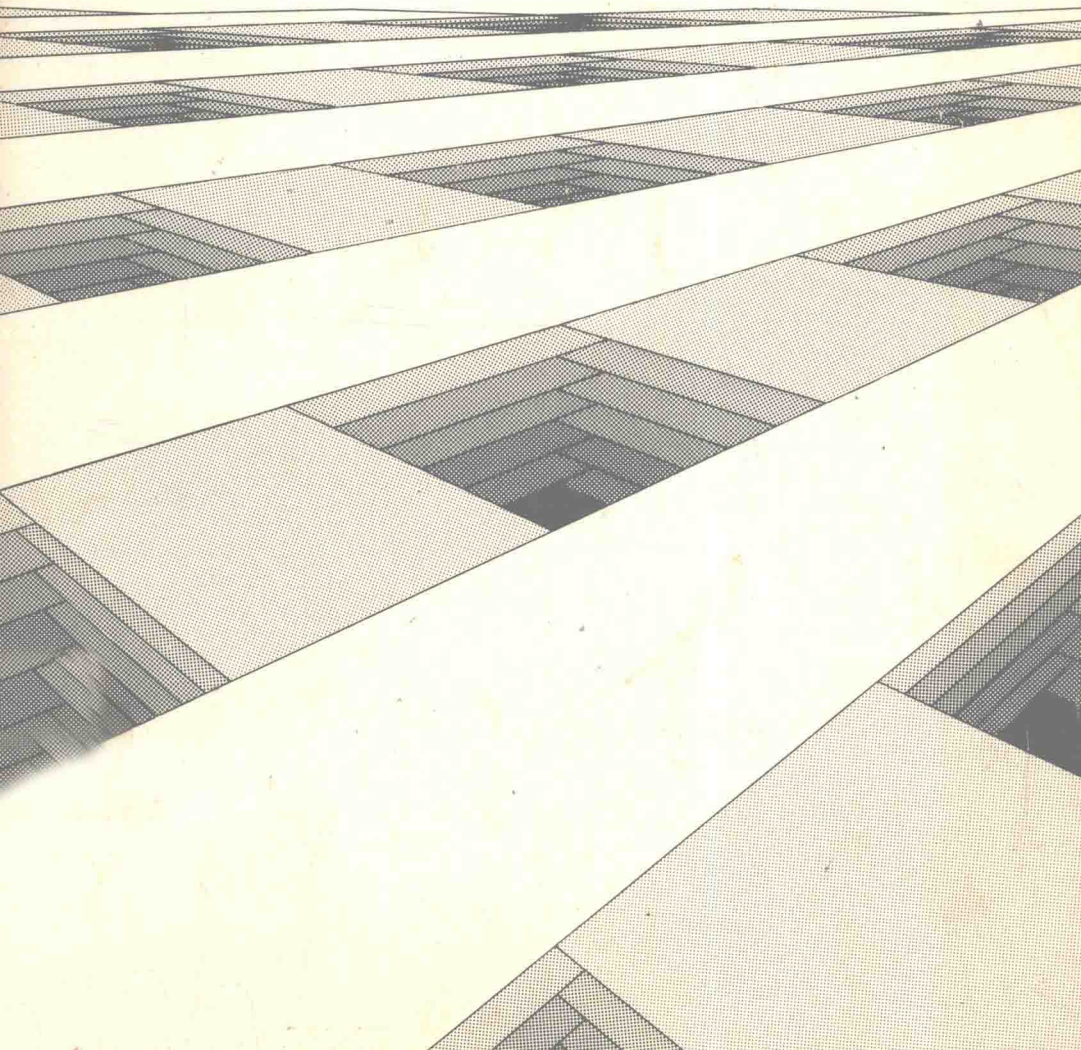
# Interest Group Politics

Edited by

Allan J. Cigler
Burdett A. Loomis



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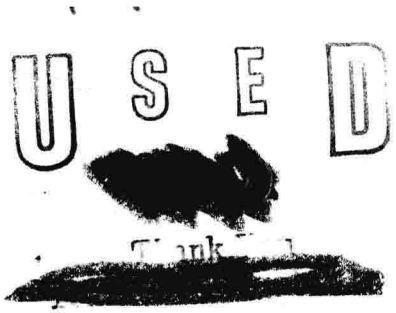

# PREFACE

Encounters with publishers' representatives and work on an undergraduate's honors thesis led to the publishing of *Interest Group Politics*. Bird Loomis kept asking publishers' sales personnel if they had anything new on interest groups; the answer was invariably "no." Al Cigler served as an adviser to a student doing group-based research; he quickly discovered a wealth of contemporary interest group theory and an almost total absence of related empirical research. We both recognized the increasing importance of interest groups and wanted to reflect that in our respective courses on political parties and policy making. Loomis complained to Cigler and vice versa, and the idea for collecting an integrated series of original essays on interest groups was born.

During the past two decades, fundamental changes in the style and substance of American politics have occurred. American government has become more fragmented and less ordered by mass political institutions. Social forces, such as the growth of the middle class and the increased activism of blacks and women; institutional changes, such as political party and campaign finance "reforms"; the rising importance of the mass media and communications technology; and the public's distrust of the political process have all contributed to a greater significance for interest groups.

In our view, the major challenge to the American political system in the 1980s is its ability to respond to a demanding electorate in a political environment that supports numerous diverse interests—often passionately expressed—yet has few means to aggregate them.

The essays cover three major areas of interest group politics. First, we examine the internal workings of groups—questions of *participation* (Chapters 3, 4, 5, and 14). Second, we look at groups as actors in

*electoral politics* (Chapters 2, 6, and 7). And third, we focus on group activity within the *policy making process* (Chapters 8 through 13). Finally, we include four articles that, taken together, provide an *overview* of contemporary interest group trends and theory (Chapters 1, 5, 14, and 15).

Putting together a collection of original essays is, to quote that eminent social commentator and comedian, Richard Pryor, "no day at the beach." We received such warnings (less elegantly put) on many occasions. Yet, with an excellent group of cooperative and enthusiastic authors and first-rate assistance from the CQ Press editorial staff, things have gone surprisingly smoothly. In addition to our contributors, we owe a great deal to Jean Woy, who encouraged us to undertake this book, and to Joanne Daniels, who provided guidance and good sense throughout the project. Our special thanks go to Sue Sullivan for her good cheer, careful editing, and ability to keep numerous balls in the air at almost all times. We have learned a lot, both as editors and political scientists. We remain friends, and we can say in all honesty that it has been fun.

*Allan J. Cigler*
*Burdett A. Loomis*

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# 1. INTRODUCTION: THE CHANGING NATURE OF INTEREST GROUP POLITICS

***Burdett A. Loomis and Allan J. Cigler***

From James Madison to Madison Avenue, political interests have played a central role in American politics. That is a great continuity in our political experience, as is the ambivalence with which citizens, politicians, and scholars have approached interest groups. James Madison's warnings on the dangers of faction echo in the rhetoric of reformers ranging from Populists and Progressives near the turn of the century to contemporary "public interest" advocates.

If organized special interests are nothing new in American politics, can today's group politics be seen as changing in fundamental ways from the past? Acknowledging that many important, continuing trends do exist, we seek to place in perspective a broad series of changes in the modern nature of interest group politics.

Among the most substantial of these changes are:

(1) a great proliferation of interest groups since the early 1960s;
(2) a centralization of group headquarters in Washington, D.C., rather than New York City or elsewhere;
(3) major technological developments in information processing that promote more sophisticated, timely, and specialized grassroots lobbying;
(4) the rise of single-issue groups;
(5) changes in campaign finance laws (1971; 1974) and the ensuing growth of political action committees (PACs);
(6) the increased formal penetration of political and economic interests into the bureaucracy (advisory committees), the presidency (White House group representatives), and the Congress (caucuses of members);
(7) the continuing decline of political parties' abilities to perform key electoral and policy-related activities;

(8) the increased number, activity, and visibility of so-called "public interest" groups, such as Common Cause, and the Ralph Nader-inspired public interest research organizations.

All these developments have their antecedents in previous eras of American political life; there is little genuinely new under the interest group sun. Political action committees replace (or complement) other forms of special interest campaign financing. Group-generated mail directed at Congress has existed as a tactic since at least the early 1900s.[1] Many organizations have long been centered in Washington, D.C., members of Congress have traditionally represented local interests, and so on.

At the same time, the level of group activity, coupled with growing numbers of organized interests, leads us to see contemporary group politics as distinct from the politics of earlier eras. Current trends of group involvement lend credence to the fears of scholars such as political scientist Theodore Lowi and economist Mancur Olson, who view interest-based politics as contributing to governmental immobilism and reduced accountability.[2] If accurate, these analyses point to a fundamentally different role for interest groups than those suggested by Madison and later group theorists.

In addition, several contemporary studies, such as those by Olson and political scientists Robert Salisbury and Terry Moe, illustrate the weakness of much interest group analysis that does not adequately account for the reasons groups form and persist.[3] Only during the last 20 years, in the wake of Olson's path-breaking research, have scholars begun to examine realistically why people join and become active in groups. It is by no means self-evident that citizens should naturally become group members—quite the contrary, in most instances. We are faced, then, with the paradoxical and complex question of why groups have proliferated, as they certainly have, when it is economically unwise, ordinarily, for individuals to join them.

The agenda for students of interest groups is full. New groups, ranging from computer software associations to Moral Majority, have formed while existing groups, such as the Chamber of Commerce, the Sierra Club, and the National Rifle Association, have become increasingly sophisticated and aggressive.

## Interest Groups in American Politics

Practical politicians and scholars alike generally have concurred that interest groups (also known as factions, pressure groups, and

special interests) are natural phenomena in a democratic regime. That is, individuals will band together to protect their interests.[4] If it is thus agreed that, in Madison's words, "the causes of faction . . . are sown in the nature of man," controversy continues as to whether groups and group politics are benign or malignant forces in American politics. "By a faction," Madison wrote,

> I understand a number of citizens, whether amounting to a majority or minority of the whole, who are united and actuated by some common impulse of passion, or of interest, adverse to the rights of other citizens, or to the permanent and aggregate interests of the community.[5]

Although Madison rejected the remedy of direct controls over factions as "worse than the disease," he saw the need to limit their negative effects by promoting competition among them and by devising an elaborate system of procedural "checks and balances" to reduce the potential power of any single, strong group, whether representing a majority or minority position (see Chapter 14).

Hostility toward interest groups became more virulent in an industrialized America, where the great concentrations of power that developed far outstripped anything Madison might have imagined. After the turn of the century, many Progressives railed at various monopolistic "trusts" and intimate connections between interests and corrupt politicians. Later, in 1935, Hugo L. Black, then a senator (and later a Supreme Court justice), painted a grim picture of group malevolence:

> Contrary to tradition, against the public morals, and hostile to good government, the lobby has reached such a position of power that it threatens government itself. Its size, its power, its capacity for evil, its greed, trickery, deception and fraud condemn it to the death it deserves.[6]

Similar sentiments remain intact today. Many citizens, journalists, and reformers continue to view interest groups with great suspicion, especially in light of PAC contributions to escalating campaign expenditures. By October 1982, for example, PAC spending in the 1982 elections had already surpassed by 60 percent the total PAC contributions to 1980 campaigns. One typical expression of dismay comes from Common Cause, the self-styled public interest lobby:

> The Special Interest State is a system on which interest groups dominate the making of government policy. These interests legiti-

> mately concentrate on pursuing their own immediate—usually economic—agendas, but in so doing they pay little attention to the impact of their agendas on the nation as a whole.[7]

Despite the considerable popular distrust of interest group politics, political scientists and other observers have often viewed groups in a much more positive light. This perspective also draws upon Madison's *Federalist* writings, but it is more tied to the growth of the modern state. Political science scholars such as Arthur Bentley, circa 1910, and David Truman, 40 years later, place groups at the heart of politics and policy making in a complex, large, and increasingly specialized governmental system. The interest group becomes an element of continuity in a changing political world. Truman notes the "multiplicity of co-ordinate or nearly co-ordinate points of access to governmental decisions," and concludes that

> The significance of these many points of access and of the complicated texture of relationships among them is great. This diversity assures various ways for interest groups to participate in the formation of policy, and this variety is a flexible, stabilizing element.[8]

Derived from Truman's work, and that of other group-oriented scholars, is the notion of the pluralist state in which competition among interests, in and out of government, will produce policies roughly responsive to public desires, and no single set of interests will dominate. As one student of group politics summarizes,

> Pluralist theory assumes that within the public arena there will be countervailing centers of power within governmental institutions and among outsiders. Competition is implicit in the notion that groups, as surrogates for individuals, will produce products representing the diversity of opinions that might have been possible in the individual decision days of democratic Athens.[9]

In many ways the pluralist vision of American politics corresponds to the basic realities of policy making and the distribution of policy outcomes, but a host of scholars, politicians, and other observers have roundly criticized this perspective. Two broad (although sometimes contradictory) critiques have special merit.

In the first place, some interests systematically lose in the policy process, while others habitually win. Without making any elite-theory contentions that a small number of interests and individuals conspire together to dominate societal policies, one can make a strong case that those interests with more resources (money, access, information, etc.)

usually will obtain better results than those who possess fewer assets and employ them less effectively. The numerically small, cohesive, well-heeled tobacco industry does well, year in, year out, in the policymaking process; marginal farmers and the urban poor produce a much less successful track record. Based on the continuing inequalities of results, critics of the pluralist model argue that interests are still represented unevenly and unfairly.

A second important line of criticism generally agrees that inequality of results remains an important aspect of group politics. But this perspective, most forcefully set out by Theodore Lowi, sees interests as generally succeeding in their goals of influencing government—to the point that the government itself, in one form or another, provides a measure of protection to almost all societal interests. Everyone thus retains some vested interest in the ongoing structure of government and array of public policies. This does not mean that all interests obtain just what they desire from governmental policies; rather, all interests get at least some rewards. From this point of view, the tobacco industry surely wishes to see its crop subsidies maintained, but the small farmer and the urban poor also have pet programs, such as guaranteed loans and food stamps, which they seek to protect.

Lowi labels the proliferation of groups and their growing access to government "interest-group liberalism," and he sees this phenomenon as pathological for a democratic government:

> Interest-group liberal solutions to the problem of power [who will exercise it] provide the system with stability by spreading a *sense* of representation at the expense of genuine flexibility, at the expense of democratic forms, and ultimately at the expense of legitimacy.[10]

Interest-group liberalism is pluralism, but it is *sponsored* pluralism, and the government is the chief sponsor.

On the surface, it appears that the "unequal results" and "interest-group liberalism" critiques of pluralism are at odds. But reconciliation is relatively straightforward. Lowi does not suggest that all interests are effectively represented. Rather, there exists, in many instances, only the appearance of representation. As political scientist Murray Edelman points out, a single set of policies can provide two related types of rewards—tangible benefits for the few and symbolic reassurances for the many.[11] Such a combination encourages groups to form, become active, and claim success.

## A Climate for Group Proliferation

Substantial cleavages among a society's citizens are essential for interest group development. American culture and the constitutional arrangements of the U.S. government actively encourage the emergence of multiple political interests. In the pre-Revolutionary period, sharp conflicts existed between commercial and landed interests, debtor and creditor classes, coastal residents and those in the hinterlands, and citizens with either Tory or Whig political preferences. As the new nation developed, its vastness, characterized by geographical regions varying in climate, economic potential, culture, and tradition, contributed to a great heterogeneity. Open immigration policies further led to a diverse cultural mix with a wide variety of racial, ethnic, and religious backgrounds represented among the populace. Symbolically, the notion of the United States as a "melting pot," emphasizing group assimilation, has received much attention, but a more appropriate image may be the "tossed salad." [12]

The Constitution also contributes to a favorable environment for group development. Guarantees of free speech, association, and the right to petition the government for redress of grievances are basic to group formation. Because political organization often parallels government structure, federalism and the separation of powers principles embodied in the Constitution greatly influence the existence of large numbers of interest groups in the United States.

The decentralized political power structure in the United States allows important decisions to be made at the national, state, or local levels. Even within governmental levels, there are various points of access. For example, business-related policies such as taxes are acted upon at each level, and interest groups may affect these policies in the legislative, executive, or judicial arenas. Because several organizations, like the U.S. Chamber of Commerce, are federations, their state and local affiliates often act independently of the national organization. Numerous business organizations thus focus upon the multiple channels for access.

The American governmental structure also indirectly encourages the proliferation of interest groups. Political parties in the United States, organized along the lines of a decentralized framework, are less unified and disciplined than parties found in many other nations. The resulting power vacuum in the decision-making process offers great potential for alternative political organizations such as interest groups to influence policy.

Finally, American cultural values may well encourage group development. As Alexis de Tocqueville observed 150 years ago, values such as individuality and need for personal achievement underlie the propensity of citizens to join groups. And the number of access points, especially local ones, probably contributes to Americans' strong sense of political efficacy when compared with that expressed by citizens of other nations.[13] Not only are Americans joiners, but they tend to belong to more political groups than do people of other countries.[14]

## Theories of Group Development

A climate favorable to group proliferation does little to explain how interests are organized. Whatever interests are latent in society and however favorable the context for group development may be, groups do not arise spontaneously as a result. Farmers and a landed interest existed long before farm organizations first appeared; laborers and craftsmen were on the job prior to the formation of unions. In a simple society, even though distinct interests exist, there is little need for interest group formation. Farmers have no political or economic reason to organize when they work only for their families. In the early history of the country before the industrial revolution, workers were craftsmen, often laboring in small family enterprises. Broad-based political organizations were not needed, although local guilds often existed to train apprentices and to protect jobs.

David Truman has suggested that increasing societal complexity is fundamental to group proliferation, characterized by economic specialization and social differentiation.[15] In addition, technological changes and the increasing interdependence of economic sectors often create new interests and redefine old ones. Salisbury's discussion of the increasing complexity of American farming is instructive:

> Ever since the Civil War, it is quite clear farmers have grown more and more differentiated as technological innovations, such as mechanical combines and cotton pickers or refrigerated transport, combined with other factors, such as the increased use of less flexible, arid land, and changing demand patterns in both peace and war, to induce each farmer to concentrate his resources on the commodity he could produce to greatest advantage rather than try to supply himself with a wide range of necessary foods and fibers. In short, the full scale commercialization of agriculture, beginning largely with the Civil War, led to the differentiation of farmers into specialized interests, each increasingly different from the next. . . . The interdependence which accompanied the specialization process

> meant potential conflicts of interests or values both across the bargaining encounter and among the competing farmers themselves as each struggled to secure his own position.[16]

Many political scientists assume that an expansion of the interest group universe is a natural consequence of growing societal complexity. In an increasingly complex society, we should expect a continuing growth of interest groups. Group formation, however, "tends to occur in waves," and is greater in some periods than in others.[17] Groups organize politically when the existing order is disturbed, and certain interests are, in turn, helped or hurt.

Not surprisingly, economic interests develop both to improve their position and to protect existing advantages. For example, the National Association of Manufacturers (NAM) was originally created to further the expansion of business opportunities in foreign trade, but it became a more powerful organization largely in response to the rise of organized labor.[18] Mobilization of business interests in the 1960s and 1970s often resulted from threats posed by forces such as Ralph Nader and the environmental movement.

Disturbances that act to trigger group formation need not be strictly economic or technological. Wars, for example, place extreme burdens on draft-age men; organized resistance to U.S. defense policy arose during the Vietnam era. Likewise, broad societal changes may disturb the status quo; the Ku Klux Klan's origin lies in the fear that increased numbers of ethnic and racial minorities threatened white, Christian America.

Truman's theory of group proliferation suggests that the interest group universe is inherently unstable. Groups formed from an imbalance of interests in one area induce a subsequent disequilibrium, which acts as a catalyst for individuals to form groups as counterweights to the new perceptions of inequity. Group politics thus is characterized by successive waves of mobilization and countermobilization. The liberalism of one era may prompt the resurgence of conservative groups in the next. Similarly, periods of business domination are often followed by eras of reform group ascendancy.

## Personal Motivations and Group Formation

Central to theories of group proliferation are the pluralist notions that elements of society possess common needs and share a group identity or consciousness, and that these are sufficient conditions for the formation of effective political organizations. While the perception of

common needs may be necessary for political organization, whether it is sufficient for group formation and effectiveness is open to question. Historical evidence documents many instances in which groups do not spontaneously emerge even when circumstances such as poverty or discrimination would seem to require it.

Mancur Olson, an economist, effectively challenged many pluralist tenets in *The Logic of Collective Action*, published in 1965. Using a "rational economic man" model as the basis of his analysis, Olson posited that even individuals who have common interests are not inclined to join organizations that attempt to address their concerns. The major barrier to group participation is the "free-rider" problem: "rational" individuals choose not to bear the participation costs (time, membership) because they can enjoy the group benefits (such as favorable legislation) whether or not they join. Groups that pursue "collective" benefits, which accrue to all members of a class or segment of society regardless of membership status, will have great difficulty forming and surviving. According to Olson, it would be economically irrational for individual farmers to join a group seeking higher farm prices when benefits from price increases would be enjoyed by all farmers, even those who contribute nothing to the group. Similarly, it would be irrational for an individual consumer to become part of organized attempts to lower consumer prices, when all consumers, members or not, would reap the benefits. The free-rider problem is especially serious for large groups because the larger the group the less likely an individual will perceive his or her contribution as having any impact on group success.

A key to group formation—and especially group survival—is the provision of "selective" benefits. These rewards, such as travel discounts, informative publications, and the like, can be withheld from nonmembers. Organizations in the best positions to offer such benefits are those initially formed for some nonpolitical purpose and which ordinarily provide material benefits to their clientele. In the case of unions, for example, membership may be a condition of employment. For farmers, the American Farm Bureau Federation offers extremely inexpensive insurance, which induces individuals to join, even if they disagree with the Farm Bureau's goals (see Chapter 4). In professional societies, membership may be a prerequisite for occupational advancement and opportunity.

Olson's notions have sparked several extensions of the rational man model, and a reasonably coherent body of "incentive theory" literature now exists.[19] Incentive theorists view individuals as rational