds interested in protecting members' jobs and in training apprentices. The impetus for large, mass-membership unions did not exist until there arose mass-production industry operated by large corporations.

Second, government policy itself helps to create interest groups. Wars create veterans, who in turn demand pensions and other benefits. The first large veterans' organization, the Grand Army of the Republic, was made up of Union veterans of the Civil War. By the 1920s, these men were receiving about a quarter of a billion dollars a year from the government, and naturally they created organizations to watch over the distribution of this money. The federal government encouraged the formation of the American Farm Bureau Federation (AFBF) by paying for county agents who would serve the needs of farmers under the supervision of local farm organizations; these county bureaus eventually came together as the AFBF. The Chamber of Commerce was launched at a conference attended by President William Howard Taft. Professional societies, such as those made up of lawyers and doctors, became important in part because state governments gave to such groups the authority to decide who was qualified to become a lawyer or a doctor.

Workers had a difficult time organizing as long as the government, by the use of injunctions enforced by the police and the army, prevented strikes. Unions, especially those in mass-production industries, began

11-1 The Rise of Interest Groups

At least four factors help explain the rise of interest groups. The first consists of broad economic developments that create new interests and redefine old ones. Farmers had



Tea Party activists protest in Washington, D.C., against the Internal Revenue Service's extra scrutiny of their organizations.

to flourish after Congress passed laws in the 1930s that prohibited the use of injunctions in private labor disputes, that required employers to bargain with unions, and that allowed a union representing a majority of the workers in a plant to require all workers to join it.³

Third, political organizations do not emerge automatically, even when government policy permits them and social circumstances seem to require them. Somebody must exercise leadership, often at substantial personal cost. These organizational entrepreneurs are found in greater numbers at certain times than at others. Often they are young, caught up in a social movement, drawn to the need for change, and inspired by some political or religious doctrine.

Antislavery organizations were created in the 1830s and 1840s by enthusiastic young people influenced by a religious revival sweeping the country. The period from 1890 to 1920, when so many national organizations were created, was a time when the college-educated middle class was growing rapidly: The number of men and women who received college degrees each year tripled between 1890 and 1920.⁴ During this era, natural science and fundamentalist Christianity were locked in a bitter contest, with the Gospels and Darwinism offering competing ideas about personal salvation and social progress. The 1960s, when many new organizations were born, was a decade in which the civil rights and antiwar movements powerfully influenced young people and when college enrollments more than doubled.

Finally, the more government does, the more interest groups will arise or expand and try to influence public policy. Most Washington offices representing corporations, labor unions, and trade and professional associations were established before 1960—in some cases many decades before—because it was during the 1930s or even earlier

that the government began making policies important to business and labor. The great majority of “public-interest” lobbies (those concerned with the environment or consumer protection), social welfare associations, and organizations concerned with civil rights, older adults, and people with disabilities established offices in Washington after major new federal laws in these respective areas were enacted.

A particularly dramatic example is what happened in the post-9/11 years after the USA Patriot Act was enacted in 2001 and the Department of Homeland Security (DHS) was created in 2002. By 2010, with billions of dollars a year in federal funding for the purpose flowing, more than 500 new private companies specializing in work related to security and counterterrorism had come into being, and most of another 1,400 or so private companies that existed and did related work prior to 2001 had expanded.⁵ New lobbies quickly formed to represent those firms and keep their homeland security grants and contracts coming; for example, the “full body scanner” lobby represents firms that sell body-scanning equipment used in airports to a DHS subunit, the Transportation Security Administration (TSA).⁶ Moreover, many local governments, from big cities to small towns, have hired lobbyists to work on getting or sustaining their fair share of federal homeland security money (recall the discussion of these grant programs in Chapter 3).

11-2 Kinds of Organizations

When we think of an organization, we usually think of something like the Boy Scouts or the League of Women Voters—a group consisting of individual members. In Washington, however, many organizations do not have individual members at all but are offices—corporations, law firms, public relations firms, or “letterhead” organizations



CONSTITUTIONAL CONNECTIONS

A “Faction” or “Special Interest”?

While the Constitution does not discuss interest groups explicitly (though the First Amendment does guarantee their rights of assembly and speech), the Framers were very concerned about “factions” undermining the new republic. James Madison warned in *Federalist* 10 of the dangers of factions, and argued that republican (i.e., representative) democracy would control the effects of factions through elected officials and a large republic, in which groups would compete to influence policy, forcing compromise and preventing the domination of any single group. But what is a faction? Madison says any

individual or group, whether a minority or majority of the whole, is a faction if it has interests that are opposed to the “permanent and aggregate interests of the community.” Who defines those interests? The Framers thought our elected officials had the knowledge and expertise to do so, and those officials depend on interest groups for many resources, including information, campaign funds, and votes. A “faction” for one person may be a “special interest” for another. Madison’s point about the need to limit the influence of factions remains true, but those groups also play an integral part in American democracy.

that get most of their money from other organizations or from the government—out of which a staff operates. It is important to understand the differences between the two kinds of interest groups: institutional and membership.⁷

Institutional Interests

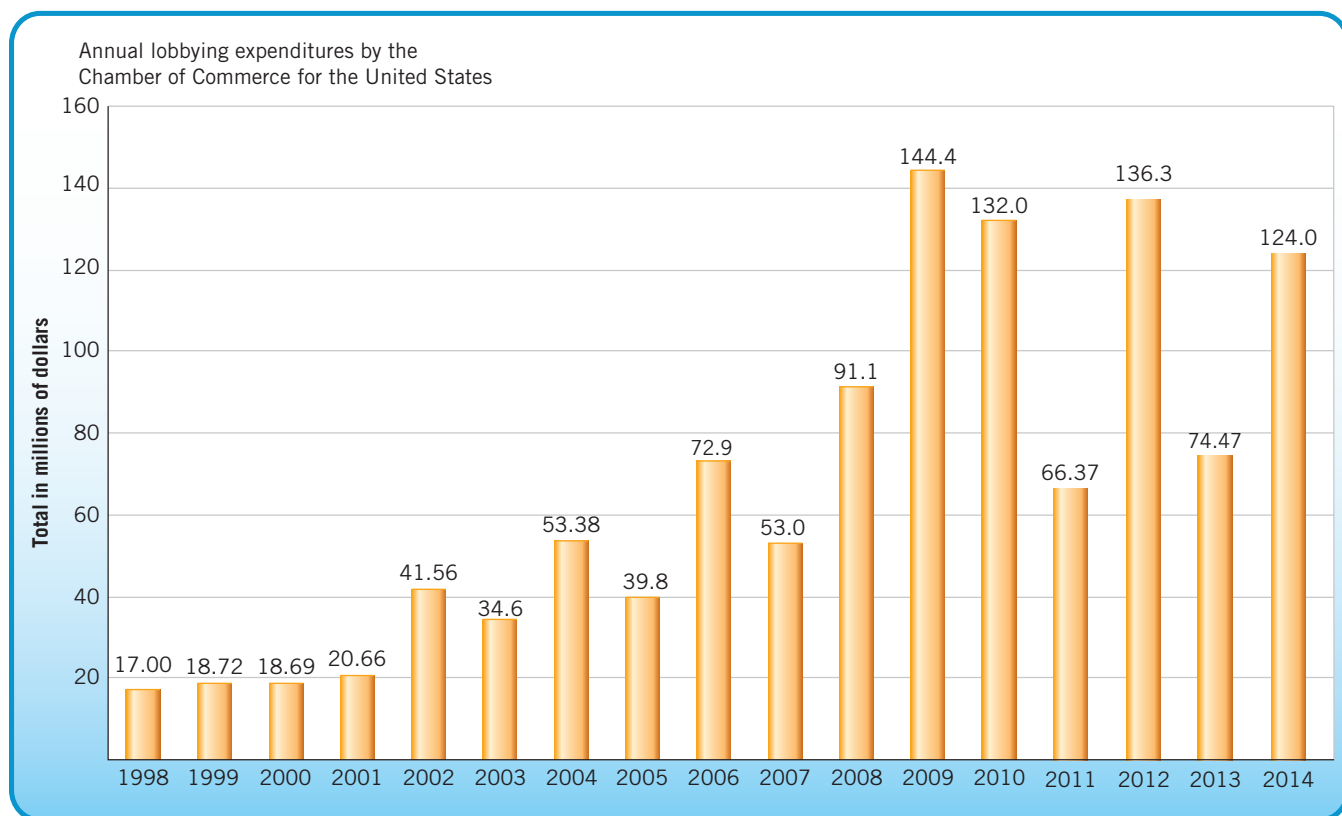
Institutional interests are individuals or organizations representing other organizations. For example, long before the government bailed it out in 2008, General Motors had representatives in Washington, and it is now not uncommon for even mid-sized corporations to have one or more full-time representatives plus part-time lawyers or public relations consultants working for them in Washington. Another kind of institutional interest is the trade or governmental association, such as the National Independent Retail Jewelers and the National Association of Counties.

Individuals or organizations that represent other organizations tend to be interested in bread-and-butter issues of vital concern to their clients. Some of the people who specialize in this work can earn very large fees. Top public relations experts and Washington lawyers can charge \$500 an hour or more for their time. Since they earn a lot, they are expected to deliver a lot.

Just what they are expected to deliver, however, varies with the diversity of the groups making up the organization. The American Textile Manufacturers Institute represents Southern textile mills. Those mills are few enough in number and similar enough in outlook to allow the institute to carry out clear policies squarely based on the business interests of its clients. For example, the institute works hard to get the federal government to adopt laws and rules that will keep foreign-made textiles from competing too easily with American-made goods. Sometimes the institute is successful, sometimes not, but it is never hard to explain what it is doing.

By contrast, the U.S. Chamber of Commerce represents thousands of different businesses in hundreds of different communities. The Chamber has led all interest groups in annual lobbying expenditures. All told, from 1998 to 2014, it spent approximately \$1.15 billion on lobbying (see Figure 11.1), a figure much larger than what was spent by any other organization over the same period, including corporate giants such as Exxon Mobil and membership giants such as AARP. Indeed, in 2014 alone, the Chamber spent \$124 million on lobbying, more than the combined spending on lobbying by the next four largest spenders (the National Association of Realtors, Blue Cross/Blue Shield, the American Hospital

FIGURE 11.1 What the Top Lobby Spent, 1998–2014



Source: Center for Public Integrity, Georgetown University, Washington, D.C., 2011. Data for subsequent years from www.opensecrets.org/lobby/clientsum.php?id=D000019798&year=2013.

Association, and the American Medical Association, respectively).⁸ Its membership is so large and diverse that the Chamber in Washington can speak out clearly and forcefully on only those relatively few matters in which all, or most, businesses take the same position. Since all businesses would like lower taxes, the Chamber favors that. On the other hand, since some businesses (those that import goods) want lower tariffs and other businesses (those that face competition from imported goods) want higher tariffs, the Chamber says little or nothing about tariffs.

Institutional interests do not just represent business firms; they also represent governments, foundations, and universities. For example, the American Council on Education speaks for most institutions of higher education, the American Public Transit Association represents local mass-transit systems, and the National Association of Counties argues on behalf of county governments.

Membership Interests

It often is said that America is a nation of joiners, and so we take for granted the many organizations around us supported by the activities and contributions of individual citizens. But we should not take this multiplicity of organizations for granted; in fact, their existence is something of a puzzle.

Americans join only certain kinds of organizations more frequently than citizens of other democratic countries. We are no more likely than the British, for example, to join social, business, professional, veterans', or charitable organizations, and we are *less* likely to join labor unions. Our reputation as a nation of joiners arises chiefly out of our unusually high tendency to join religious and civic or political associations.

This proclivity of Americans to get together with other citizens to engage in civic or political action reflects, apparently, a greater sense of political efficacy and a stronger sense of civic duty than that found in some nations. In a classic study, Gabriel Almond and Sidney Verba asked citizens of five nations what they would do to protest an unjust local regulation; 56 percent of the Americans—but only 34 percent of the British and 13 percent of the Germans—said they would try to organize their neighbors

to write letters, sign petitions, or otherwise act in concert.⁹ Americans are also more likely than Europeans to think organized activity is an effective way to influence the national government, remote as that institution may seem. While Americans' tendency to join religious, cultural, and civic organizations

has declined somewhat in recent years, they still outpace other democratic people at joining these groups.¹⁰

But explaining the American willingness to join politically active groups by saying that they feel a "sense of political efficacy" is not much of an explanation; we might as well say people vote because they think their vote makes a difference. One vote clearly makes no difference at all in almost any election; similarly, one member, more or less, in the Sierra Club, the National Rifle Association, or the NAACP clearly will make no difference in the success of those organizations.

And most people who are sympathetic to the aims of a mass-membership interest group do not join it. The NAACP, for example, enrolls as members only a tiny fraction of all African Americans. This is not because people are selfish or apathetic but because they are rational and numerous. A single African American, for example, knows that he or she can make no difference in the success of the NAACP, just as a single nature enthusiast knows that he or she cannot enhance the power of the Sierra Club. Moreover, if the NAACP or the Sierra Club succeeds, African Americans and nature lovers will benefit even if they are not members. This tendency is known as the **free rider problem**.¹¹ The free rider problem arises because these groups are pursuing a **public good**: goods where one person's consumption does not impact

free rider problem the tendency of individuals to avoid contributing to public goods.

public good something of value that all individuals share, whether or not they contribute to it (such as clean air or water).



LANDMARK CASES

Lobbying Congress

- **United States v. Harriss (1954):** The Constitution protects the lobbying of Congress, but the government may require information from groups that try to influence legislation.



Young people participate in a pro-life rally in Washington, D.C.

incentive Something of value one cannot get without joining an organization.

solidary incentives

The social rewards (sense of pleasure, status, or companionship) that lead people to join political organizations.

material incentives

Money or things valued in monetary terms.

purposive incentive

A benefit that comes from serving a cause or principle.

ideological interest groups

Political organizations that attract members by appealing to their political convictions or principles.

another person's consumption. For example, if the Sierra Club gets a law passed improving drinking water, everyone benefits, not just Sierra Club members (hence, we say that nonmembers free-ride on the group's efforts). Likewise, if the NAACP strengthens civil rights laws, then all minorities benefit, not just those who join that group. Therefore, rational people who value their time and money would no more join such organizations than they would attempt to empty a lake with a cup—unless they got something out of joining.

readily valued in monetary terms. Farm organizations have recruited many members by offering a wide range of services. The Illinois Farm Bureau, for example, offers to its members—and *only* to its members—a chance to buy farm supplies at discount prices, market their products through cooperatives, and purchase low-cost insurance. These material incentives help explain why the Illinois Farm Bureau has been able to enroll nearly every farmer in the state as well as many nonfarmers who also value these rewards.

Similarly, the AARP has recruited tens of millions of members by supplying them with everything from low-cost life insurance and mail-order discount drugs to tax advice and group travel plans. Almost half of the nation's population aged 50 and older—one out of every four registered voters—belongs to the AARP. With an annual operating budget of about \$800 million and a yearly cash flow of several billion dollars, the AARP seeks to influence public policy in many areas, from health and housing to taxes and transportation. To gain additional benefits for members, interest groups like the AARP also seek to influence how public laws are administered and who gets government grants.

The third—and most difficult—kind of incentive is the *purpose* of the organization. Many associations rely chiefly on this **purposive incentive**—the appeal of their stated goals—to recruit members. If the attainment of those goals will also benefit people who do not join, individuals who do join will have to be those who feel passionately about the goal, who have a strong sense of duty (or who cannot say no to a friend who asks them to join), or for whom the cost of joining is so small that they are indifferent to joining or not. Organizations that attract members by appealing to their interest in a coherent set of (usually) controversial principles are sometimes called **ideological interest groups**.

Incentives to Join

Every interest group faces a free rider problem. To overcome this, interest groups must offer people some **incentive** to join them. There are three kinds of incentives.

Solidary incentives are the sense of pleasure, status, or companionship that arises out of meeting together in small groups. Such rewards are extremely important, but because they tend to be available only from face-to-face contact, national interest groups offering them often have to organize themselves as coalitions of small local units. For example, the League of Women Voters, the Parent Teacher Association (PTA), the NAACP, the Rotary Club, and the American Legion all consist of small local chapters that support a national staff. It is the task of the local chapters to lure members and obtain funds from them; the state or national staff can then pursue political objectives by using these funds.

Forming organizations made up of small local chapters is probably easier in the United States than in Europe because of the great importance of local government in our federal system. There is plenty for a PTA, an NAACP, or a League of Women Voters to do in its own community, and so its members can be kept busy with local affairs while the national staff pursues larger goals.

A second kind of incentive consists of **material incentives**—that is, money, or things and services



Union members hold a rally in Michigan to protest against right-to-work legislation.



HOW THINGS WORK

Public-Interest Law Firms

A special kind of public-interest lobby is an organization that advances its cause by bringing lawsuits to challenge existing practices or proposed regulations. A public-interest law firm will act in one of two ways. First, it will find someone who has been harmed by some public or private policy and bring suit on his or her behalf. Second, it will

file a brief with a court supporting somebody else's lawsuit (this is called an *amicus curiae* brief; it is explained in Chapter 16).

Here are some examples of liberal and conservative public-interest law firms:

Liberal

American Civil Liberties Union

Asian American Legal Defense and Education Fund

Lawyers' Committee for Civil Rights Under Law

Mexican American Legal Defense and Education Fund

NAACP Legal Defense and Education Fund

Natural Resources Defense Council

Legal Momentum

Conservative

Atlantic Legal Foundation

Center for Individual Rights

American Center for Law and Justice

Institute for Justice

National Legal Center for the Public Interest

Pacific Legal Foundation

Washington Legal Foundation

When the purpose of the organization, if attained, will principally benefit nonmembers, it is customary to call the group a **public-interest lobby**. (Whether the public at large will really benefit, of course, is a matter of opinion, but at least the group members think they are working selflessly for the common good.)

Though some public-interest lobbies may pursue relatively noncontroversial goals (e.g., persuading people to vote or raising money to house orphans), the most visible of these organizations are highly controversial. It is precisely the controversy that attracts the members, or at least those members who support one side of the issue. Many of these groups can be described as markedly liberal or decidedly conservative in outlook.

Such ideological groups tend to be the dominant examples of purposive interest groups. For example, groups like NARAL Pro-Choice America (which supports abortion rights) and Operation Rescue (which opposes them) are good examples: The members work for these goals because they believe in them and the organization's mission. Likewise, many other ideological groups can best be characterized this way, including broad, umbrella ideological groups like the Public Interest Research Groups (PIRGs) on the left, and the American Conservative Union on the right. The boxes on pages 251 and 252 list some examples of other public-interest organizations that support liberal or conservative causes.

Membership organizations that rely on purposive incentives, especially appeals to deeply controversial purposes, tend to be shaped by the mood of the times.

When an issue is hot—in the media or with the public—such organizations can grow rapidly. When the spotlight fades, the organization may

lose support. Thus, such organizations have a powerful motive to stay in the public eye. To remain visible, public-interest lobbies devote a lot of attention to generating publicity by developing good contacts with the media and issuing dramatic press releases about crises and scandals.

Because of their need to take advantage of a crisis atmosphere, public-interest lobbies often do best when the government is in the hands of an administration that is *hostile*, not sympathetic, to their views. For example, conservative interest groups were able to raise more money with the liberals Barack Obama or Bill Clinton in the White House than with the conservatives Ronald Reagan or George W. Bush there (and vice versa for liberal groups). These groups actively cultivate the sense that their preferred policy outcome is under threat to motivate their members to join and contribute to the group.¹²

public-interest lobby

A political organization whose goals will principally benefit nonmembers.

The Influence of the Staff

We often make the mistake of assuming that what an interest group does politically is simply to exert influence on behalf of its members. That is indeed the case when all the members have a clear and similar stake in an issue. But many issues affect different members differently.



HOW THINGS WORK

Think Tanks in Washington

Think tanks are public-interest organizations that do research on policy questions and disseminate their findings in books, articles, conferences, op-ed essays for newspapers, and (occasionally) testimony before

Liberal

Center for American Progress
Center on Budget and Policy Priorities
Center for Economic and Policy Research
Economic Policy Institute
Institute for Policy Studies
Progressive Policy Institute
Urban Institute

Congress. Some are nonpartisan and ideologically more or less neutral, but others—and many of the most important ones—are aligned with liberal or conservative causes. Here are some examples of each:

Conservative

American Enterprise Institute
Cato Institute
Foundation for Economic Education
Heritage Foundation
Hudson Institute
Media Research Center
Reason Foundation

Note that the labels “liberal” and “conservative,” while generally accurate, conceal important differences among the think tanks in each list.

In fact, if the members joined to obtain solidary or material benefits, they may not care at all about many of the issues with which the organization gets involved. In such cases, what the interest group does may reflect more what the staff wants than what the members believe.

For example, a survey of the white members of a large labor union showed that one-third of them believed the desegregation of schools, housing, and job opportunities had gone too fast; only one-fifth thought it had gone too slowly. But among the staff members of the union, *none* thought desegregation had gone too fast, and over two-thirds thought it had gone too slowly.¹³ As a result, the union staff aggressively lobbied Congress for the passage of tougher civil rights laws, even though most of the union’s members did not feel they were needed. The members stayed in the union for reasons unrelated to civil rights, giving the staff the freedom to pursue its own goals.

Upper-Class Bias?

Observers often believe that interest groups active in Washington reflect an upper-class bias. There are two reasons for this belief: first, well-off people are more likely than poor people to join and be active in interest groups and, second, interest groups representing business and the professions are much more numerous and better financed than organizations representing minorities, consumers, or the disadvantaged.

Many scholars have shown that people with higher incomes, those whose schooling went through college

or beyond, and those in professional or technical jobs are much more likely to belong to a voluntary association than people with the opposite characteristics. Just as we would expect, higher-income people can afford more organizational memberships than lower-income ones; people in business and the professions find it easier to attend meetings (they have more control over their own work schedules) and more necessary to do so than people in blue-collar jobs; and people with college degrees often have a wider range of interests than those without.

One study found that between 1981 and 2006, the ratio of business lobbyists to union plus public-interest lobbyists prone to oppose business interests rose from about 12 to 1 to nearly 16 to 1.¹⁴ Some now argue that the nation’s 2007–2010 economic crises were due in part to the disproportionate political influence wielded during the preceding decade by rich Wall Street executives and related business interests. There is some truth to this view. In 1999, corporate lawyers and lobbyists won a long legislative battle to repeal the Banking Act of 1933, better known as the Glass-Steagall Act, which strictly separated investment from commercial banking and imposed many other restrictions on financial companies. The repeal permitted the home mortgage business to change in ways that made it easier to offer risky loans to people with poor credit histories, and it gave birth to new financial products and services that were weakly regulated by government and incomprehensible to most consumers.

But note that the 1933 law, albeit with certain changes made in subsequent decades, remained on the books for more than 60 years before it was repealed.



After the horrific school shooting in Newtown, Connecticut, in December 2012, thousands of people participated in the March on Washington for Gun Control.

And, strongly opposed though it was by myriad powerful business interests, today the Wall Street Reform and Consumer Protection Act of 2010 is law. Better known as Dodd-Frank, this law did not restore the Glass-Steagall Act's strict separation between depository banking and financial trading, but it did tighten regulations on virtually all financial companies and broaden consumer protections for all, including first-time mortgage-seekers and small investors.

As this example suggests, even if it is true that financial moguls, big-business executives, and other wealthy people typically have more (and more high-priced) lobbyists looking out for their interests than other citizens do, the question of an upper-class bias is by no means entirely settled. Business may operate from a privileged position of wealth and power, but they only sometimes—not always—get what they want.¹⁵

In the first place, lobbyists are only certain *inputs* into the political system; what matters are the *outputs*—that is, who wins and who loses on particular issues. For instance, even if scores and scores of groups inside the Washington beltway are pushing to protect the oil industry and those who benefit financially from it the most, this is important only if the oil industry in fact gets protected. Sometimes it does; sometimes it does not. At one time, when oil prices were low, oil companies were able to get Congress to pass a law that sharply restricted the importation of foreign oil. A few years later, after oil prices had risen and people were worried about energy issues, these restrictions were ended.

In the second place, business-oriented interest groups often are divided among themselves. Take one kind of business: farming. Once, farm organizations seemed so powerful in Washington that scholars spoke of an irresistible “farm bloc” in Congress that could get its way on almost anything. Today, dozens of agricultural

organizations operate in the capital, with some (such as the Farm Bureau) attempting to speak for all farmers and others (such as the Tobacco Institute and Mid-America Dairymen) representing particular commodities and regions.

social movement A widely shared demand for change in some aspect of the social or political order.

Whenever American politics is described as having an upper-class bias, it is important to ask exactly what this bias is. Most of the major conflicts in American politics—over foreign policy, economic affairs, environmental protection, and equal rights for women—are conflicts *within* the upper class; that is, they are conflicts among politically active elites. As we saw in earlier chapters, profound cleavages of opinion exist among these elites. Interest-group activity reflects these cleavages.

It would be a mistake to ignore the overrepresentation of business in Washington. A student of politics should always take differences in the availability of political resources as an important clue to possible differences in the outcomes of political conflicts. Nonetheless, the differences are only clues, not conclusions, and in any given case, we need to look at many other factors to understand what happens.

11-3 Interest Groups and Social Movements

Because it is difficult to attract people with purposive incentives, interest groups employing them tend to arise out of social movements. A **social movement** is a widely shared demand for change in some aspect of the social or political order. The Civil Rights movement of the 1960s was such an event, as was the environmentalist movement of the 1970s.

A social movement need not have liberal goals. In the 19th century, for example, there were various nativist movements that sought to reduce immigration to this country or to keep Catholics or Masons out of public office. Broad-based religious revivals are social movements. In recent years, the conservative Tea Party movement, which has taken hold around issues like restraining government growth, has played a role in both local and national elections.¹⁶

No one is quite certain why social movements arise. At one moment, people are largely indifferent to some issue; at another moment, many of these same people care passionately about religion, civil rights, immigration, or conservation. A social movement may be triggered by a disaster (an oil spill on the Santa Barbara beaches helped launch the environmental movement), the dramatic and widely publicized activities of a few leaders (lunch counter sit-ins helped stimulate the Civil Rights movement), or the

coming of age of a new generation that takes up a cause advocated by eloquent writers, teachers, or evangelists.

Whatever its origin, the effect of a social movement is to increase the value some people attach to purposive incentives. As a consequence, new interest groups are formed that rely on these incentives.

The Environmental Movement

The environmental movement provides a good example of how a social movement gives rise to interest groups formed from reliance on purposive incentives. In the 1890s, as a result of the emergence of conservation as a major issue, the Sierra Club was organized. In the 1930s, conservation once again became popular, and the Wilderness Society and the National Wildlife Federation took form. In the 1960s and 1970s, environmental issues again came to the fore, and we saw the emergence of the Environmental Defense Fund and Environmental Action.

The smallest of these organizations (Environmental Action and the Environmental Defense Fund) tend to have the most liberal members. This often is the case with organizations that arise from social movements. A movement will spawn many organizations. The most passionately aroused people will be the fewest in number, and they will gravitate toward the organizations that take the most extreme positions; as a result, these organizations are small but vociferous. The more numerous and less passionate people will gravitate toward more moderate, less vociferous organizations, which will tend to be larger.

As happens over the years to most politically successful movements, the environmental movement has become more fragmented than it was in the 1970s. Different leading voices and organizations within it have begun to advocate somewhat different policy approaches to achieving the same basic (in this case, environmental protection and sustainability) goals.¹⁷

The Feminist Movement

There have been several feminist social movements in this country's history—in the 1830s, in the 1890s, in the 1920s, and in the 1960s. Each period brought about new organizations, some of which have endured to the present. For example, the League of Women Voters was founded in 1920 to educate and organize women for the purpose of effectively using their newly won right to vote. As we discussed in Chapter 5 on civil rights, many women's rights groups have been important through American history for pressing for gender equality.

Though a strong sense of purpose may lead to the creation of organizations, each will strive to find some incentive that will sustain it over the long haul. These permanent incentives will affect how the organization participates in politics.

At least three kinds of feminist organizations exist. First, there are those that rely chiefly on solidary incentives, primarily enroll upper-/middle-class women with relatively high levels of schooling, and tend to support those causes that command the widest support among women generally. The League of Women Voters and the Federation of Business and Professional Women are examples. Both supported the campaign to ratify the Equal Rights Amendment (ERA), but as Jane Mansbridge has observed in her history of the ERA, they were uneasy with the kind of intense, partisan fighting displayed by some other women's organizations and with the tendency of more militant groups to link the ERA to other issues, such as abortion. The reason for their uneasiness is clear: to the extent they relied on solidary incentives, they had a stake in avoiding issues and tactics that would divide their membership or reduce the extent to which membership provided camaraderie and professional contacts.¹⁸

Second, there are women's organizations that attract members with purposive incentives. The National Organization for Women (NOW) and the NARAL Pro-Choice America are two of the largest such groups, though there are many smaller ones. Because they rely on purposes, these organizations must take strong positions, tackle divisive issues, and employ militant tactics. Anything less would turn off the committed feminists who make up the rank and file and contribute the funds. But because these groups take controversial stands, they are constantly embroiled in internal quarrels between those who think they have gone too far and those who think they have not gone far enough. Moreover, purposive organizations often cannot make their decisions stick on the local level (local chapters will do pretty much as they please, despite the directives of the central organization).¹⁹

The third kind of women's organization is groups that take on issues that have material benefits for women. For example, many professional associations of women, such



Adam Weiz / Alamy

Environmental activists deliver anti-fracking petitions to government officials.

as the U.S. Women's Chamber of Commerce, aim to provide networking and career advancement for women, but also advocate on various political issues important to women. Likewise, legal advocacy groups—such as Legal Momentum (formerly the NOW Legal Defense Fund)—work through the political system to press for outcomes that will help women politically and economically.

Still other groups work to try and elect women to political office, providing a combination of multiple types of incentives. For example, the National Women's Political Caucus, the National Federation of Republican Women, and EMILY's List all work to elect more women to government. These groups provide solidary incentives, in that members could work together on an issue of interest (electing women to office), as well as purposive incentives (working for the goal of electing more women legislators). Like many groups, these groups offer members multiple rationales to join.

The Union Movement

When social movements run out of steam, they leave behind organizations that continue the fight. But with the movement dead or dormant, the organizations often must struggle to stay alive. This has happened to labor unions.

The major union movement in this country occurred in the 1930s when the Great Depression, popular support, and a sympathetic administration in Washington led to a rapid growth in union membership. In 1945, union membership peaked; at that time, nearly 36 percent of all nonfarm workers were union members.

Since then, union membership has fallen more or less steadily. Today, unions cover only about 11 percent of all workers. Between 1983 and 2014, the number of union members fell by almost 3 million (from 17.7 million to 14.6 million). This decline was caused by several factors. There has been a shift in the nation's economic life away from industrial production (where unions have traditionally been concentrated) and toward service delivery (where unions have usually been weak). But accompanying this decline, and perhaps contributing to it, has been a decline in popular approval of unions. Approval has moved down side by side with a decline in membership and declines in union victories in elections held to see whether workers in a plant want to join a union. The social movement that supported unionism has faded.

But unions will persist because most can rely on incentives other than purposive ones to keep them going. In many states, they can require workers to join unions if they wish to keep their jobs; in other places, workers believe they get sufficient benefits from the union to make even voluntary membership worthwhile. And in a few industries, such as teaching and government, there has been a growth in membership as some white-collar workers have turned to unions to advance their interests.

While private-sector unions have declined, public-sector unions—unions of government employees—have not. Indeed, according to the U.S. Bureau of Labor Statistics, in 2014, the union membership rate for public-sector workers (35.7 percent) was more than five times that for private-sector workers (6.6 percent).²⁰ Some states—most notably Wisconsin—have passed legislation to limit public-sector unions, though the future of such efforts remains uncertain.

Still, public-sector unions, led by groups like the American Federation of State County and Municipal Employees (AFSCME) and the American Federation of Teachers (AFT), remain robust, relatively well funded, and significant sources of campaign contributions. For example, in the 2013–2014 election cycle, the American Federation of Teachers gave over 2 million dollars to candidates, making it among the largest PAC contributors to candidates in that election cycle.

Unions can more or less reliably raise at least a portion of the funds they need by charging their members dues, but many interest groups struggle with raising money; some cannot easily predict what their budget will be from one quarter to the next. This is especially true for membership organizations that rely on appeals to purpose—to accomplishing stated goals. As a result, the Washington office of a public-interest lobbying group is likely to be small, stark, and crowded, whereas that of an institutional lobby, such as the AFL-CIO or the American Council on Education, will be rather lavish.

To make ends meet and maintain such influence as they each may have, diverse interest groups attempt to fund themselves through some combination of private foundation grants, government grants, direct-mail solicitation, and online appeals and donations (some tied in to the group leaders' blogs or social media sites). After the 2007 recession began, each of those funding sources became more precarious, but so far, fundraising challenges had not led to any easily observable changes in the landscape of America's organized interest groups.

11-4 The Activities of Interest Groups

Size and wealth are no longer accurate measures of an interest group's influence—if indeed they ever were. Depending on the issue, the key to political influence may be the ability to generate a dramatic newspaper headline, mobilize a big letter-writing campaign, stage a protest demonstration, file a suit in federal court to block (or compel) some government action, or supply information to key legislators. All of these things require organization, but few of them require big or expensive organizations.

political cue A signal telling a legislator what values are at stake in a vote, and how that issue fits into his or her own political views on party agenda.

Lobbying and Providing Information

Of all these tactics, the single most important one—in the eyes of virtually every lobbyist and

every academic student of lobbying—is supplying credible information. Indeed, if one were to ask what is the core of lobbying and interest-group influence, it would be providing information. The reason why information is so valuable is that, to busy legislators and bureaucrats, information is in short supply. Legislators in particular must take positions on a staggering number of issues about which they cannot possibly become experts.

Much of the information lobbyists and their affiliated interest groups provide is about the consequences of a particular piece of legislation, either the policy consequences (How will this bill affect health-care policy?) or the political consequences (How will this bill affect my next reelection campaign?).²¹ Because legislators both want to craft good policy and win reelection (see Chapter 13), both types of information are highly valuable.

The kind of information lobbyists provide is not easily accessible via the Internet or other means (if it was, lobbying would not be necessary). Instead, it is highly specialized, often quite technical information, which only someone with a strong stake in an issue would gather.²² Lobbyists, for the most part, are not flamboyant, party-giving arm-twisters; they are specialists who gather information (favorable to their clients, naturally) and present it in as organized, persuasive, and factual a manner as possible.

All lobbyists no doubt exaggerate, but few can afford to misrepresent the facts or mislead a legislator, and for a very simple reason: Almost every lobbyist must develop and maintain the confidence of a legislator over the long term, with an eye on tomorrow's issues as well as today's.²³ Because lobbyists want to develop long-term relationships with legislators, they have a strong incentive to be at least mostly truthful.

Lobbying has become ubiquitous in American politics. A vast panoply of groups lobby: interest groups ranging from the National Rifle Association to the American Automobile Association, as do unions, businesses, and other branches of government (recall our discussion of the intergovernmental lobby in Chapter 3). It may even surprise you to find that universities—from major private universities such as Harvard and Yale, to state universities like the University of Texas and the University of California, to for-profit colleges—also lobby the federal government. These schools lobby about regulations governing student financial aid, education policy, and for funds for research projects.

While all of these groups lobby, the dominant players in the lobbying market are business organizations. One study found that business groups and trade associations account for approximately three-quarters of all lobbying activity.²⁴ Why? Businesses dominate lobbying primarily because they are seeking private goods. If the Sierra Club is lobbying for a particular policy, it is most likely a public good, like cleaner drinking water or tighter air pollution rules. In contrast, much of what firms lobby for are private goods: they want a particular tax break, or a policy that will benefit their industry. If they do not lobby, they will not receive that benefit, so they have the strongest incentive to lobby (and hence are over-represented in the lobbying community).

When most people think of lobbying, they think of lobbying on highly salient issues, such as Obamacare, immigration reform, gun control, or the Keystone XL pipeline. Lobbying certainly happens on these sorts of highly visible issues, but it is not the norm. A careful study of lobbying efforts found that lobbying was extremely skewed: Hundreds of lobbyists were active on a handful of significant bills, but on most issues, only one or two lobbyists were active.²⁵ So we often equate lobbying with lobbying on major legislation, this is not what most lobbying looks like. The typical example of lobbying is a small, niche effort to change some small area of government policy that is only relevant to a few actors.

Furthermore, these two types of lobbying look very different. On high-salience bills with lobbyists on both sides of the issue, lobbying is unlikely to affect the outcome very much. Advocates for both sides make their case to legislators, and their lobbying is only one of many inputs to how a legislator decides. Lobbyists can of course affect the outcome, but they are constrained by these other factors. On these salient issues, other factors—most notably, a member's own ideology and what his or her constituents want—are likely to be decisive.

However, on more narrow niche bills, far from the spotlight, lobbyists may be more influential. On these narrow issues, typically only one side lobbies, and this will be the side with more resources and advantages. Many of these issues are examples of client politics, such as when a firm tries to obtain a particularistic exemption from a regulation or tariff (recall from Chapter 1 that client politics involves when a group seeks concentrated benefits at the expense of a diffuse majority). No one lobbies for those bearing the dispersed costs in these cases, but there are lobbyists for the concentrated benefits. We cannot know that lobbyists have undue influence here, but it certainly suggests that lobbyists are likely more powerful on these narrow issues.

Beyond lobbying, groups can also provide another type of valuable information: political cues. A **political cue** is a signal telling the official what values are at stake

in an issue—who is for, who is against a proposal—and how that issue fits into his or her own set of political beliefs. Some legislators feel comfortable when they are on the liberal side of an issue, and others feel comfortable when they are on the conservative side, especially when they are not familiar with the details of the issue. A liberal legislator will look to see whether the AFL-CIO, the NAACP, the Americans for Democratic Action, the Farmers' Union, and various consumer organizations favor a proposal; if so, that is often all he or she has to know. If these liberal groups are split, then the legislator will worry about the matter and try to look into it more closely. Similarly, a conservative legislator will feel comfortable taking a stand on an issue if the Chamber of Commerce, the National Rifle Association, the American Medical Association, various business associations, and Americans for Constitutional Action are in agreement about it; he or she will feel less comfortable if such conservative groups are divided. As a result of this process, lobbyists often work together in informal coalitions based on general political ideology.

One important way in which these cues are made known is by **ratings** that interest groups make of legislators. These are regularly compiled by dozens of interest groups; some of the most prominent ones include the AFL-CIO (on who is pro-labor), by the Americans for Democratic Action (on who is liberal), by the Americans for Constitutional Action (on who is conservative), by the Consumer Federation of America (on who is pro-consumer), and by the League of Conservation Voters (on who is pro-environment). These ratings are designed to generate public support for (or opposition to) various legislators. They can be helpful sources of information to both legislators and their constituents.

Earmarks

Information can be linked to influence. Lobbyists not only tell members of Congress facts, but they also learn from these members what Washington is doing and then look for ways to sell that information to their clients. What often results is an **earmark**, that is, a provision in a law that provides a direct benefit to a client without the benefit having been reviewed on the merits by all of Congress.

Earmarks have always existed, but they became much more common in the 1970s and later. There are two reasons for this. First, the federal government was doing much more and thus affecting more parts of the society. Second, lobbying organizations figured out that clients would pay for information about how to convert some bit of federal activity to their benefit.

One recent study showed how a new kind of lobbying firm was born. Cassidy and Associates prospered by helping clients get earmarks. The firm charged a flat

fee (\$10,000 or more per month) and devoted its energy to studying congressional laws in order to find opportunities for its clients.²⁶

Its first big client was a university that wanted federal money to pay for a nutrition center it hoped to build. The Cassidy firm discovered that Congress had authorized a “national” nutrition center and then set about persuading key congressional leaders that such a center should be located at the university that was paying Cassidy a fee. Soon many more universities pushed for earmarks for their pet ideas (a foreign-service school, defense software institutes, and computer centers). Not long after that, business firms joined the hunt.

In 2008, the Office of Management and Budget estimated that Congress had approved more than 11,000 earmarks at a cost of more than \$16 billion. Many see earmarks as a classic example of wasteful spending, and they focus on the most flagrant abuses, such as the famous “Bridge to Nowhere” in Alaska. But not all earmarks are really wasteful spending, however: many earmarks support programs important to a particular community, such as a nutrition center, a job-training program, a program to hire additional police officers, or a program to pave new roads.

In 2011, amid criticism of the earmarks process, Congress agreed to ban earmarks. The desire of groups—and legislators—to direct funding to particular projects, however, was great, and they developed a way to at least partially side-step this ban. Since the earmark ban, some spending bills have contained special funds not attached to a particular program. It is up to the government agencies to decide where and how to spend these funds. While the agencies make these decisions, members of Congress try to influence them: members send letters and make telephone calls to push for projects in their own districts (hence these funds are often called “lettermarking” or “phonemarking”).²⁷ The requests from members are not binding on the agency (unlike earmarks), but agencies are usually eager to avoid antagonizing powerful members of Congress.

ratings Assessments of a representative's voting record on issues important to an interest group.

earmark A provision in a law that provides a direct benefit to a client without the benefit having been reviewed on the merits by all of Congress.

Public Support: The Rise of the New Politics

Once upon a time, when the government was small, Congress was less individualistic, and television was nonexistent, lobbyists mainly used an *insider strategy*: they worked

grassroots lobbying using the general public (rather than lobbyists) to contact government officials about a public policy.

closely with a few key members of Congress, meeting them privately to exchange information and (sometimes) favors. Matters of mutual interest could be discussed at a leisurely pace, over dinner or while playing golf. Public opinion was important on some highly visible issues, but there were not many of these.

Following an insider strategy is still valuable, but increasingly interest groups have turned to an *outsider strategy*. The newly individualistic nature of Congress has made this tactic useful, and modern technology has made it possible. Radio, fax machines, and the Internet can now get news out almost immediately. Satellite television can be used to link interested citizens in various locations across the country. Toll-free phone numbers can be publicized, enabling voters to call the offices of their members of Congress without charge. Public opinion polls can be done by telephone, virtually overnight, to measure (and help generate) support for or opposition to proposed legislation. Mail can be directed by computers to people already known to have an interest in a particular matter.

This kind of **grassroots lobbying** is central to the outsider strategy. It is designed to generate public pressure directly on government officials. The “public” that exerts this pressure is not every voter or even most voters; it is that part of the public (sometimes called an *issue public*) directly affected by or deeply concerned with a government policy. What modern technology has made possible is the overnight mobilization of specific issue publics.

Not every issue lends itself to an outsider strategy: it is hard to get many people excited about, for example, complex tax legislation affecting only a few firms. But as the government does more and more, and its policies affect more and more people, many more will join in grassroots lobbying efforts over matters such as abortion, Medicare, Social Security, environmental protection, gay marriage, and affirmative action. Grassroots lobbying is most common on these sorts of highly salient issues that have the potential to mobilize and appeal to a broad swath of the public.²⁸ For example, in 2010, both sides of the debate over Obamacare made extensive use of grassroots lobbying.²⁹

Money and PACs

Contrary to popular suspicions, money is probably one of the less effective ways by which interest groups advance their causes. That was not always the case. Only a few decades ago, powerful interests used their

bulging wallets to buy influence in Congress. The passage of campaign finance legislation in the early 1970s changed that. The laws had two effects. First, they sharply restricted the amount any interest could give to a candidate for federal office (see Chapter 10). Second, they made legal the creation by organizations of political action committees (PACs) that could make political contributions (we also discussed PACs in Chapter 10, see there for additional details).

Once PACs became legal, they grew rapidly in numbers. Today there are more than 5,700 PACs, up from just over 4,000 in 2004 (a more than 40 percent growth in little more than a decade).³⁰ Much of this growth comes from the expansion of leadership PACs and super PACs, which have received considerable media attention in recent years. The former type of PAC is headed by a member of Congress who raises money for other candidates, while the latter type of PAC is an “independent expenditure-only committee” that is not allowed to coordinate with candidates or political party leaders (see the discussion in Chapter 10). Among the best-known leadership PACs is the one formed by former House Speaker Nancy Pelosi to help fund Democratic candidates (Team Majority). Among the best-known super PACs is the one launched by former White House aide to President George W. Bush, Karl Rove, to assist Republican candidates (American Crossroads).

These leadership PACs are so-called “nonconnected PACs.” Most PACs are connected to a particular corporation, labor union, trade association, or membership organization, and can only solicit funds from individuals associated with said organization (and such contributions must be voluntary). In contrast, nonconnected PACs (like leadership PACs) are instead organized around particular ideological views or a particular personality (like a prominent member of Congress). Unlike other PACs, nonconnected PACs can solicit contributions from the general public.

Despite the growth of these nonconnected and super PACs in recent years, however, most PACs remain the traditional connected PACs. The top 10 PAC contributors alone combine to give millions of dollars a year to candidates of their choice (see Table 11.1). But there are strict limits on how much a member can contribute and how much the PAC can give to candidates and parties. How they work is shown in Table 11.2.

Some people worry that the existence of all this political money has resulted in our having, as the late Senator Edward Kennedy put it, “the finest Congress that money can buy.” More likely, the increase in the number of PACs has had just the opposite effect. The reason is simple: With PACs so numerous and so easy to form, it is now probable that money will be available on every side of almost every conceivable issue. As a result, members of

TABLE 11.1 Ten Largest PAC Contributors, 2013–2014

PAC Name	Total Amount	Dem Pct	Repub Pct
National Assn. of Realtors	\$3,822,955	48%	52%
National Beer Wholesalers Assn.	\$3,213,000	44%	56%
Honeywell Intl.	\$3,002,603	44%	56%
National Auto Dealers Assn.	\$2,805,350	29%	71%
Lockheed Martin	\$2,629,750	42%	58%
American Bankers Assn.	\$2,537,375	23%	76%
AT&T Inc.	\$2,507,250	40%	60%
Operating Engineers Union	\$2,488,462	80%	20%
Credit Union National Assn.	\$2,470,650	49%	51%
Intl. Brotherhood of Electrical Workers	\$2,440,214	97%	3%

Source: Data from OpenSecrets.org, <https://www.opensecrets.org/pacs/toppacs.php>.

Congress can take money and still decide for themselves how to vote. As we shall see, there is not much scholarly evidence that money buys votes in Congress.

Indeed, some members of Congress tell PACs what to do rather than take orders from them. Members will frequently inform PACs that they “expect” money from them; grumbling PAC officials feel they have no choice but to contribute for fear of alienating the members. This is especially true in the age of leadership PACs. When Charles Rangel, a congressman from New York, was hoping to be elected whip of the Democratic Party in the House, he set up a leadership PAC and solicited many contributions from various lobbyists and PACs. He then gave funds to other members in the hope of winning

their support. Setting up such a PAC is now practically required to rise up in the Congressional leadership hierarchy in either party.³¹ An ironic consequence of this is that groups might end up unintentionally donating money to individual politicians they dislike. For example, a conservative organization might give money to a conservative Republican’s leadership PAC, which can then turn around and give it to a more moderate Republican colleague the group would never voluntarily support.

In the 2013–2014 election cycle, PACs gave more than \$333 million to candidates running for the House and Senate. While these figures are large, they need to be put into the proper perspective. First, individuals give more money in total than PACs do, so PACs are not the

TABLE 11.2 Political Action Committees (PACs)

Can be formed by:
• Business firms
• Labor unions
• Trade associations
• Ideological organizations
Must have at least 50 individual members
• Each member can give up to \$5,000 per election
• The sponsoring firm, union, association, or ideological group cannot contribute money
A PAC that contributes to at least five candidates may contribute the
• \$5,000 to any federal candidate in any election
• \$15,000 to any national political party
• \$5,000 to any state or local party
(Nonmulticandidate PACs have different contribution limits.)
Where the money goes:
• Business PACs give slightly more to the majority party
• Labor unions give more than 90 percent to Democrats
• Ideological PACs give to Democrats and Republicans in about equal amounts



Tom Williams/Getty Images

Citizens meet with members of Congress to lobby for particular programs.

dominant figure in campaign finance that many imagine them to be.³² Second, the average PAC contribution to a candidate is rather small, on the order of a few hundred dollars—the popular image of rich PACs stuffing huge sums into political campaigns and thereby buying the attention and possibly the favors of the grateful candidates is an exaggeration.

The typical PAC tries to support a large number of candidates with relatively modest donations. They are more likely to support incumbents rather than challengers, and they also typically give slightly more money to the majority party (though labor unions give almost exclusively to Democrats, and a few business PACs give predominantly to Republicans). This pattern reflects the fact that most PAC contributions are a means of gaining access to members.³³ Members have busy schedules, and receive far more requests for meetings than they could ever possibly grant. A PAC contribution is a way that the organization can get its foot in the door: when they call, the member will be more likely to take their call and meet with them if they have given him or her money.³⁴

While there is considerable evidence that contributions provide access, there is little evidence that PAC donations (or other types of political money) affect how legislators vote.³⁵ On most issues, a legislator's vote is primarily explained by their general party and ideology, as well as their constituents' preferences; factors like the amount of PAC money are very minor considerations. This also reflects the fact that PACs tend to donate more to their friends than to fence-sitters or their opponents—PAC contributions are a form of subsidy to friendly legislators.³⁶ The PAC contribution is a way to help reelect a member with whom the organization has a good relationship. For example, many defense contractors give their largest contributions to members of Congress who have factories located in their districts. If we see that those members supported a bill to award a contract for a new weapons system to that contractor, it was likely not the

PAC donation that drove their vote; it was most likely the prospect of new jobs in their district. In the end, a PAC donation is almost certainly not enough to sway a member of Congress's vote one way or the other.

In any event, if interest-group money makes a difference at all, it probably makes it on certain kinds of issues more than others. Much as with lobbying, interest-group money probably matters most on narrow issues that are best characterized as client politics (concentrated benefits but dispersed costs). While PAC contributions do not seem to matter much in the aggregate, they may well matter more on these sorts of narrow policies.³⁷

The “Revolving Door”

Every year, hundreds of people leave important jobs in the federal government to take more lucrative positions in private industry. Some go to work as lobbyists, others as consultants to business, still others as key executives in corporations, foundations, and universities. Many people worry that this “revolving door” may give private interests a way of improperly influencing government decisions. If a federal official uses his or her government position to do something for a corporation in exchange for a cushy job after leaving government, or if a person who has left government uses his or her personal contacts in Washington to get favors for private parties, then the public interest may suffer.

From time to time, certain incidents stir these fears. For instance, as *The Washington Post* reported, following the attempted bombing of a U.S. airliner on Christmas Day 2009, Michael Chertoff, the former secretary of the Department of Homeland Security (DHS), “gave dozens of media interviews touting the need for the federal government to buy more full body-scanners for airports”; but in that media blitz Chertoff did not always make clear what his security consulting firm, the Chertoff Group, had disclosed in a statement issued before he made the media rounds, namely, that the former DHS chief represented a client that manufactured the machines and sold them to a DHS subunit, the Transportation Safety Administration.³⁸

Over the years, more than a few scandals have emerged concerning corrupt dealings between federal department officials and industry executives. Many have involved contractors or their consultants bribing procurement officials. Far more common, however, have been major breakdowns in the procurement process itself. For example, in 2006, the Department of Homeland Security revealed the results from an internal audit.³⁹ In the previous year, the department had spent \$17.5 billion on contracts for airport security, radiation-monitor detectors, and other goods and services. But records for nearly three dozen contracts were completely missing, and records for many other contracts lacked evidence that the department had followed federal rules in negotiating



POLICY DYNAMICS: INSIDE/OUTSIDE THE BOX

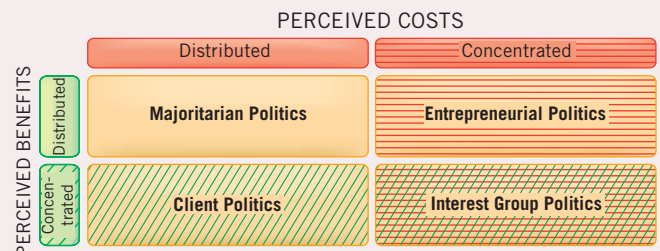
Gun Control: Contentious Entrepreneurial Politics

In December 2012, Adam Lanza fatally shot 20 children and 6 adult staff members at Sandy Hook Elementary School in Newtown, Connecticut. The incident ranked as one of the deadliest mass shootings in U.S. history, and afterward, numerous politicians, including President Barack Obama, called for tougher gun control legislation. Large majorities of Americans supported specific reforms, such as tougher background checks, in the aftermath of the attack. Legislation was introduced in Congress, but it did not pass. Other subsequent mass shootings similarly did not lead to tougher gun laws. If the public and many political elites support tougher gun control measures, why are they so difficult to enact?

The answer lies (in part) in the nature of the policy. Gun control is best characterized as entrepreneurial politics. If gun control measures are enacted, then all of society will benefit from increased safety (though it is important to note that some gun control opponents doubt this claim). But gun owners will pay the costs because it will be more difficult and expensive to own a gun. This means there are dispersed benefits, but concentrated costs, which generates entrepreneurial politics.

Those opposed to gun control are well organized in interest groups, most notably, the National Rifle Association, which has been strongly opposed to gun control in recent years. Furthermore, as we discussed in the chapter, gun control opponents are also highly politically active on this issue, making them a potent constituency for members of Congress.

Consistent with our expectations of entrepreneurial politics, gun control supporters, by contrast, have not been as well organized. Gun control advocates have struggled to build effective organizations and have not found effective policy entrepreneurs, a struggle Kristin Goss documents in her book *Disarmed*. As we discussed in Chapter 1, a change in the salience of an issue can bring about change even in the absence of an entrepreneur. While Newtown did make gun control more salient, and it did increase public support for gun control, such support was temporary. By May 2013, gun control opinion had returned to its pre-Newtown levels. This suggests that changes in salience alone are unlikely to allow gun control proponents to succeed. If they want to enact more gun control legislation, they will need to organize more effectively.



Sources: Carroll Doherty, “Did Newtown Really Change Public Opinion About Gun Control?”, CNN.com, December 6, 2013; Kristen Goss, *Disarmed: The Missing Movement for Gun Control in America* (Princeton, NJ: Princeton University Press, 2006).

best prices. (The internal audit itself was performed by private consultants, presumably in compliance with all relevant rules.) However, while there are various examples like these, we lack full and systematic data on the problem more broadly, so it is difficult to draw firm conclusions about it more generally.

Agencies differ in their vulnerability to outside influences. If the Food and Drug Administration is not vigilant, people in that agency who help decide whether a new drug should be placed on the market may have their judgment affected by the possibility that, if they approve the drug, the pharmaceutical company that makes it will later offer them a lucrative position. On the other hand, lawyers in the Federal Trade Commission who prosecute businesses that violate the antitrust laws may decide that their chances for getting a good job with a private law firm later on will increase if they are particularly vigorous

and effective prosecutors. The firm, after all, wants to hire competent people, and winning a case is a good test of competence.⁴⁰

Civil Disobedience

Public displays and disruptive tactics—protest marches, sit-ins, picketing, and violence—have always been a part of American politics. Indeed, they were among the favorite tactics of the American colonists seeking independence in 1776.

Both ends of the political spectrum have used display, disruption, and violence. On the left feminists, gay rights supporters, antislavery agitators, coal miners, auto-workers, welfare mothers, African Americans, antinuclear power groups, public housing tenants, the American Indian Movement, the Students for a Democratic Society,

and the Weather Underground have created “trouble” ranging from peaceful sit-ins at segregated lunch counters to bombings and shootings. On the right, the Ku Klux Klan has used terror, intimidation, and murder; parents opposed to forced busing of schoolchildren have demonstrated; business firms have used strong-arm squads against workers; right-to-life groups have blockaded abortion clinics; and an endless array of “anti-” groups (anti-Catholics, anti-Masons, anti-Jews, anti-immigrants, anti-saloons, anti-blacks, anti-protesters, and probably even anti-antis) have taken their disruptive turns on stage. More recently, the Tea Party and affiliated groups have used protests and rallies to help spread their message. These various activities are not morally the same—a sit-in demonstration is quite different from a lynching—but politically they constitute a similar problem for a government official.

An explanation of why and under what circumstances disruption occurs is beyond the scope of this book. To understand interest-group politics, however, it is important to remember that making trouble has, since the 1960s, become a quite conventional political resource and is no longer simply the last resort of extremist groups. Making trouble is now an accepted political tactic of ordinary middle-class citizens as well as the disadvantaged or disreputable.

There is of course a long history of the use of disruptive methods by “proper” people. For example, in a movement that began in England at the turn of the 20th century and then spread to America, feminists would chain themselves to lampposts or engage in what we now call “sit-ins” as part of a campaign to win the vote for women. The object then was much the same as the object of similar tactics today: to disrupt the working of some institution so that it is forced to negotiate with you, or, failing that, to enlist the sympathies of third parties (the media, other interest groups) who will come to your aid and press your target to negotiate with you, or, failing

that, to goad the police into making attacks and arrests so that martyrs are created.

The civil rights and antiwar movements of the 1960s gave experience in these methods to thousands of young people and persuaded others of the effectiveness of such methods under certain conditions. Though these movements have abated or disappeared, their veterans and emulators have put such tactics to new uses—trying to block the construction of a nuclear power plant, for example, or occupying the office of a cabinet secretary to obtain concessions for a particular group. As a result, today, such techniques are common on both the left and the right.

Which Groups and Strategies Are Most Effective?

Reviewing the various strategies interest groups use to influence the policy process, one might naturally ask two questions about interest-group power. First, which strategies are most effective? And second, which interest groups are most influential? Consider the question of strategy first. Unfortunately, this kind of question does not have an easy answer. The best strategy depends on the group and the issue in question. For some issues—especially a highly salient one that would generate significant public support—a grassroots lobbying strategy and a media campaign would be most effective. For other issues, especially more niche client politics issues, an insider lobbying campaign of key legislators would be the most efficacious strategy. Furthermore, on many issues, the best strategy isn’t any one choice, it’s a multitude of choices: it is not grassroots or insider lobbying, it is both.⁴¹ For example, the Civil Rights movement not only used protests and civil disobedience, but they also used a strategic series of lawsuits, as well as both insider and grassroots lobbying. Most groups use many of the tactics described in this section.

Can we say, then, which groups are most effective? Such a question is, at its core, effectively impossible to answer, as different groups will be influential for different reasons. However, one common thread connecting many of these groups is that they have the power to demonstrate clear electoral consequences to opposing their policies. For example, the Dodd-Frank reform bill put in place the Consumer Financial Protection Bureau (CFPB) to regulate lenders (among other tasks). But one group of lenders has been largely unregulated by the CFPB: automobile lenders, especially automobile dealerships (while automobile dealers do not typically make loans themselves, they often serve as the middleman, connecting buyers with financing). Why did this group get this exemption? They got it because they engaged in a vigorous grassroots lobbying campaign. Theirs was a particularly



Jim Bourg/Reuters

Same-sex marriage supporters celebrate after the Supreme Court ruled in their favor in 2015.

potent grassroots campaign because there are approximately 18,000 automobile dealerships across the country that employ close to 1 million Americans.⁴² Hence every Congressional district in America has a number of people employed in connection with automobile dealerships and loans, and they could make a powerful case to legislators: regulating us would harm the economy (though that said, the CFPB has since proposed new regulations, though they have not yet been enacted).⁴³ Similarly, one reason why the National Rifle Association (NRA) has long been seen as a powerhouse interest group is that NRA members are highly politically engaged, and will vote against—and campaign against—members who oppose their policy positions (see the Policy Dynamics: Inside/Outside the Box feature on page 261 in this chapter).⁴⁴ The AARP is also widely seen as powerful because its core demographic—senior citizens—is highly politically engaged (see the discussion in Chapter 8). We can say these groups are “important” because they represent large, geographically dispersed constituencies who can impose electoral costs on members. In short, one key part of “importance” or “influence” is being able to generate electoral reward or punishment for members.

Furthermore, as we have discussed throughout the chapter, the political context also matters. Interest groups are most effective when they pursue issues best characterized as client politics. Groups that advocate for change on broad-based entrepreneurial or majoritarian politics (things like regulating the environment) face a more uphill battle because of the nature of the issue.

This highlights an important truth about American politics. Many assume that money determines policy outcomes, but the logic above shows that this is not really correct: organization, political consequences, and political context matter just as much, if not more. Studies find that the side with the most money (or who spends the most money) is only weakly correlated with policy success, and a majority of lobbying efforts—even those from well-connected, high-profile groups—fail.⁴⁵ If all it took to change the status quo was money, then neither tobacco nor oil drilling would be regulated at all (instead, both are heavily regulated). As we discussed earlier in the chapter, business often, but not always, gets what it wants in a pluralistic system like ours. To ultimately understand interest-group success and failure, we need to consider organizations and the political context in which groups operate.

11-5 Regulating Interest Groups

Interest-group activity is a form of political speech protected by the First Amendment to the Constitution: it cannot lawfully be abolished or even much curtailed. In 1946,

Congress passed the Federal Regulation of Lobbying Act, which requires groups and individuals seeking to influence legislation to register with the secretary of the Senate and the clerk of the House and to file quarterly financial reports. The Supreme Court upheld the law but restricted its application to lobbying efforts involving direct contacts with members of Congress.⁴⁶ More general “grassroots” interest-group activity may not be restricted by the government. The 1946 law had little practical effect. Not all lobbyists took the trouble to register, and there was no guarantee that the financial statements were accurate. There was no staff in charge of enforcing the law.

After years of growing popular dissatisfaction with Congress, prompted in large measure by the (exaggerated) view that legislators were the pawns of powerful special interests, Congress in late 1995 unanimously passed a bill that tightened up the registration and disclosure requirements. Signed by the president, the law restated the obligation of lobbyists to register with the House and Senate, but it broadened the definition of a lobbyist to include the following:

- People who spend at least 20 percent of their time lobbying
- People who are paid at least \$5,000 in any six-month period to lobby
- Corporations and other groups that spend more than \$20,000 in any six-month period on their own lobbying staffs

The law covered people and groups who lobbied the executive branch and congressional staffers as well as elected members of Congress, and it included law firms that represent clients before the government. Twice a year, all registered lobbyists were required to report the following:

- The names of their clients
- Their income and expenditures
- The issues on which they worked

The registration and reporting requirements did not, however, extend to grassroots lobbying. Nor was any new enforcement organization created, although congressional officials could refer violations to the Justice Department for investigation. Fines for breaking the law could amount to \$50,000. In addition, the law barred tax-exempt, nonprofit advocacy groups that lobby from getting federal grants.

Just as the Republicans moved expeditiously to pass new regulations on interest groups and lobbying when they regained majorities in Congress in the November 1994 elections, the Democrats’ first order of business after retaking Congress in the November 2006 elections

was to adopt sweeping reforms. Beginning March 1, 2007, many new regulations took effect, including the following:

- No gifts of any value from registered lobbyists or firms that employ lobbyists
- No reimbursement for travel costs from registered lobbyists or firms that employ lobbyists
- No reimbursement for travel costs, no matter the source, if the trip is in any part organized or requested by a registered lobbyist or firm that employs lobbyists

Strictly speaking, these and related new rules mean that a House member cannot go on a “fact-finding” trip to a local site or a foreign country and have anyone associated with lobbying arrange to pay for it. Even people who are not themselves registered lobbyists, but who work for a lobbying firm, are not permitted to take members of Congress to lunch or give them any other “thing of value,” no matter how small.

But if past experience is any guide, “strictly speaking” is not how the rules will be followed or enforced. For instance, buried in the fine print of the new rules are provisions that permit members of Congress to accept reimbursement for travel from lobbyists if the travel is for “one-day trips,” so long as the lobbyists themselves do not initiate the trip, make the reservations, or pick up incidental expenses unrelated to the visit. Moreover, these rules have not yet been adopted in precisely the same form by the Senate; and neither chamber has yet clarified language or closed loopholes related to lobbying registration and reporting.

Do not suppose, however, that such remaining gaps in lobbying laws render the system wide open to abuses or evasions. For one thing, loopholes and all, the lobbying laws are now tighter than ever. For another, the most significant legal constraints on interest groups come not from the current federal lobbying law (though that may change) but from the tax code and the campaign finance laws. A

nonprofit organization—which includes not only charitable groups but also almost all voluntary associations that have an interest in politics—need not pay income taxes, and financial contributions to it can be deducted on the donor’s income tax return, provided that the organization does not devote a “substantial part” of its activities to “attempting to influence legislation.”⁴⁷ Many tax-exempt organizations do take public positions on political questions and testify before congressional committees. If the organization does any serious lobbying, however, it will lose its tax-exempt status (and thus find it harder to solicit donations and more expensive to operate). Exactly this happened to the Sierra Club in 1968 when the Internal Revenue Service revoked its tax-exempt status because of its extensive lobbying activities. Some voluntary associations try to deal with this problem by setting up separate organizations to collect tax-exempt money—for example, the NAACP, which lobbies, must pay taxes, but the NAACP Legal Defense and Education Fund, which does not lobby, is tax-exempt.

Finally, the campaign finance laws, described in detail in Chapter 10, limit to \$5,000 the amount any political action committee can spend on a given candidate in a given election. These laws have sharply curtailed the extent to which any *single* group can give money, though they have increased the *total* amount that different groups are providing.

Beyond making bribery or other manifestly corrupt forms of behavior illegal and restricting the sums that campaign contributors can donate, there is probably no system for controlling interest groups that would both make a useful difference and leave important constitutional and political rights unimpaired. Ultimately, the only remedy for imbalances or inadequacies in interest-group representation is to devise and sustain a political system that gives all affected parties a reasonable chance to be heard on matters of public policy. That, of course, is exactly what the Founders thought they were doing. Whether they succeeded or not is a question to which we shall return at the end of this book.

What Would You Do?

NEWS

Memorandum

To: Dora Grace, Senate majority leader

From: Brian Luce, chief of staff

Subject: Full federal financing of presidential campaigns

Every presidential election since 1976 has been financed in part by federal funds. In 2012, both major party nominees opted out of the system, and many potential 2016 candidates are pledging to do the same given the vastly greater resources available through private fundraising. Congress needs to decide whether elections are a



public investment or a political free market for citizens and candidates. We support a bill that would fully fund all major-party presidential candidates.

Arguments for:

1. Legal precedents are promising. Federal matching funds already go to presidential primary candidates who have raised at least \$5,000, in contributions of \$250 or less, in each of 20 states. For the general election, each major party nominee already is eligible for federal funding if he or she agrees to spend no more than that amount.
2. The funding required would be small. Allocating \$1 billion out of the public treasury for a presidential election every four years is hardly a fiscal drain on a nearly \$2 trillion annual budget.
3. The effects would be pervasive. Candidates and party leaders would stop covertly courting big donors with phone calls, lunches, and personal visits, and would focus instead on the needs of average citizens.

Arguments against:

1. Constitutional precedent for requiring political candidates to accept public funds is weak. In *Buckley v. Valeo* (1976), the Supreme Court upheld limits on campaign contributions for candidates who accept public money, but it also defined spending money for political purposes as expression protected by the First Amendment, thereby giving individuals the right to raise and spend as much of their own money as they choose, if they forego federal funds.
2. Campaign spending would soon spiral once again. The federal government may not restrict spending by individuals or organizations working independently from the political parties, and federal funds would merely supplement, not supplant, private fundraising.
3. Less than 10 percent of taxpayers currently support public financing through voluntary federal income tax check-offs, and voters likely would view bankrolling elections as serving politicians, not the people.

Your decision:



Support legislation



Oppose legislation

LEARNING OBJECTIVES

11-1 Explain what an interest group is, and identify the main factors that led to their rise in America.

An interest group is an organization of people sharing a common interest or goal that seeks to influence public policy. Several factors help to explain the rise in groups, including the growth of the market economy in America, government policy itself (by creating constituencies that receive benefits from the government), political movements that create political entrepreneurs, and the growing scope of government policy.

11-2 Detail the various types of interest groups in America, and explain the types of people who join interest groups.

There are two kinds of interest groups: institutional and membership. Institutional groups represent other organizations (like lobbying firms that represent corporations or trade groups in Washington), while membership groups represent their own members and their members' policy preferences and beliefs (like the National Association for the Advancement of Colored People, a historic civil rights membership organization). People join groups for the same basic reasons that they join any organization. There are three kinds of incentives: solidary, material, and purposive.

11-3 Summarize the ways interest groups relate to social movements.

Social movements are mass movements that push for a particular type of policy change. Groups that

employ purposive benefits are especially likely to be linked to broad social movements.

11-4 Explain the various ways interest groups try to influence the policymaking process.

Groups use a variety of strategies, including lobbying (and more generally providing information), earmarking (though it is currently banned, there are some ways around it), donations to legislators, and civil disobedience. The most effective strategies in any given instance depend on the type of group and its goals. Whether a group is successful is determined at least in part by its organization and the political environment.

11-5 Describe the ways in which interest groups' political activity is limited.

Interest groups' activities are restricted by literally scores of laws. For example, Washington lobbyists must register with the House or Senate. All registered lobbyists must publicly divulge their client list and expenditures. There are legal limits on PAC contributions. Every new wave of campaign finance laws (see Chapter 10) has resulted in more rules regulating interest groups. The Internal Revenue Service (IRS) has tightly restricted political activity by religious groups, private schools, and other organizations as a condition for their exemption from federal income tax. Finally, states and cities have their own laws regulating interest groups, and some places are more restrictive than others.

TO LEARN MORE

Conservative interest groups:

American Conservative Union:
www.conservative.org

Christian Coalition: www.cc.org

Liberal interest groups:

American Civil Liberties Union: www.aclu.org

Americans for Democratic Action:
www.adaction.org

Environmental groups:

Environmental Defense:
www.environmentaldefense.org

National Resources Defense Council: www.nrdc.org

Civil rights groups:

NAACP: www.naACP.org

Center for Equal Opportunity: www.ceousa.org

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Truman, David B. *The Governmental Process*, 2nd ed. New York: Knopf, 1971. First published in 1951, this was the classic analysis—and defense—of interest-group pluralism.

Wilson, James Q. *Political Organizations*, Rev. ed. Princeton, NJ: Princeton University Press, 1995. A theory of interest groups emphasizing the incentives they use to attract members.

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