

**Chapter 9. Interest Groups—the Paradox of Factions: Control by Letting
them Multiply
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TEXT

I. Introduction—They're Everywhere!

A. Importance

Interest groups are ubiquitous (look up this word if you do not know what it means—it's one of my favorite words) in American politics. You will find organized groups that try to influence public policy at every level of government from your city or town to the national level. Whether you know it or not, you are almost certainly a member of at least one by virtue of being a college student. More than likely you are a member of several interest groups.

Understanding how interest groups operate is essential in understanding how American government operates. I have often said that if I were restricted to teaching you only one chapter on how American government operates, the chapter on interest groups would be the one. They are that important.

When Frenchman **Alexis de Tocqueville** visited the United States in the 1830's to take a look at how this new nation was operating, he noted that Americans were quite likely to form groups to address whatever problems a community faced. This propensity to join groups to achieve shared goals has around for a long time. It remains a central part of our political culture today.

You might think that this group forming tendency is in conflict with our individualistic go-it-alone self-reliant values. If this thought occurred to you, then you have discovered another paradox in our culture. We have an individualistic culture in which people form groups. The explanation that resolves this paradox is that Americans form what are called voluntary groups, that is, groups where membership is a matter of individual choice.

Most Americans strongly oppose groups in which membership is required. Thus, most Americans oppose forcing workers to join unions or pay union dues even if a majority of workers vote to be represented by a union. In the 2009-10 health care reform debate, while most citizens like the idea of not turning people down for pre-existing conditions, many Americans opposed the idea that everyone should be required to buy health insurance. Of course they did not realize that this is the only way to pay for the protection against being denied for pre-existing conditions. We will come back to this topic later when we talk about the “free rider” problem faced by many groups, including unions.

B. Ambivalent Feelings

Even though most of us are almost certainly members of several groups, we do not like interest groups very much. Interest groups are the evil “they” whom political candidates condemn in talking about the “special interests.” Candidates promise to fight special interests if they are elected. Look at speeches given by candidates for almost any office in the nation, and you will probably see something about their being willing to stand up to the special interests. We regard groups as corrupt, selfish, narrow, and willing to sacrifice the public interest for their own private good.

So perhaps we have another paradox in the ambivalent feelings we have about groups. We join groups and at the same time consider groups harmful to the well-being of the nation.

Can you resolve this one? The resolution is actually rather easy for this paradox, though it creates some problems. Everyone thinks that the groups they join are “good” groups that promote the public interest. The groups that others join are the bad selfish groups. We are talking about subjective evaluation, like beauty being in the eye of the beholder.

This resolution leads to a problem. If the public interest is nothing more than a subjective evaluation, then a common public interest does not exist in any meaningful sense. The public interest becomes nothing more than rationalized self-interest—a kind of publicity stunt.

This observation suggests some deep questions that may be a bit beyond the scope of a basic descriptive course on how American government operates. But they are important questions that good citizens should take some time to consider. Can you come up with some criteria that will distinguish a public interest from private interests? For example, you might conclude that public interests should enable people to reach their full human potential, or should take a long-term view, or should be respectful of other living creatures and natural beauty and the environment for future generations. The public interest might be those things that we could agree on if we could have our discussion before being born, not knowing who we will be or where we will be in the real world.

Philosopher John Rawls called this the “veil of ignorance,” and used it to help reach agreement on what justice is. I think the same idea could be applied to a discussion of the public interest. I will stop at that thought, but I hope you will not stop thinking about this. Are these good ideas? Can you add to this list with additional suggestions about qualities that any public interest should have?

C. Different Kinds of Groups

Almost all texts on American government list the different kinds of groups in the American political landscape. Some classification schemes are quite complicated, making very fine distinctions. In the spirit of a simple and relatively brief text, I will opt for a rather simple scheme with just three major kinds of groups.

1. Economic Groups

Economic groups are the most numerous kind of interest group. They include businesses, corporations, and groups of similar businesses that operate together in organizations called trade associations, like the National Pest Control Association. You can look them up on the Web under trade associations. Some business associations form along broader lines, like the Chamber of Commerce and the National Manufacturers Association. Many of these groups have local, state, and national organizations. They are organized this way to reflect the federal character of our government. For example, you will find Chambers of Commerce at the local, state, and national level. They are all interconnected with each other and help each other. But each focuses on its respective level of government.

Economic groups include labor unions, which often have conflicts with business groups. However, unions sometimes work with a business or corporation when a policy might help reserve jobs in that business, like a bailout or government protection from cheap imports. Labor unions are declining in size and number. At their peak they represented about a fourth of all working people. But as manufacturing has declined and as more and more people work in professions or in service industries, all of which are much less unionized, the percentage of people in unions has been cut about in half. That decline is likely to continue as companies outsource services and production to places all around the world. The globalization of business has not been good for unions in America. That is why unions usually opposed the North American Free Trade Act (NAFTA).

Agricultural groups are another important subcategory of economic groups. Today this subgroup is dominated by agro-business, large corporate farming operations, not the American family farm. Today the family farm is more myth than reality. Agro-business operates in much the same way as corporations, seeking policies that promote profitability.

Professional associations, like the American Medical Association or the American Political Science Association, are also economic in nature because they concern themselves with the economic well-being of those in a particular profession. Many people in these professions also operate as small businesses (like a medical or legal practice), so they overlap with business groups. Ideally professional groups would like to control who comes into the group, having things like licenses or exams required for entry. This ensures some minimal professional standards. Minimal standards that protect consumers/customers might be in the public interest. However, entry exams and licensing also helps keep the numbers in the profession limited so that competition does not drive fees down. That might not be in the public interest, if you think that competition is a good thing for the public.

2. Citizen Groups

When people form interest groups that are not associated with how they make a living, but rather with some common concern or characteristic, they could be called citizen interest groups. They cover a wide range of interests and sizes. At the one extreme might be a local nature group that meets monthly to learn about birds or plants and build some houses for bluebirds. At the other extreme are complex groups that have state, national and local affiliates, like the National Rifle Association (NRA) or the National Association for the Advancement of Colored People (NAACP). The largest citizen group in terms of membership is the AARP, which once stood for the American Association of Retired Persons. A few years ago it dropped the formal name, because it expanded to include older people who are not retired. However, it kept the well-known acronym, AARP, as a name rather than an acronym, because the acronym was so well known.

Citizen interest groups are sometimes clearly ideological in nature, focusing on promoting a political agenda that can be classified along ideological lines. For example, the Americans for Democratic Action (the ADA), is considered a liberal group. One of its tactics is to create a 1 to 100 rating for legislators using key votes to see how friendly a legislator is to their perspective. An ADA rating of 100 (meaning that a legislator voted the “right way” on 100% of the votes) is considered highly liberal. The Americans for Conservative Action (ACA) is the ADA’s conservative counterpart. It also has its own 1 to 100 rating scheme using votes they think important. Someone with a high ADA rating almost always has a low ACA rating. All these groups use the scores to either praise or condemn legislators. Researchers sometimes use these ratings to classify legislators. Other examples of ideological interest groups include Ralph Nader’s Public Citizen and the Public Interest Research Group (PIRG), and the Children’s Defense Fund, which promotes government programs to aid children. The Christian fundamentalist Family Research Council promotes a range of conservative policies that they see as pro-family. Groups opposed to the Family Research Council, like People for the American Way, see these policies as anti-

freedom or anti-gay. This list of such groups is almost endless and grows each year.

Many citizen interest groups portray themselves as “public interest groups” and sometimes are classified that way. For example, Common Cause is a kind of “anti-interest” interest group. It focuses on promoting a democratic process that minimizes the influence of interest groups and maximizes the light shed on interest group activities and the influence of average citizens. It promotes public financing of political campaigns so as to minimize the role that interest group money plays in campaigns. Critics see Common Cause as liberal, even though it has a wide range of supporters in both parties and of different ideological persuasions. Other public interest groups include a wide range of environmental groups, such as the Sierra Club, Greenpeace, and state level groups, like South Carolina’s Coastal Conservation League.

As you may have already guessed, the “public interest” classification is very subjective. But in one sense it is correct. Public interest groups promote policies that involve what economists consider to be “**public goods.**” That is, if successful, the policies they promote lead to goods or benefits that everyone gets whether or not they join the group. For example, if an environmental group is successful in getting cleaner air, everyone gets to breathe that air, whether or not they are a member of the group.

On the other hand, business groups usually provide what are called “**private goods,**” benefits that ONLY come to those who are members of the group. So when the auto industry or banks get government bailouts to help them stay in business, the benefits go to employees and shareholders, not the general public. However, those who supported these bailouts argue that everyone had an indirect benefit through a stronger economy. But nevertheless, the most direct benefit was to those associated with the corporations that get help.

This distinction between public and private goods creates something called the “**free rider problem**” for most citizen groups and even some economic groups. Why would anyone join a group that will provide benefits to everyone regardless of membership? If you get clean air and a healthier environment whether or not you join an environmental group, why join? If you get safer products whether or not you join Consumer’s Union, why join? If you get the right to own a firearm whether or not you join the NRA, why join? If you get higher wages and better benefits whether or not you join a union, why join? Why not just let the union members pay the dues and put the pressure on management and strike if you can benefit from whatever concessions management makes without all the cost and bother?

The free rider problem theoretically would exist for nearly all government policies if taxes were voluntary. Why would citizens pay taxes for national defense if they would get defense without paying taxes? Of course most would

not. You might remember the troubles that the Articles of Confederation government had in getting states to voluntarily pay taxes to provide for the military. So what the government does is to force people to pay taxes, thereby avoiding the free rider problem.

Of course, interest groups usually cannot force people to join and pay dues. Unions try to do this by having something called a “**union shop**” in the contracts they negotiate with employers, which specifies that anyone working for the company has to join the union or at least pay a part of the dues to cover cost of negotiating contracts. Many states, including most southern states, have passed “**right to work**” laws that outlaw union shop contracts. Union supporters call the laws “right to work for less” laws.

Because citizen groups cannot force people to join, they provide other incentives and benefits for membership. **Solidarity benefits** make people feel good for joining a group and working with others to make the world a better place. Almost every membership appeal starts with a plea to join others in making something better or helping people who really need help. (Take a look at the opening section of the next fund-raising letter you get from some group.)

Material benefits include things like discounts on goods or services, or low cost life or auto insurance. Groups like the NRA, AARP, and the American Automobile Association (the AAA) are well known for providing such benefits. (While editing this chapter I was staying in a motel that gave me a 10% AAA discount, and had received an additional 20% AAA discount at an out mall clothing store a few hours earlier.)

Information benefits provide members with information that they find interesting and useful. *The American Rifleman* is a very popular magazine produced by the NRA. It is one of several periodicals provided to members. You might do a web search the sites of several citizen interests groups to see the range of incentives they provide for members.

Let me make one last point. We have distinguished citizen interest groups from economic interest groups based on the criterion that citizen groups are not associated with how members make their living. However, this distinction does not mean that economic groups are totally separate from citizen groups. In fact, economic groups might promote and support the creation of citizen groups when those citizens are consumers of goods and services that the economic groups provide.

The NRA is a perfect example. Much of the NRA's revenue comes from advertisements that the weapons industry places in NRA magazines. These magazines all promote the buying and use of weapons.

Only a few citizen groups totally divorce themselves from economic groups. For example, Consumer's Union refuses any advertisements from any company in their well-known magazine, *Consumer Reports*, which rates a wide range of consumer products.

3. Government Groups

In an earlier chapter we discussed the existence of government groups that represent different kinds of government entities in our highly complex federal system. These include municipalities, school boards, counties, mayors, governors, secretaries of state, and almost every office you can think of that exists at the state or local level. In addition, individual states and many larger cities have offices in Washington to help them influence the national government.

State and local government groups try to influence state government as well as the national government, because state government policies also affect state and local governmental entities. For example, if you go to a state university, the university actively works to influence state policymakers to provide resources for the university. Success, or lack thereof, has a great impact on the tuition and fees you pay.

II. The Problem of Factions—"Federalist Number 10"

The most famous document ever written about interest groups was one of the famous *Federalist Papers*, "Federalist Number 10," which was written by James Madison. As you should remember, several of the founders wrote the *Federalist Papers* as arguments for the ratification of the Constitution right after the 1787 convention. The main argument in "**Federalist Number 10**" was how the new government created by the Constitution would help deal with the problem of factions. The argument is important because it laid out a basic theory on how our democratic republic would actually operate so as to allow freedom and at the same time keep factions from becoming too powerful.

You should find "Federalist Number 10" on the Web and read it for yourself. You will find the language a bit difficult. The language is highly formal with long sentences and paragraphs, and it includes a number of words with which you may not be familiar. However, the structure of the essay is quite logical. I do not want to go into too much detail, because that would take away from your own reading. But I want to give you enough so that you see the structure and major points.

A. Definition and Danger of Factions

We will start with the word "**faction**." Madison has a good definition in the text of the essay in the second paragraph. As you read the definition, you should

note a couple of things. First, his definition is quite general and would include not only interest groups, the topic of this chapter, but also political parties. Madison uses the terms faction and party interchangeably in the essay. He lumps parties and interest groups together as including both large groups (majority factions) and small groups (minority factions) of passionate people who are united by some interest.

Second, Madison defines them in a very negative way. He says that they are opposed “to the rights of other citizens” or the general public “interests of the community.” Given this negative definition, we should not be surprised that he sees factions as bad for any democratic government. The entire first paragraph of the essay is devoted to the dangers posed by factions. Madison sees them as having a long historical record of damage to governments and as a major danger to the government in the U.S. They cause “instability, injustice, and confusion,” they endanger private rights, and they even cause governments to perish.

B. A Necessary Evil Flowing from Freedom

If factions are so dangerous, what is to be done about them? One possibility might be to prevent them from forming. Madison rejects this idea with a neat, persuasive, and powerful argument. “It could never be more truly said than of the first remedy that it was worse than the disease.” The ability to form factions comes from liberty. So we would have to take away liberty in order to prevent factions. That would be completely unacceptable for a government that is founded upon liberty.

Madison also briefly entertains the idea that we might try to give everyone the same passions and ideas. But he also rejects that idea as harmful to liberty and as impractical. It is impractical because the natural differences among people are an underlying cause of factions. Differences include different skills, different passions, differences in property, and what Madison sees as a human tendency to create distinctions with others. Based on self-love, people often argue that these distinctions make their own group superior. In other words, if we have no material things to argue about, we will invent some artificial things to set ourselves up as superior and then proceed to argue about. Passionate school rivalries might be a good example here. But the list might include religious groups, and local, state, and regional identities.

C. Advantages of a Democratic Republic in Controlling Dangers— Pluralism

The rest of the essay is about how the creation of a large democratic republic from the thirteen states will help regulate “the spirit of party and faction.” Madison argues that the proposed constitution will do several things to help achieve this goal.

First, he argues that the democratic nature of the new proposed government allows a majority to defeat any faction that happens to be a minority. The more difficult problem is defeating a majority faction. The relief here comes from the idea of representation. The Constitution creates a republic rather than a pure democracy in which people rule directly. Representatives will “refine and enlarge the public views by passing them through the medium of a chosen body of citizens, whose wisdom may best discern the true interest of their country...” In other words, Madison counts on representatives who will be wiser than average citizens.

Madison says that having wise representatives is more likely in a larger republic, like the one proposed by the Constitution, as compared to the individual states. This is because having a greater number of citizens in representational units makes it “more difficult for unworthy candidates to practice with success the vicious arts by which elections are too often carried.” To put it another way, he feels that bad candidates will have a harder time fooling large numbers of people than they would in fooling small numbers of people in a small republic where legislative districts would likely be smaller as well.

The last major part of Madison’s argument is perhaps the most interesting and most important. He argues that individual states are likely to have one or two dominant factions that can control the state. On the other hand, a larger republic will include a larger range of factions within it. One faction taking over will be much harder: “the increased variety of parties comprised within the Union increase the security.” Thus we end up with a major paradox in how our system of government attempts to control the problems caused by interest groups: the best way to control the dangers imposed by interest groups is to have a lot of them.

Modern political science has added a bit to Madison’s argument. Political scientists studying American democracy looked at how groups form and how they act. They saw a kind of checking and balancing taking place. If one group grew too strong, they saw a tendency for others to join together and oppose the strong group. Even fear that some opposition would form served as a self-check on interest groups tempted to grab too much power. This theory of democracy that rests on the arguments of Madison is called **democratic pluralism**.

D. Evaluation of the Argument

Okay, those are the arguments for how our democratic republic would work to prevent factions from doing harm. How well has the idea worked in practice?

If Madison wanted a lot of factions, he certainly got his wish. They have multiplied and multiplied. Registered lobbyists in Washington D.C. number well

over 30,000 and they represent over 12,000 entities. This does not count the interests at the state level, though many are affiliates of national interests.

These large numbers might suggest that everyone is represented, but that is not at all the case. Those in the upper classes are far more likely to have multiple interest group memberships and be represented by groups with the most clout. We will talk about the powers of interest groups shortly. Put simply, representation through interest groups is far from equal. The lowest paid workers, the unemployed, and children, especially poor children, have the least representation through interest groups.

Madison may also have grossly underestimated the ability of a minority faction to fool the majority into supporting ideas and policies that are contrary to the majority's self-interest. He had no way of knowing about the effective techniques of modern advertising and communication.

For example, suppose you had a tax that only affected less than one percent of the population, the wealthiest people in the nation. How could those few people convince the majority, who would not be affected by the tax, to oppose this tax? They might hire some lobbying groups and public relations professionals who give the tax a really negative label and spend a lot of money promoting the label. Soon public opinion is dead set against something called the "death tax." You might look that one up for more details. It's not hypothetical!

Would interest groups have a hard time spreading their influence across the nation, just because it is a large nation? Well, maybe in 1789, but not with the instant communications of the modern world. With sufficient money, groups can spread ideas and package them in ways that many people find attractive. Your job as a citizen to cut through all the public relations is becoming more difficult each year.

Do interest groups counterbalance each other? Sometimes, but that depends on the relative powers of the groups involved. And sometimes they counterbalance each other so much that nothing can get done. We get gridlock. This gives the advantage to the status quo.

For example, consider the difficulty in creating a health care system that covers everyone and emphasizes preventative care rather than the more expensive care after people get really sick. A majority of the American people have favored some kind of health insurance that covers all Americans since the late 1940s!

III. Tactics

Let us now turn to the things that interest groups do to try and affect public policy. We will organize this discussion into four areas, lobbying, political campaigns, trying to mold public opinion, and the one that most people think of first, corruption.

A. Lobbying—Many Pressure Points in the System

The term **lobbying** refers to those activities in which people contact public officials to try and influence public policy. Those who do this work are called **lobbyists**. The root word of lobbying and lobbyist is “lobby,” which refers to the rooms outside legislative chambers where would-be persuaders catch legislators as they enter or leave. So the people who gather there were tagged with the name of the room, and the name has stuck.

Over time the term came to be applied to a much wider range of activities in many places other than the lobbies of legislatures. In fact, most lobbyists today spend no time in legislative lobbies, because they have better ways and places to contact and persuade policymakers. In addition, lobbying is not restricted to just legislators—lobbyists contact a much wider range of policymakers than just those who cast votes in a legislative body.

Lobbyists aim their efforts at many targets that are pressure points in our political system. Now that you know the structure of American government, you can readily guess what those pressure points are. We will start with **legislative lobbying**, which is aimed at Congress, or at legislatures on the state level.

Because of the importance of staff within Congress, a lot of contact is with staff members, who in turn advise and help members of Congress. In fact, staff is so important that many lobbyists are former Congressional staff members who use their personal contacts and knowledge of the legislative process to be more effective.

Much legislative lobbying takes place at the committee and subcommittee levels. As you may remember, that is where Congress does most of its work. The marking-up of bills is especially important because this is where all the language is finalized. A change of a word or two can make all the difference for an interest group. Lobbyists are sure to attend mark-up sessions. Of course, before they attend, they speak to members about changes they would like to see.

Lobbyists attempt to influence the work of conference committees, which you may remember resolve differences between versions of a bill passed by the House and Senate. In fact, they are active at every step in the legislative process. This is because for a bill to pass it must get by all the steps, and its content can be altered at almost every step. All this is extremely tedious, but extremely important from the point of view of interest groups.

Bureaucratic lobbying refers to contacts with the bureaucracy in an effort to affect how bureaucracy enforces laws and administers programs. This includes the issuing of regulations and enforcement of regulations. All regulations must be announced in a publication that is available online, the **Federal Register**. So lobbyists monitor the announcement of forthcoming regulations that are to be considered. Then they make comments on what they would like to see and why. After a set period for comment, the agency considers all comments and then issues the regulations, which are also printed in the *Federal Register*. Of course, effective lobbyists already know what is coming because of their nearly daily contacts with bureaucrats.

Judicial lobbying is when lobbyists attempt to influence judicial decisions or influence the selection of judges. As you know, the backgrounds and values of judges have a great impact on how judges rule in cases. So lobbyists are very active in trying to influence judicial appointments. Of course, to do that they must contact White House officials who are involved in the nomination process as well as senators, who do the confirmation. On legal cases before the courts, lobbyists may write amicus curiae (friend of the court) briefs or bring suits concerning laws and their enforcement.

For example, when the Occupational Safety and Health Administration issued cotton dust standards, the textile industry challenged the standard and took the case all the way to the Supreme Court, where they lost. Once they lost there, the industry turned their attention to the bureaucracy that would implement the new standards, which was often state departments of labor across the nation—back to bureaucratic lobbying, but this time at the state level.

Considering all of this, you can see why interest groups aim at multiple pressure points to affect the content and implementation of policy. These pressure points reflect the separation of powers and checks and balances at the national level as well as the federal structure of our government. While the national government creates many policies, they pass them on to state or even local governments to be carried out.

Who are these tens of thousands of lobbyists who work all these pressure points? Some work directly and exclusively for an interest group, in-house lobbyists. Others are **contract lobbyists** who work for lobbying firms, often law firms staffed with a lot of lawyers who specialize in government relations, that contract with a variety of interest groups. Some lobbyists train for the work. For example, after college you can go to graduate school and get masters degrees in lobbying and consulting. But most people become lobbyist as a second career after a career in public service. As noted earlier, former congressional staff often work as lobbyists, and make a lot more money lobbying than they ever did as staff. The same is true of members of Congress. Former members of Congress frequently stay in Washington after retirement and become lobbyists, again making much higher salaries than they did as elected officials. Former cabinet

secretaries can command large salaries in lobbying and political consulting. Former bureaucrats in agencies often retire and then lobby for the same interests they once regulated or had contracts with. For example, military officers or bureaucrats in the Department of Defense might retire and go to work for defense contractors and then deal with their friends and former co-workers back in the Defense Department.

This movement from government into lobbying creates an obvious conflict of interest for those working in government. It is called the **revolving door problem**, in which bureaucrats are tempted to help private interests so that at a later date they can move through the door to work for that interest. Sometimes they move back and forth several times. Lobbying reforms in recent years have restricted some of these relationships. For example, some reforms require a waiting period between government service and private employment for an interest that the bureaucrat may have worked with while in government. But the reforms, often written in reaction to some political scandal, are rarely perfect, so the revolving door problem remains.

B. Political Campaigns

Interest group involvement in political campaigns has three purposes. First, it is aimed at helping those who support a group win political office. So groups often encourage attractive candidates to run who are also friendly to their interest, as well as provide them with volunteer help and money.

Second, groups try to help friendly elected leaders stay in office. Again, volunteers, campaign advice, and money are the keys to help keep someone in office.

Third, groups often help those who are neutral and sometimes even somewhat negative to the group. Why? This helps the group have access to the elected official. This is based on the natural human tendency we have to feel obligated to at least listen to someone who gives us gifts, even if we do not generally agree with the gift-giver. So campaign contributions often go to both candidates in a competitive campaign so that no matter who wins, the interest group will have access to the winner.

Groups give far more money to incumbents than to challengers, often even if the challenger is more favorable to the group. Interest groups know that incumbents almost always win, and they want access to the winner. The average incumbent usually has about ten times as much money as the average challenger in congressional races. And if you remember, well over 90% of congressional incumbents win re-election. No surprise here.

Laws regarding campaign finance are quite complicated. Campaign finance policy is another policy area of great concern to interest groups. They

want policies to enable them to give as much money as possible to political candidates. The best place to get a detailed picture of current laws and who gives money to whom is opensecrets.org. This website has a wealth of current and historical information that can be easily searched, election by election, candidate by candidate, and even by organization and individual donor. I would note that each state has its own laws regarding campaign finance in elections for state government offices, but that is a topic for a different course.

I will try and keep it simple here with a few generalizations about interest group contributions to federal campaigns. Because federal law prohibits corporations or labor unions from giving money directly to candidates for federal offices, interest groups representing business and unions form legal entities called **Political Actions Committees**, or **PACs** for short. What PACs do is collect money from people in the organization and then give the money to candidates, reporting the information to the Federal Election Commission (FEC), as required by law. Citizen groups may give money directly, but they often also form PACs as well. Reports from the FEC are the source of information for Web sites like opensecrets.org.

In addition, interests can give money indirectly. People associated with an interest through employment or financial investments may give money as private individuals.

Another way interests can give money is through loopholes in the law that in the past allowed them to channel money to candidates through political parties. This was called “soft money.” A reform closed that particular loophole, but then interests found another loophole. They started giving money to independent committees, called “527 committees” after the paragraph in the Internal Revenue Service code that allowed these committees to form. These committees can spend unlimited amounts of money to help or harm a candidate as long as they do not coordinate their activities with the candidate’s official campaign organization.

A 2010 Supreme Court decision created a major loophole. The decision overturned important limits that had been placed on corporate and union spending under past campaign finance reform laws. The Court decided that corporations and unions have first amendment free speech rights that prohibit any limit on the amount of money they can spend in political communication in an election. The only limit is that the communication must be independent of any candidate’s campaign. This means that they cannot coordinate with the candidate. So any corporation or union can now raise unlimited amounts of money and spend it supporting or opposing a candidate right up to an election.

Money from PACs alone accounts for a significant percentage of the money spent by those running for Congress, about 40% for the House and 20% for the Senate in recent years. Business PACs give about 90% of all the money

they contribute to incumbents, though some citizen PACs with a strong ideological position give about a fourth of their total contributions to challengers.

The amounts of money spent in campaigns are growing. You can get the latest figures from opensecrets.org, but the total spending for the average winning Senate candidate is fast approaching \$10 million, while the average spending for the winning U.S. House candidate is approaching \$1.5 million.

Spending totals in presidential elections are increasing even faster. The 2008 campaign set new records with the Obama campaign alone spending more than \$700 million. The McCain campaign spent more than \$300 million, and all candidates together spent about \$1.5 billion during the election cycle (primaries and the general election together). If you want details and the latest numbers, look them up at www.opensecrets.org.

Is this a lot of money? Certainly, but we should consider campaign advertising relative to commercial advertising. The top 25 beer companies spent over a billion dollars in advertising in 2006 (<http://www.thefreelibrary.com>). The spending in the presidential campaign was spread over a two year cycle, so it averaged about three-quarters of a billion dollars each year. Thinking about it this way suggests that perhaps campaign spending on the 2008 presidential campaign was not an outrageous amount of money. Most people would probably agree that learning about presidential candidates is at least as important as the qualities of beers they might wish to consume.

An important difference in presidential campaigns is that PACs play a much less important role, with most candidates getting very little money from PACs, possibly because they fear that they will be attacked for taking interest group money. Most money comes from individuals. But again, you should remember that individuals can and do often represent interests. You can look up the employer of individual contributors to each presidential candidate as well. So interest groups play an important role in presidential campaign finance.

C. Public Opinion—"Grassroots Lobbying"

The term "**grassroots lobbying**" refers to efforts by interest groups to mold public opinion. The metaphor of "grassroots" focuses on the people as the roots in the ground under which elected leaders operate in our democratic republic.

In thinking about the importance of public opinion, I am reminded of a statement made by the President of General Motors to a congressional committee many years ago. Charlie Wilson, nicknamed "Engine" Charlie Wilson because of his promotion of the big powerful V8 engine back in the 1950s, was asked about the relation between GM and the best interests of the nation. He responded, saying that what's good for GM is good for America. In a nutshell,

that is the goal of all interest groups: get the public to believe that what is good for the interest group is also good for the public interest. If the public believes this, and if members of Congress know the public believes this, then persuading members of Congress to vote the way the interest wants is a very easy job.

Because of the importance of grassroots opinion, interest groups spend a great deal of time and money trying to influence public opinion. Interests with the money to spend run many advertisements that political scientists call **institutional advertising**. These ads are aimed not at selling a product or service, but rather at creating a positive image for the industry or business. For example, an ad by a timber company might not focus on how good their lumber products are, but on how the company is creating affordable homes for all Americans. An ad for an oil company might focus on energy to help make America strong. You get the idea. A good exercise might be to take a look at advertisements and see which ones are selling products or services and which ones are institutional advertising.

D. Demonstrations and Protests

Those groups that do not have the money for institutional advertising must find other ways to influence the public and place pressure on policymakers. Protests and demonstrations are time tested ways of getting publicity that can help sway opinion as well as place pressure on those who make or administer policy. Sometimes protest can be very effective. For example, the civil rights sit-ins and marches in the 1960s showed the inhumanity of segregationists toward those who seemed to be peacefully asking for nothing more than equal treatment.

The most unique protest I have ever seen was staged by disabled textile workers. They held "cough-ins" at the workman's compensation agencies. Sitting outside the government offices in wheel chairs with their oxygen tanks, the disabled workers wheezed and coughed to demonstrate their need for compensation. This created positive news coverage for people who seemed to have worked hard all their lives and now were not being given their due. The public responded very favorably.

The risk of demonstrations is that they may work in the opposite direction if not carefully planned. When civil rights demonstrations or anti-war protests sometimes turned violent, the public turned against the demonstrators. A strike by the air traffic controllers during the Reagan presidency turned public opinion against the strikers because the strike inconvenienced the traveling public and seemed to be about pay and benefits. The union should have stressed safety and used slowdowns rather than stoppages to illustrate the need for greater safety. With opinion against the union, President Reagan had the public behind him when he fired all the striking union members and replaced them with newly hired non-union air traffic controllers.

E. Corruption

Graft, payoffs, and corruption are what most average citizens think of when they consider how interest groups operate. Certainly some of this takes place. The scandals that periodically happen in Congress and even in the White House reinforce this image. A quick web search will identify many such examples. Any student of American history has heard of scandals like the Teapot Dome scandal or the envelopes of money that Vice President Agnew was accepting that led to his resignation and plea of “no contest” in his trial.

In fact, while corruption does exist, it is more the exception than the rule in American politics. Most elected leaders try to avoid conflicts of interest and make decisions that reflect their own honest judgment about what is best. Of course, that judgment may be affected by the life they led before they came to office, but all of us have intellectual baggage. Former businesspersons are likely to be sensitive to taxes and regulations that made life harder when they were in the private sector. Former educators are likely to be sensitive to low pay for public teachers and needs that students have. Minorities and women are likely to be sensitive to the historical and cultural barriers to opportunity. All this is quite natural and unavoidable and things that voters should take into account in casting votes. But it is not corruption.

I would add one last point on corruption. I would argue that a careful analysis of American history suggests that the amount of corruption has significantly declined over the course of American history. Laws and regulations are much tighter, reporters follow activities much more closely, and those who get caught are usually quickly run out of office. I am not saying that the situation is perfect. Many problems still exist. Take a look at the websites of political watchdog groups like commoncause.org for some of the problems that still exist and some of the proposed solutions. Nevertheless, much less corrupt exists today than a hundred years ago when everyone knew how many bribes were routinely required to “buy” a U.S. Senate seat in any state legislature.

IV. Relative Power of Interest Groups

Not all interest groups are equal. Political scientists have identified a number of factors that can be used to compare the power of groups to influence public policy. In this last major section of the chapter we will briefly describe some of these factors.

A. Size

Groups with large memberships generally have the advantage over smaller groups. However, size is far from critical if the smaller groups have other

factors working in their favor. The largest organized interest group in the nation is the AARP, which claims about 40 million members. It has been very effective in influencing policies concerning Social Security and Medicare and prescription drug plans for the elderly.

On the other hand, labor unions, which are really many groups, but collectively number about 15 million, have not been very effective in pressuring political leaders. This is because union members often pay little attention to their leaders when it comes to voting choice. Those running for office know this, so it makes a difference in how they respond to what union leadership wants.

B. Unity

Even small groups that are unified and dedicated to their cause can be very effective. For example, many relatively small business and professional groups like realtors or building contractors have members who are greatly affected by government regulations. These groups are effective because most members respond quickly when asked to contact policymakers about some policy or regulation. The National Rifle Association, a medium sized group by national standards with about four million members, is legendary for how it can activate members to contact legislators whenever the leadership wants.

C. Money

Money has been called the “mother’s milk of politics.” Money enables interest groups to do many things that those without money cannot do. Money buys institutional advertising, hires experienced and skilled lobbyists and the best leadership, pays for communication with members in sophisticated ways, allows large campaign contributions to many candidates for many offices, and funds a lot of expensive research on policy matters.

Some interest groups with money create research institutions called **think tanks**, which hire policy experts to develop policy proposals and do studies of existing policies. The American Enterprise Institute is a think tank that generally supports conservative causes. The liberal counterpart is a think tank called the Brookings Institute. You can look both of these up on the Web to see the kinds of studies they do.

Economic groups, specifically corporations, generally have the most money. A good way to see which interest groups have the most money is to look at the opensecrets.org site and click on lobbying. The total spending in recent years on lobbying (not counting PAC spending) is approaching \$3 billion a year at the national level. The top spenders over the last decade include groups like the Chamber of Commerce, a variety of medical groups like hospitals and drug manufacturers, and some manufacturing corporations like GE and GM and some defense contractors, realtors, oil companies, and a citizen group, the AARP.

D. Information

One of the most important things money can buy is information. And information is the single most important need for those who make policy and those who implement policy. The campaign contributions that help lobbyists have access to legislators do not guarantee anything more than the opportunity to persuade legislators to do what lobbyists want. The most important element in persuasion is accurate information that builds the case for what lobbyists want.

If the information is highly technical and not available elsewhere, then lobbyists have an added advantage. That is relatively rare. For example, while no one knows more about oil reserves than the oil companies who have geologists to map these things out, environmental groups hire their own experts to provide alternative information on the environmental impact of oil wells in sensitive areas. In addition, policymakers have government sources for information, like the Government Accountability Office that does studies for Congress, as well as researchers in nearly all executive departments.

While policymakers expect the information from lobbyists to be slanted toward what lobbyists want, it had better be accurate. A really good lobbyist will let policymakers know all sides of the argument. If a lobbyist lies or provides inaccurate information, then the lobbyist will lose access to policymakers—end of career!

I cannot overstate the importance of accurate timely information to both those who write laws and those who implement them. How much will a change in Medicare billing procedures cost? How long will a new weapons system take to develop? How will it improve our national defense? Will more Americans be able to afford homes if mortgage regulations change in some specific way? Simply stated, information is the most important tool that lobbyists have.

E. Offense or Defense

Because of all the obstacles in the legislative process and the tendency of bureaucracy to move slowly and cautiously, any group that is defending the status quo has the advantage in American politics. Presidential candidates may promise change, but the only change that is certain is that the occupant of the White House will change within eight years. Many years after we all knew that tobacco was dangerous, the government was still had policies that supported the growing and consumption of tobacco products. A health care system that is essentially private has continued to exist decades after most Americans wanted a system that guaranteed coverage for everyone.

So groups promoting change will always be at a disadvantage in American politics. That is the way the founders designed our governmental structure. That structure continues to work in the way they intended.

F. Leadership

Having dynamic, visionary, innovative, charismatic leaders can help a group overcome many disadvantages. Groups with little money and relatively small memberships and little technical expertise can be very effective if leadership captures the public's attention in a positive way.

If you know any American history, you know some examples. Many leaders have been controversial, but all made an impact. The Southern Christian Leadership Conference was a small and little known civil rights group until the leadership of Martin Luther King, Jr. catapulted it into the forefront of a civil rights movement that transformed the nation. Presidents had to pay attention when King spoke and when he organized demonstrations. Cesar Chavez was a founder of the farm workers movement and helped create the United Farm Workers union. It brought national attention to the plight of immigrant farm workers and significantly improved working conditions. Ralph Nader was the driving force behind a consumer safety movement that has saved millions of lives in automobile travel and other areas. Reverend Jerry Falwell helped transform Christian fundamentalists from an ignored group into a political force that shook the very foundations within both the Republican Party and American politics. Few Republicans can hope to win today without support from Christian Fundamentalist groups.

G. Public Image

We made reference to image in talking about institutional advertising, grassroots lobbying, and demonstrations, techniques all designed to create an atmosphere in which policymakers help a group achieve their goals because the group and its goals are popular. So groups with a positive public image generally have the advantage over groups with a negative public image. This is why groups try to associate themselves with the public interest.

The NRA, for example, likes to portray itself as a group that promotes the public interest of individual rights under the second amendment. They see the amendment as guaranteeing the right of self-defense against violent criminals. On the other hand, the Brady Campaign to Prevent Gun Violence portrays the public interest differently. This group is named after President Ronald Reagan's Press Secretary James Brady, who was badly wounded and paralyzed in the attempted assassination of Reagan. It sees easy access to cheap handguns, called "Saturday night specials," as endangering law-abiding citizens by making cheap and easily concealed guns available to any criminal.

Groups associated with controversial products will always have difficulty in creating a positive image. So they try to put a positive twist on what they do. For example, the alcoholic beverages industry spends a great deal of money advertising the “responsible” consumption of their products. Of course, at the same time they spend even more money promoting more consumption and creating products that young people are likely to use.

V. Evaluation—the Dangers of Pluralism

Interest groups have long been an essential part of the American political system. You cannot understand how the American political system works without understanding how interest groups battle to influence government policy. Democratic pluralism, discussed earlier in this chapter, will remain central in our political system. As long as we have the right of free association, we will continue to form and join groups. Most of us are members of at least one group.

But this operational picture of how our political system works is not without problems. We have so many groups with so many opportunities to represent their points of view in our federal system of separated yet shared powers that nearly all change, even very necessary change, is caught in a gridlock of group competition. We can fail to change policy even when it is absolutely necessary.

One example might be the need to move away from a carbon based energy system that contributes to global climate change. Failing to do so may not only doom our economic standing in the world as other nations develop and produce new technologies, but may even doom the world itself. A carbon based energy system also ties our economy to undemocratic nations that sometimes fund terrorism. A critical question for the next generation is how we manage to overcome interest group gridlock to address whatever changes are absolutely necessary to combat climate change and make ourselves energy independent.

The quality of our membership in groups has also been changing in recent decades. Family life has become more demanding with two wage earners struggling to keep income in the middle class range. People spend more and more time watching television or searching the Web. As a result, people spend less and less time interacting face to face in groups. Social scientist Robert Putnam noted these trends in his important book *Bowling Alone: the Collapse and Revival of American Community*. We may be in groups, but few of us get beyond writing an annual membership check. Discussions of public issues and concerns get lost. We become more and more self-centered. Compromise becomes more difficult. We do not know or interact with our neighbors or parents of other children in our schools. These interactions and connectedness in society are called **social capital**. As it declines we take less interest in politics and public affairs. We can be more easily fooled by superficial public relations campaigns.

Perhaps we can recapture some of this in new ways by interacting with each other electronically on such things as blogs. But all that remains to be seen.

Finally, as we noted earlier, the bias in interest group politics is in favor of those who have money and time. Interest group politics has a distinct upper class bias. While groups representing average and poor people can overcome some of their many disadvantages through skilled leaders and creative demonstrations and protests, most of the time they get outgunned by the wealthy groups that have money and all the tools that money can buy.

Votes are the most important resource that the many average people have against the relatively fewer in the upper classes. But the many are far less likely to use their votes than the few who already have the advantage in interest group politics. Given the fears the founders had that the majority might use voting power to endanger property rights, perhaps this is what the founders wanted.

I have no easy answers for any of these problems. However, understanding the problems and challenges is a necessary first step to solutions.

KEY TERMS AND IDEAS

interest groups
Alexis de Tocqueville
public goods
private goods
free rider problem
union shop
right-to-work laws
solidarity benefits
material benefits
information benefits
“Federalist Number 10”
faction
democratic pluralism
lobbying
lobbyists
legislative lobbying
bureaucratic lobbying
The Federal Register
judicial lobbying
in-house lobbyists
contract lobbyists
revolving door problem
Political Action Committees or PACs

grassroots lobbying
institutional advertising
think tanks
social capital

Possible Internet Exercises

1. Search the Web for the sites of three different “trade associations.” Look at what the associations do and determine why companies would want to join the association.
2. Search the Web for the sites of three different citizen interest groups. Describe the incentives they use to attract members. Which incentives are solidarity benefits? Material benefits? Informational benefits?
3. Do a Web search for *Federal Register* and then take a look at it to see some of the regulations it covers and how they are presented. Why would lobbyists be very interested in this publication?
4. Go to www.opensecrets.org and find out which kinds of interest groups gave the most money in the last national election cycle. What are the backgrounds of the largest individual contributors?
5. Find the site for a beer company and see if they advertise themselves in ways so as to improve their public image.