

INTEREST GROUPS AND LOBBYING

*Pursuing Political Interests
in America*

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Interests and Interest Groups

What is an interest group? Would you recognize an interest group if one called you and asked for money? Or if you saw its logo on a fundraising letter? Perhaps you have seen the logo of the American Bankers Association on one of your local bank's walls, and even suspected that it refers to some kind of organization representing banks and the people whose profession is banking. Checking ABA's Web site would probably remove any doubt, for it says, "The American Bankers Association is the voice of America's \$13 trillion banking industry, representing banks of all sizes and charters, from the smallest community bank to the largest bank holding companies."¹ The Web site also lays out a variety of problems the multitrillion-dollar banking industry apparently has with current government policy, and describes what ABA leaders are doing to convince lawmakers in Congress, the White House, and regulatory agencies to solve them. That sounds like lobbying, and you, like most people, probably associate lobbying with interest groups. If so, then the Center for Education Reform must also be an interest group: its home page says its purpose is to urge lawmakers to enact policies promoting consumer choice in K-12 education because that is what its supporters want.² Both the center and ABA represent a group of Americans who have needs and desires, what we call "interests," that can only be fulfilled by changing public policy. It feels right to call them interest groups.

But what about the Alliance to Protect Nantucket Sound, which describes itself as a "nonprofit environmental organization dedicated to the long term preservation of Nantucket Sound"?³ Made up of residents of Hyannis, Massachusetts, along with their elected officials and civic associations, the alliance's goal is to convince the Federal Aviation Administration to deny approval of a giant solar wind farm on the shores of Nantucket Sound. Does that make this

environmental organization an interest group? What about the Trans Canada Company or the nonprofit organization Consumer Energy Alliance? From 2012 to 2013 both tried to convince President Barack Obama to permit the construction of the Keystone Pipeline to move oil from Canada to Texas. Or what about Bold Nebraska, which represents people who do *not* want Obama to approve the pipeline because it might pollute water in the underground Ogallala Aquifer?⁴ Are they all interest groups?

What about American Crossroads, organized under the federal tax code as a 527 nonprofit by President George W. Bush's former advisor Karl Rove to raise money for conservative candidates in elections? Is it an interest group even though it does not appear to have any actual members? How about former House majority leader Dick Armey's Tea Party–tied FreedomWorks, which organized resistance to President Obama's 2009 health care plan? What about the Tea Party itself? Or any political party? Are they *not* interest groups because they try to influence policy by changing the ideological composition of elected legislatures rather than changing the minds of people already elected to those legislatures? Is Haliburton, a corporation subsisting on government contracts, an interest group because it aggressively pushes lawmakers to give them these contracts? Is BP Oil an interest group? Citibank? The United Way? What about Southern California's Metropolitan Water District, a giant public agency that provides municipal water but also spends money to shape policy in the state legislature and battles other political groups such as the Mono Lake Committee for control of water resources? Universities solicit lawmakers for grants to fund large research projects. Are they interest groups too?

Defining Interests and Interest Groups

It is easy to identify members of Congress because the process of becoming one is clearly laid out in the Constitution. Regulatory agencies are also pretty easy to distinguish from other organizations because they are created by acts of Congress. Even political parties can be identified without too much trouble. Interest groups, though, are harder. In fact, scholars cannot even agree on what to call them. Is an “interest group” the same as an “organized interest,” “social movement organization,” “special interest group,” “private interest,” “pressure group,” “lobby,” “nongovernmental organization,” or “political organization”? Perhaps it would be easier to start by thinking about why some entities are not interest groups. Presidents and executive branch officials often

pressure Congress to pass (or to not pass) legislation, and members of Congress try to pressure them in return, and they all try to influence the decisions of Supreme Court justices. These policy makers lobby in that they try to persuade each other to enact policies they desire, but they are not working for interest groups. They serve in institutions created by public law to formally make policies benefitting all citizens within their jurisdictions. They wield powers that flow directly or indirectly from the nation's most fundamental law, the Constitution. So while government officials and lawmakers lobby each other, no government institution is an interest group. Apologies to the Metropolitan Water District.

Political parties are not interest groups either. Apologies to Democrats, Republicans, and all of America's small third parties. Parties gain political power by trying to get enough of their members elected to office to command a majority and thus directly control lawmaking institutions. To do that, they need the support of a majority of voting citizens, which means trying to represent many different groups of people at once, often bitterly realizing that trying to represent everyone usually results in failing to represent anyone well. When we talk about an **interest group**, we refer to a singular **interest**. Each group represents one need or desire, or at most a few very closely related needs or desires, held by only a small number of people. Consequently, most interest groups cannot gain formal political power by electing their members to public office. They represent too few people. Whatever influence interest groups have in government, it is *informal* rather than formal.

Corporations are not interest groups either. They exist first and foremost to make a profit in the marketplace and return that profit to their shareholders, not lobby for government largesse and favorable policy. Nor do they represent any definable group of people with a common interest. Their shareholders might be considered constituents, but most of them are involved with the company to make money, not influence policy. Corporations often do wade into the political arena, usually because a change in policy (or lack of policy change) will have a direct impact on their financial bottom lines. Moreover, some corporate executives have tried to claim they actually represent the interests of their employees and customers, sometimes even persuading them to contact lawmakers on the company's behalf, as Allstate Insurance did with its forty-five thousand employees in the 2011 fight over whether to raise the nation's debt ceiling (Dash and Schwartz 2011) and as Caterpillar did when the fight happened again in 2013 (Yang and Hamburger 2013). CEOs, however, are not accountable to their employees and customers and thus cannot be said

to represent them in the political process. The same is true of universities, hospitals, and similar nonprofit organizations. They are not interest groups. Apologies to Citibank and the United Way. Corporations and nonprofits do collectively employ more lobbyists in Washington, DC, than true interest groups (Salisbury 1984), but they tend to only lobby sporadically (Brasher and Lowery 2006). Real interest groups represent some portion of the public, not just their own leaders and CEOs.

Interest groups, then, are private organizations, not formal parts of the government. This is why they are sometimes called nongovernmental organizations. They primarily exist to provide informal political representation to citizens, usually by persuading lawmakers that it would be valuable to enact policies that help these citizens pursue strongly felt interests. A person's interest is fundamental to their character and is often grounded in economic need, aspects of personal identity (e.g., profession, ethnicity, sexual orientation), perceptions of fairness and justice, desires to acquire or achieve, and even metaphysical beliefs and values including religion. More broadly, interests define a person's perception of who they are and what they believe so strongly, so intensely, that its absence would change that person's identity. They would be a different person without that interest. Interest groups are thus formal aggregations of people sharing the same interest.

American society is extremely diverse, and so the number of different interests that are felt intensely enough to motivate people to form an interest group is probably unknowable. Not every individual interest leads to a mobilized interest group, often only because there are not enough other people who share the same interest to form a group, or because people with similar interests are too geographically dispersed (though today this is not the barrier it used to be). Those who do find enough soul mates who share their interest, who believe the interest should be embedded in the nation's laws (and thus also apply to everyone else), and who are willing to dedicate enough time and money might then form an interest group. This is the beginning of a workable definition of "interest group," but further development requires exploring the concept of self-interest.

A Culture of Self-Interest

Interest groups only exist to represent their members' self-interests. People join or otherwise support an interest group because they want it to advocate for policies that make it easier for them to pursue their personal interests,

even though public policy is supposed to treat everyone equally. While some interest groups do claim to advocate for the *public* interest or *common* good rather than just the good of their members, that is still simply their point of view. Ask coal miners and users of energy from coal-fired plants in West Virginia whether the common interest is served when environmental laws force their mines to shut down, putting them out of work. Ask Louisiana's shrimp industry if it is well served by offshore oil drilling that is supposed to make the United States energy independent even though oil spills kill marine life. Coal miners and shrimpers benefit from cleaner air and cheaper oil but are hurt by lack of income. Policy that serves one person's idea of what ought to be true for everyone benefits only that person's self-interest, often at the expense of somebody else's self-interest.

Simply put, we create interest groups to help us further our personal interests through the nation's lawmaking process. This should not be surprising. Our political and economic systems are based on the fundamental belief that everyone has a right to pursue his or her own self-interest, and that no one's interest is more or less legitimate than anybody else's. We expect our government to protect this right to pursue our self-interest, and we often look to public officials to help us out by enacting policy prioritizing our self-interest, even when it is harmful to a majority of other citizens. We may talk about the virtues of compromise and the public interest, but then we denounce our leaders as incompetent or corrupt when new policy in any way threatens our self-interest. Compromises are only "obvious" and "sensible" when they give us what we want. In other words, we recognize no public interest in our political system, only many individual interests that sometimes aggregate into interest groups. Could it be any other way?

Democracy and Interests in the Classical World

In her book *Beyond Adversary Democracy* (1980), political theorist Jane Mansbridge argues that it once *was* different, and how our political beliefs subsequently changed to make individual self-interest almost sacred tells us a lot about why interest groups are both numerous and legitimate in the United States today.

Smaller, simpler societies have common interests because their needs are general, even universal. Everyone must eat, drink, and have shelter. But as societies more easily satisfy these basic needs and become larger, more complex, and more affluent, other common interests become harder to discern.

the intellectual foundations of the Declaration of Independence and the Constitution.

The Founders also understood the risks embedded in social contract theory from the work of Scottish philosopher David Hume. In *On the First Principles of Government* (1777), Hume argued that there were enough similar individual interests in society that people might well end up pursuing them together in factions. Because the House of Commons, eighteenth-century Britain's dominant political institution, now elected its members and made laws though majority rule, it was possible that a large enough faction might take control of the House and use the lawmaking process for its own advantage. But because factionalism was a byproduct of people's natural proclivity to pursue self-interest, factional strife was inevitable in free societies with representative political systems and could not be repressed. Hume's solution, reminiscent of republican Rome, was to create a web of checks and balances to minimize the influence of factions without suppressing them.

This fear of factions surfaced in the writings of James Madison, especially Federalist No. 10, and the importance of checks and balances was stressed in Federalist No. 51 as well as in John Adams's *Thoughts on Government*. Reflecting British political theory, Madison argued that political factions are a natural consequence of self-interested human behavior. As he wrote in Federalist No. 10, "By faction, I understand a number of citizens, whether amounting to a majority or a 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." But because individual self-interests, and therefore factional interests, are natural, they must be respected. Of eliminating factions he wrote in the same paper, "It could never be more truly said than of [this] remedy, that it was worse than the disease."

This historical overview provides a foundation for understanding what interest groups are and why they are a part of the American political system. They are collections of people, each of whose individual self-interest is similar to those of others, all of whom see the political arena as the best place to pursue their mutual self-interest and so form an organization to pursue those interests. But organizations are not built around just any kind of interest. As I show in Figure 1.1, some interests, like interests in eating food, drinking water, and having shelter, are so universal (lower on the vertical axis) that they cannot be held by just one group in the population. Interests that are so esoteric they are unique to an individual (higher on the vertical axis) also do not lead

A Culture of Self-Interest

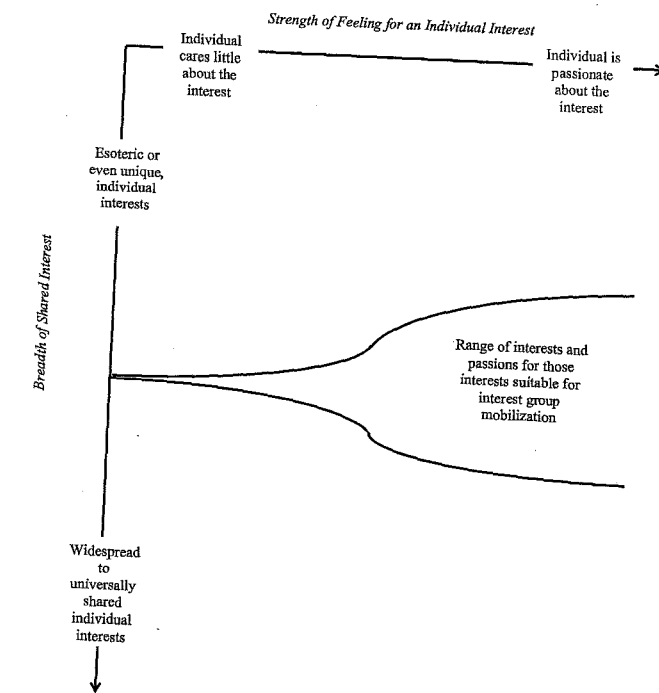


FIGURE 1.1 Level of Interest Needed to Form Interest Groups

to group formation. Groups form around "mid-range" interests, those that are shared by many but rarely by a majority. Also, the more intensely people feel about a particular interest, the more likely they are to take the time to promote or defend it in the political arena. So, as I show with the horizontal axis in Figure 1.1, more universal or esoteric interests might still be the foundation for forming a group if people feel strongly enough about them to commit some resources. That is why the area showing the range of interests capable of leading to group formation expands on the right side of Figure 1.1.

Larger, more diverse societies like the United States produce a greater variety of interests that are intensely felt by a minority of its citizens. These interests are strong enough that the people who hold them are willing to commit time and money to form organizations that use politics to promote them. Social contract theory, so familiar to the Founders, makes pursuit of self-interest a legitimate basis for political action. Every person has a natural right to pursue their wants and desires through the political process. Since

vote buying was hard to find. An investigation pushed by President Woodrow Wilson in 1913 failed to uncover any clear corruptive connection between senators and lobbyists, at least none anybody would admit to (Katel 2005, 624).

The Gilded Age, however, was still not a period of interest group formation; these lobbyists were agents for personal or corporate interests, or for individuals seeking patronage jobs from their members of Congress (Herring 1929, 36–37). Studying the historical record, political scientists Daniel Tichenor and Richard Harris (2002) found quite a few individual business leaders testifying before Congress between 1833 and 1880, but virtually nobody representing anything that could be called an interest group. In the 1880s, however, organized groups began to appear. In the last decade of the nineteenth century, Tichenor and Harris identified roughly 400 group representatives appearing at hearings, and about 1,600 from 1900 to 1920. Partially this was because scandals like Credit Mobilier and the inflammatory journalism of Phillips convinced many businessmen it would be safer to work through trade associations rather than be seen lobbying directly (Herring 1929, 41). But new demands for more far-ranging national policy-making were just as responsible for the creation and boom of organized groups—perhaps even more so.

The Age of Organization

In Figure 1.2 I use data from the Web site Lobbyists.info to chart the birth rates of American interest groups.⁸ The solid line shows the number of organizations engaged in national and state politics established each year, whereas the broken line shows the number of births of groups only lobbying the federal government. Consistent with what Tichenor and Harris discovered, the lines only really start to rise at the end of the nineteenth century.

Most of these newcomers were trade associations for industries, such as manufacturing companies and railroads, as well as a variety of professions, such as tailors, builders, shop owners, lawyers, and doctors. Business leaders sponsored many of these trade groups because it was not cost effective to lobby individually when the new workplace safety and monopoly-busting laws coming out of Washington concerned whole industries (Aldrich et al. 1994, 224). Highly skilled professions organized associations, such as the American Bar Association (founded in 1878) to represent the collective interests of lawyers. Formerly nonpolitical associations chose to become politically active, as the American Medical Association (founded in 1847) decided to do in 1899.⁹

A Very Brief History of Interest Groups in the United States

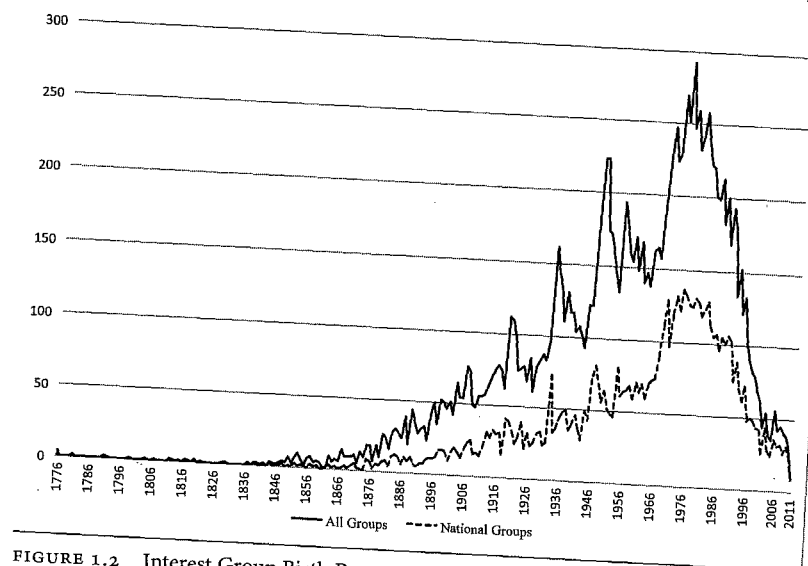


FIGURE 1.2 Interest Group Birth Rates, 1776–2011

Source: Lobbyists.info and *Washington Representatives*

As the twentieth century dawned, bakers, bankers, candlestick makers, miners, cobblers, textile manufacturers, brewers, lumberjacks, bond dealers, pet sellers, printers, and pickle canners (among others) all sought political representation through associations. Many were actually encouraged to form associations by the government as part of its efforts to organize American industry for World War I. Most of these associations initially operated on shoestring budgets, working out of office space and with staff supplied by their member businesses. Still, by the 1920s, Herring claimed that it was just about impossible to think of any business or profession not represented in Washington by some interest group (1929, 2, 78).

Farmers across the South, Midwest, and even the far West were also organizing. Price instabilities, unstable economic conditions, railroad transportation costs, and overall fears that industrialization and modernization were going to leave rural America behind sparked the creation of the National Grange and the National Farmers Alliance (Browne 2001, 63–64). Founded in 1870, the Grange mobilized so many farmers that even strict free-market devotees in Congress agreed to provide price supports or price floors and ceilings for most crops rather than risk being booted from office. For a time the Grange, which flirted for a while with the idea of becoming a political party, was even able to influence Senate confirmation of federal judges (Ainsworth and Maltese 1996).

But not all of the turn-of-the-century organizing shown in Figure 1.2 occurred around economic interests. Out of the abolitionist movement of the mid-nineteenth century came advocacy groups more tied to social causes than businesses and professions. While John Gardner, founder of the archetypal social activist group Common Cause, says, "Future historians may remember the 1970s as the decade when citizen action emerged as a revitalizing force in American society" (Gardner 1972, 72), what citizen activist group was more successful than the early twentieth century's Women's Christian Temperance Union or the Anti-Saloon League? After a brutal advocacy war (see Odegard 1928), these groups achieved the greatest political victory of all: amending the Constitution to ban alcohol. Other women's rights activist groups went on to further amend it to give women the right to vote in 1920.

Growing public concern about the physical and social health of America during the Industrial Revolution also spurred the formation of cause-oriented interest groups. They pressed lawmakers for child labor restrictions, antimopoly laws, safer working conditions, immigration reform, and some small amount of social insurance support for the elderly and unemployed (Clemens 1997; Gamm and Putnam 1999). Tichenor and Harris found about 150 such organizations testifying before Congress from 1900 to 1909, and then over 400 during the next decade (2002, 598).

Mindful of the alleged excesses of Gilded Age lobbying, many viewed all of these new political organizations with suspicion. President Theodore Roosevelt and congressional lawmakers tried to use the power and resources of the federal government to improve society by banning business contributions in elections with the Tillman Act of 1907 (Katel 2005, 624). Then their good-government Progressive Era, as we now call it, began to run out of steam. In 1913, investigations of corrupt lobbying practiced by these new interest groups, especially by the National Association of Manufacturers, failed to uncover anything substantial, and interest in regulating groups and lobbyists began to dwindle (Herring 1929, 42–45). Reform even remained elusive after the 1923 Teapot Dome scandal, in which oil companies bribed President Warren Harding's Interior secretary, Albert Fall, to gain lucrative oil production contracts for the navy without going through a competitive bidding process.

The New Deal Burst

The great economic stimulation from government employment and building programs, along with the new pro-regulatory environment in the 1930s, all

enacted to combat the Great Depression, created another burst of group formation seen in Figure 1.2 (Aldrich et al. 1994, 232). New business associations formed to resist the wave of legislation and regulation coming out of President Franklin Roosevelt's administration, while other associations formed at the administration's insistence in order to make the distribution of resources and operation of employment programs easier. Cause-oriented groups also emerged to support Roosevelt's National Recovery Act, Social Security Act, National Labor Relations Act, and Glass-Steagall Act (this last one separated the banking and investing industries from each other). Trade and industrial labor unions, which had largely avoided politics in favor of strikes, now saw enormous opportunity in Roosevelt and congressional Democrats and mobilized their members to support the president's New Deal policies (Greenstone 1977, Ch. 1; Hannan and Freeman 1977).

Ironically, some of Roosevelt's top aides, men who had reveled in being the enemies of business, went on to enjoy highly successful lobbying careers working for those very same business interests once the heady days of the New Deal faded after World War II. Progressive idealism did not stand in the way of Tom "Tommy the Cork" Corcoran and Abe Fortas building lucrative careers from the many connections they had built up in Washington during their years with Roosevelt (McKean 2004). They survived investigations into their lobbying practices because Congress decided that making phone calls on behalf of wealthy clients to friends in government who owed them favors was not corruption, just as Congress exonerated Sam Ward of similar charges in the prior century (McKean 2004, 165; Jacob 2010, 3). Efforts to regulate lobbying in 1946 also largely failed because Congress could not figure out how to define the profession (a recurring problem), and much of what it did enact was struck down by the US Supreme Court in *United States v. Harriss* in 1954 because it infringed on the First Amendment right to petition (Milbrath 1963, 7, 13).

The Postwar Explosion

In 1983, political scientist Jack Walker published a famous (to political scientists anyway) article charting the birth rates of interest groups. He found a burst of unusually high group formation in the late 1960s and early 70s (see Figure 1.2). More importantly, Walker found that this **advocacy explosion** (as scholars like to call it; see Knoke 1986) largely produced cause-oriented groups—those lobbying for social change rather than the protection of economic and professional interests. Whereas most people during the Depression

were concerned with economic matters, or solving social problems stemming from the economic collapse, Americans in the 1950s focused on new social problems because of economic growth. As political scientist Jeff Berry explains it, in a time when most Americans did not have to worry about layoffs and keeping food on the table and roofs over the heads of their families, many began to think more critically about the impact of postwar economic growth on consumers and the environment (1999, Ch. 3). They wanted to ensure that America's growing prosperity was shared by everyone and that the world's wealthiest society set an example by making sure that all of its less fortunate citizens were cared for. Government was seen as a positive force in this mission, and political entrepreneurs like Ralph Nader, who founded Public Citizen, and John Gardner, of Common Cause, were among those who established new citizen groups and public interest groups to help President Lyndon Johnson enact his Great Society program.

I explain the differences between trade associations and citizen and public interest groups in the next chapter, but the emergence of so many cause-oriented groups in the 1970s rounds out the broad contours of today's Washington interest group community. Today there are thousands of interest groups lobbying on hundreds of issues in the nation's capital city. Figure 1.3 shows the breakdown of issues lobbied by interest groups in 2010, created from information in the Lobbyists.info database. Clearly some issues attract far more interest group attention than others. Only 24 groups claim to be lobbying on dairy issues, and only 34 are interested in trucking, while 827 lobby on banking and finance and a whopping 2,052 on health care. But here is the larger point: not only is just about every profession organized in an association, and not only is almost every conceivable social cause being pursued by an interest group, but almost *every* issue one can think of is being vigorously lobbied today in the halls of Congress, in the West Wing of the White House, in the hundreds of executive branch agencies, and even in the federal courts. New interest groups are pushing even more new issues, and old issues are attracting even more new interest groups. Yet we actually do not know just how many groups there are, for there is no comprehensive register of them all. Lobbyists.info and similar databases are almost certainly undercounting the total number of groups pursuing the interests of some collection of Americans in national (to say nothing of state, local, and international) politics. We are a nation of citizens pursuing our individual self-interest through interest groups.

There are so many interest groups and lobbyists that they even have their own professional associations, such as the American Society of Association

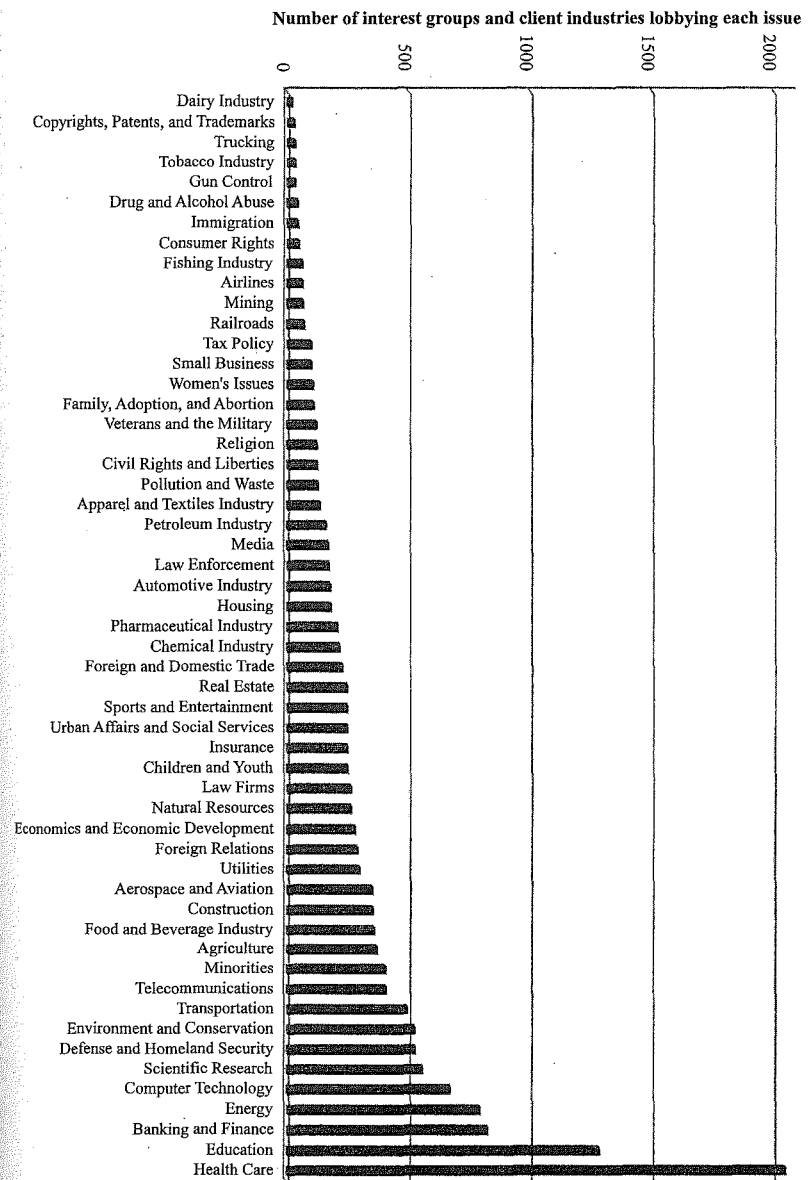


FIGURE 1.3 Lobbying Groups and Client Organization by Issue in 2010

Source: Washington Representatives

Executives and the American League of Lobbyists. Interest groups and lobbying are significant and, if you accept social contract theory like Madison, quite natural. They are a legitimate part of our contemporary political landscape. Participating in interest groups, in fact, is the only form of political participation that seems to be growing. Americans are abandoning their political parties, and frequently fewer than half vote in elections, but they seem to love the idea of representation through interest groups (even though they tell pollsters they do not)! Madison seems to have expected this when he wrote in Federalist No. 10 that “Liberty is to faction what air is to fire” and “the latent causes of faction are sown in the nature of man.” While he had deep reservations about so many small factions being active in American politics, he believed that forming factions was natural for people driven by self-interest, so inhibiting their formation was “the cure worse than the disease.” Instead he protected free association and lobbying in the First Amendment. Were he alive today, he might not be thrilled to see thousands of interest groups lobbying Washington, but he also might not be surprised.

In Summary

So what is most important to remember in this chapter? Here is a quick summary:

- Interest groups are collections of people with essentially the same self-interest, about which they feel so strongly that they collectively form an organization to promote and defend it through the political process.
- The development of the political philosophy of the social contract underlying our civilization prioritizes individual self-interest and protects the pursuit of that self-interest through politics.
- Large-scale interest group formation began in the late nineteenth century and continued dramatically through the twentieth century.
- Scholars have a hard time defining interest groups; therefore we do not even know for certain how many there are.
- Some interest groups represent businesses, trades, and professions, while others represent social causes.

Finally, keep this in mind as you read the rest of the book: interest groups are considered legitimate because we believe the pursuit of self-interest is close to sacred. It probably could not be any other way in an economic system

that assumes the best result for society comes when people compete with each other to satisfy their self-interest. As Jane Mansbridge observes, democratic politics in a free-market economy are usually adversarial, and this leaves no room for thinking about the common good. Indeed, there may be no common good or public interest in such a system. If we wished to eliminate interest groups and lobbying, as Madison understood, we would have to fundamentally rethink who we are and what rights and liberties we expect to enjoy in our political system. Barring such an unlikely change, it may be best to think more about how we can use interest groups and their adversarial impulse—which itself is just a reflection of our own adversarial nature—to achieve the greatest good for the greatest number of people. I will return to this idea at the end of the book.

Notes

1. See “About the American Bankers Association,” American Bankers Association, 2013, <http://www.aba.com/About/Pages/default.aspx>.
2. See the home page of the Center for Education Reform, <http://www.edreform.org>.
3. See “About Us,” Save Our Sound: Alliance to Protect Nantucket Sound, 2013, http://www.saveoursound.org/about_us/.
4. See “TransCanada Pipeline,” Bold Nebraska, 2013, <http://boldnebraska.org/transcanada-pipeline>.
5. I am indebted to the First Amendment Center for providing me with much of this information. See Adam Newton, “Petition Overview,” First Amendment Center, October 10, 2002, <http://www.firstamendmentcenter.org/petition-overview>.
6. See Newton, “Petition Overview.”
7. Ibid.
8. The data from Lobbyists.info is on groups and associations and is probably the best database of political organizations in existence. It was supplemented by additional interest groups listed in *Washington Representatives* (2010 edition), a companion publication that includes many citizen groups and public interest groups not in the Lobbyists.info database. These sources are superior to lobbying registration data because the latter only capture organizations directly lobbying Congress, not those that only lobby the bureaucracy or judiciary. Nor does lobbying registration data normally include organizations that indirectly lobby through grassroots advocacy. Also, some of the organizations in the Lobbyist.info database only lobby sporadically as issues important to them come up, and this means they may not be included in the registration database if they did not register to lobby that year. One drawback of all of these datasets is that they only include groups still alive today, not those that have closed down.
9. See “Our History,” American Medical Association, 2013, <http://www.ama-assn.org/ama/pub/about-ama/our-history.page?>.

Collective Action and Interest Group Organization

In his 1972 manifesto, *In Common Cause*, founder of the organization Common Cause John Gardner dramatically condemned the state of the American political system.

Under present conditions, our political and governmental machinery cannot serve *anybody*—neither poor people nor the middle class, neither black nor white, neither young nor old. . . . But a good many citizens have worked with great energy and little success on the substantive problems of education, health, poverty, housing, employment, equal rights, the environment, and war and peace. And it is gradually beginning to dawn on them that many of those problems are made harder to solve—or rendered wholly unsolvable—by breakdowns in the structure and process of government. (17–18)

Gardner made no secret of who the villains behind this breakdown were. He wrote: “Today good citizens leave the voting booth, pat themselves on the back for doing their civic duty, and then go home and forget the whole thing. But the political machines don’t forget. The oil lobby doesn’t forget it. Nor the agribusiness lobby. Representatives of those and all the other special interests are in their offices the morning after election day figuring out the next step. . . . And the taxpayers will pay and pay and pay—and wonder why the more they pay, the less they get” (19–21). But attacking these special interests head-on was not Gardner’s solution, for he felt that would not bring about the dramatic reform of government institutions and the people in them that

was required to fix the underlying problem. Instead, Gardner recommended citizen action through organizations led by professional advocates, such as his own new group. As he said, "In matters of social action, citizens have some lessons to learn. Citizens can repair that [government] breakdown—but only through organization. Common Cause has proven that it can be done. The basic ailments that are making invalids of our political and governmental institutions will only be cured by tough, sustained pressure. And that pressure must come from citizens" (18–20).

What makes Common Cause different from the entrenched lobbies Gardner marked as enemies? Clearly he believes that the differences between his "citizen lobby" and industry and trade associations were profound. Is he right? Are groups like Common Cause better at mobilizing the public for political participation than business interests? Do they lobby for something nobler, like the elusive public interest? Do many people even *want* to join and participate in these kinds of interest groups? Or are these individuals just writing the occasional check to yet another self-interested advocacy organization masquerading as an advocate of the public interest? In this chapter I explore the odd logic of interest group membership. People join interest groups for different reasons, and these reasons can shape the structure of a group and the kinds of political goals it fights for.

Collective Action in an Individualistic Nation

When Alexis de Tocqueville, author of *Democracy in America* (1835), travelled the United States, two observations left impressions on him. First, Americans, more than Europeans, embodied the capitalistic spirit of entrepreneurship and individualism. Second, while Americans frequently formed groups, they were usually small, ad hoc, and structured to solve problems *without* turning to government for help. Americans were only group-oriented in situations in which individuals had certain goals to achieve, like asking for better or more roads and schools, and knew that they could only achieve these goals if they pooled time and resources with each other. In other words, people formed groups when they had to, not because they wanted to. Americans, Tocqueville concluded, were fundamentally individualists. Twentieth-century scholars, though, were unwilling to accept this conclusion. Social-psychologist Arthur Bentley (1908) argued that a person's interest—his or her wants, needs, and outlook on life—could not be understood outside of his or her "group-context." People are defined by those around them, he argued, and

often those around them are individuals who have similar backgrounds, needs, beliefs, and ideas—their "group," so to speak. Society is little more than an aggregation of these groups. And because the collective interests of one group might be harmful to the interests of other groups, politics is necessary to determine how these interests are met (or not) and to divide resources accordingly.

Political scientist David Truman built a whole theory of politics and government around this assumption that society is a plurality of groups and that each of these groups are composed of people who share interests. Grounded in the ideas of Bentley, as well as those of David Hume and James Madison discussed in the last chapter, this theory of **pluralism** argues that politics is conflict between cohesive groups—or *pluralities*—rather than simple majorities of people. Latent groups of citizens sharing common interests mobilize to fight back when they perceive political conflict as threatening to their interests. Mobilization begets countermobilization, and thus the range of interest groups active in American politics inexorably expands like ripples from a drop of water in a pool (Truman 1951, 106–107). In this view, existing policy reflects the balance of power between groups, though it typically favors the stronger group.

However, there are a couple of serious criticisms of this theory on why interest groups form. One is that unmobilized people are often unable to perceive dangers to their interests because opposing interest groups and their allies in government keep those threats hidden (Mills 1956; Bachrach and Baratz 1962). A tougher criticism came from the economist Mancur Olson (1965). He argued that truly self-interested people will not pay to join and support an organization even when they do see threats to their interests. Why should they? If other people are willing to pay the costs of organizing the interest group, then the rational nonjoiner gets the benefit of having his or her interests defended with the added benefit of not paying the requisite fee to belong to the group. Of course Olson's prediction that self-interested people will free ride on the efforts of others has a perverse consequence. If everyone is rationally self-interested, then nobody will pay the cost of forming and running the interest group. They all believe somebody else will do it. The result is that the interest group never forms and the rational individual's interest is never defended!

Olson's argument must be taken seriously. Like Tocqueville, he believed that Americans are avid individualists inclined to compete even with others who hold similar interests. Interest groups advocate for changes in policy

that affects everyone whether they are members of the group or not because public policy is a **public good**. An individual whose interests are aligned with a mobilized group reaps the benefits of its lobbying even if he or she is not a member and does not contribute to its effort. Most groups charge membership dues, so in a cost-benefit analysis it is logical for a competitive individual not to pay when he or she will still enjoy the public benefits. Nonmembers get a free ride on the backs of those (suckers?) who pay to join.

Olson's great insight is not identifying this **free-rider problem** but his explanation of why interest groups exist *in spite* of those who ride on the tails of their dues-paying peers. Obviously interest groups exist and millions of people support them, so there must be some compensation for membership that tips the scale in Olson's cost-benefit analysis. The group must provide *something* that members value but cannot get, or at least not get easily, if they do not join the group.

Think about the American Automobile Association (AAA), which boasts a membership of over fifty million.¹ AAA is a political organization that maintains a large office in Washington, DC, where its staff lobbies for greater highway funding and other pro-car policies. Yet it would not be too great of a stretch to say that few AAA members know much about its lobbying activities and probably would not care if they did. Drivers join AAA to get their keys out when they accidentally lock them inside their cars, to get gas delivered to their stalled vehicle when they accidentally run out of it, and to get their cars hauled out of ditches. They only get these benefits if they pay advocacy-supporting membership dues. Towing and other roadside assistance is a **material incentive**, a private tangible benefit that members get for belonging to an organization that also happens to lobby for public benefits such as highways without potholes. This changes the cost-benefit analysis and makes it rational for self-interested people to join. Thus, Olson argued, interest groups are formed and maintained.

Other Incentives and the Free-Rider Problem's Problems

Olson's insight is profound yet incomplete: profound because even though his utilitarian logic is hardly the reason for all political activism, every other explanation for interest group formation must still confront it; incomplete because scholars (and presumably group executives) know that while people have to get something for membership, lots of groups do not seem to offer anything as valuable as AAA's road services. Yet people still join those interest

groups. A typology of incentives proposed in 1961 by political scientists Peter Clark and James Q. Wilson shows the weakness in Olson's assumption that activism can be explained by cost-benefit analyses. Political activism, Clark and Wilson understood, is driven by passion to change policy and society as much as it is by cold reason, and probably more so. As they were surrounded by the political unrest of the 1960s, it is hard to imagine how they could have come to any other conclusion.

Some individuals and businesses pay the fee to join political associations because they value services the group offers, but other members are driven more by political passion. In exchange for membership dues, many organizations offer the opportunity for political involvement to people who want and need a sense of political purpose. Unlike members who join because they want to get the restricted, material benefits of membership, these members are attracted by the intangible reward of feeling like their contributions to, and participation in, the group makes a positive difference in society, like aiding the poor or improving the business climate (Berry 1999; Drutman 2012). Clark and Wilson call this a **purposive incentive**, and groups that primarily attract members by offering this kind of reward are fundamentally different in how they operate and what they advocate for from organizations that attract members primarily by offering material incentives (see Chapter 4).

Groups relying primarily on purposive incentives to attract members may also have a harder time recruiting them than organizations relying on material incentives. While the steady provision of material benefits keep memberships relatively stable, groups relying on more purposive-driven members often have a harder time recruiting when issues important to potential members are not on the government's agenda. But when the issues do come up, their ranks can swell. When it became obvious that Congress was going to take up legislation in 2013 increasing the number of immigrants coming into the United States, the leader of a group opposing the bill, NumbersUSA, reported that his historically three-hundred-thousand-person membership abruptly swelled to two million (Bolton 2013)!

Clark and Wilson also identified a third incentive: people sometimes join groups to fulfill a need to socialize with others who hold interests similar to their own. This may seem to describe social clubs and civic associations more than political advocacy organizations, but consider that some otherwise purposive-driven groups have long histories of recruiting members by promising opportunities to socialize. The Sierra Club does this by offering members hiking trips with others who enjoy nature. The National Rifle Association

provides its members opportunities to meet and socialize as they shoot targets. Separating this **solidary incentive** from the purposive incentive is difficult, though, because individuals with an interest in bringing about political change would probably also want to meet others who feel strongly about the same thing. They are all kindred spirits in the group.

In fact, joining social clubs may still lead to interest group membership and activism. Tocqueville noted that Americans frequently joined local civic associations; the social skills they learned there disposed them toward political participation. Research by political scientists Henry Brady, Sidney Verba, and Kay Lehman Schlozman (1995; 1999) found evidence supporting his observation. Participation in nonpolitical civic associations teaches activism and crucial group-building skills such as organizing protests, public speaking, and fundraising. Moreover, they found that it is within social circles of individuals sharing common interests that recruitment for political groups often takes place. While, all things being equal, people of higher socioeconomic status (SES) are more likely to participate in politics, civic group membership compensates because the skills and networks people of lower SES develop make them more likely to participate as well (Holyoke 2013b). A great example of this was seen in the churches, social clubs, and small colleges of the South where African Americans learned to organize for civil rights (McAdam 1982).

Who Joins Interest Groups?

So some people join interest groups because they feel passionately about the interests the group represents. Others want to socialize with people who share similar interests. Still others just want the perks and goodies of membership, and some join for all these reasons. This is useful to know, but it still tells us nothing about *who* actually joins interest groups. What do we know about them? Only a little, but a 2008 survey by Zogby does provide some insight.² They found that 38 percent of people in interest groups are between the ages of thirty-five and fifty-four, while 21 percent are between fifty-five and sixty-nine, and 12 percent are over the age of seventy. So the plurality of group members are in their prime working years, and membership tapers off in the older and younger strata. They are a fairly educated bunch: 66 percent of group members have a bachelor's degree, while only 30 percent of nonmembers had not finished (or even started) their undergraduate education.

While 78 percent of interest group members are Caucasian, 12 percent are African American (13 percent of Americans are African American according

to the Census Bureau), and 5 percent are Hispanic (17 percent of Americans are Hispanic). Joiners are also somewhat wealthier than average, though this may only mean that they have more dispensable income to spend on supporting political groups. Twenty-five percent of group members earn an annual income of between \$50,000 and \$75,000, and while only 14 percent earn \$75,000 to \$100,000, 26 percent earn over \$100,000 annually. Interest group members are only a little more ideologically liberal than nonmembers. Of all group members, 30 percent describe themselves as ideological moderates, which is also true of 28 percent of nonmembers. Only 36 percent of members describe themselves as "conservative" or "very conservative," while 43 percent of nonmembers describe themselves in this way. As for liberals and self-described "progressives," 29 percent of members place themselves in this category, while that is true of only 22 percent of nonmembers. Conservatives apparently are less inclined to join interest groups than liberals.

For several characteristics there are no real differences between members and nonmembers. Having children (age seventeen or younger) makes no differences, nor does being single, married, or divorced. Men and women are equally likely to join, as are rural folk and suburbanites, while city dwellers are less likely (perhaps because they have more social alternatives). Retirees are no more or less likely to join, AARP notwithstanding. In sum, the typical interest group joiner is white, middle-aged, well educated, and upper-income.

Starting Up Interest Groups

Incentives explain why members join interest groups that already exist, but who starts them up and funds them before there are members to pay any dues? Even the most politically passionate, purposive-driven, would-be members who are eager to organize a group to pursue their political interests still need somebody to do the mundane logistical work of incorporation, fundraising, member recruitment, and strategy development. Most groups can trace their origins back to a skillful political entrepreneur who took it upon themselves to organize members (Salisbury 1969). Public Citizen founder Ralph Nader is perhaps the most famous example, but others are John Muir for the Sierra Club, John Gardner for Common Cause, David Brower for Friends of the Earth (after being fired from Sierra Club), and lesser known figures such as George Maxwell for the National Irrigation Association, James Howenstein for the American Bankers Association, and John Taylor for the National Community Reinvestment Coalition.

Where do these visionaries find the money to get their organizations going? The popular image may be bands of concerned citizens pooling meager resources to start a group on a shoestring budget in a David versus Goliath struggle against well-heeled, faceless corporate interests. Or of noble, civic-minded businesspeople giving their time and money to promote their industry's or community's fortunes against an overregulating, job-killing government (another David versus Goliath). These images are more myth than reality. In one of the first thorough surveys of interest group origins and finances, political scientist Jack Walker found that to start and fund an interest group, it's not sufficient that charismatic entrepreneurs bring together small but highly motivated groups of politically passionate people with some spare change. A fledgling group needs a major infusion of start-up capital from some type of patron to create and sustain it through those critical first years of collective action (Walker 1983; 1991, 49).

Walker and others point to the socially turbulent 1960s as a time that was especially conducive to group formation because ideologically motivated foundations wanted to promote their visions of the public good by funding new advocacy organizations (Walker 1991, 48–49). Philanthropies like the Ford Foundation wanted to solve the nation's social and environmental ills by using public policy to harness and channel the wealth of American business into social programs. To that end they provided the seed capital that got many of the left-leaning activist groups of that era off the ground (Vogel 1989, Ch. 5; Berry 1999). The government itself has been many groups' financial patron, giving funds through contracts that provide services on the state's behalf, which in turn encourages these organizations to lobby policy makers for ongoing financial support and policy change (Salamon 1995). Even today many interest groups remain dependent on these various patrons. Walker found that 89 percent of cause-oriented groups not only depended on philanthropies, government, or private individuals for start-up support, but years later were still more reliant on them than on member dues for funding (King and Walker 1991, 78–81).

Types of Organized Interests

It is now clear that interest groups come in many forms and have different kinds of members and goals. Some are concerned with business issues, others with social issues, and sometimes they fight over whether the issue is social or business-related. Some groups are large, with members in state and local

chapters all over the nation, advocating for a host of issues in many areas of policy making. Others are very small and only interested in a few issues. Some can turn out tens of thousands of passionate, purposive-driven members to protest on the steps of the Capitol, while others can barely get their members to send them an occasional check without promising glitzy conventions in Las Vegas and lots of exclusive, material goodies. Some groups represent people, while others represent corporations or nonprofits. Some do not even have actual dues-paying members at all but still claim to advocate on behalf of a discernible group of people with a common interest. This is why some scholars prefer omitting the word "group" and instead use the term **organized interest** (e.g., Baumgartner and Leech 1998).

Figure 2.1 shows a variety of types of organizations, only some of which are true interest groups, that lobby the national government. This 2010 data comes from the same *Washington Representatives* and *Lobbyists.info* data used in Chapter 1. Associations, defined and explained below, are the plurality, though some only lobby on rare occasions. Corporations also lobby in large numbers, though large firms do so more frequently than small businesses because they tend to attract more government attention (Lux, Crook, and Woehr 2011). Despite the disdain corporate CEOs reputedly have toward government, thousands of them have decided that public policy has enough impact on their bottom line to hire lobbying firms, or even to open their own corporate lobbying offices in Washington, to pursue the interests of their shareholders. Sometimes their goals fly in the face of public demand, such as the efforts of music recording companies to prosecute Web sites and software makers that facilitate the popular practice of peer-to-peer music file sharing, and to push legislation that bans the practice (Lardner 2009). I talk more about corporate lobbying in Chapter 3.

Another significant organization category in Figure 2.1 is hospitals and universities, which lobby to shape health care policy, education funding, and intellectual property laws, and to gain government grants. Add them together with corporations, along with state and local governments, foreign governments, and Indian nations, and it becomes clear that the majority of organizations lobbying in Washington are not groups trying to represent some portion of the public at all (Salisbury 1984). Interest groups are a minority in the community of organized interests!

Genuine interest groups fall into a few basic categories, which I explain using two membership characteristics laid out in Figure 2.2. The first dimension relates to how inclusive the interests of the organization are. Some groups

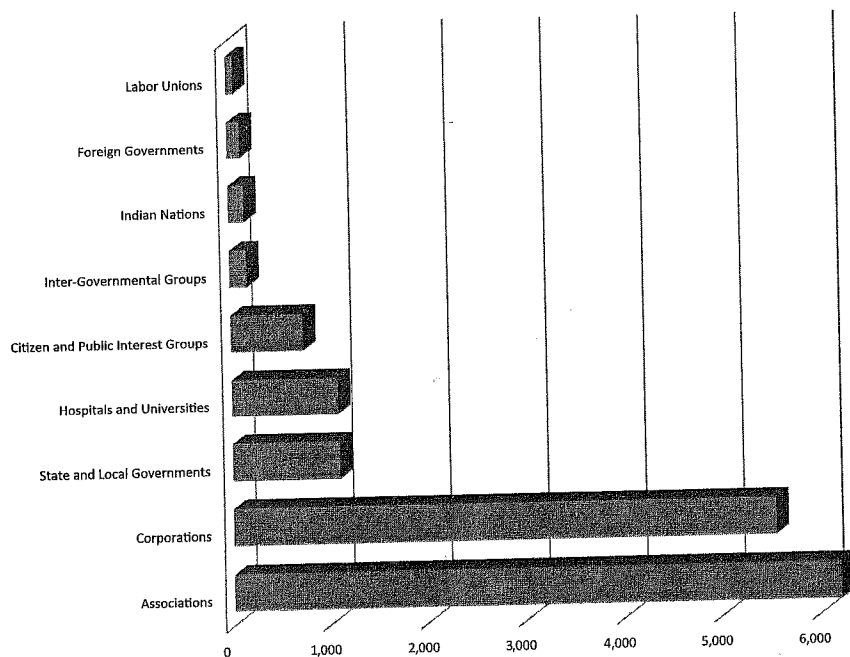


FIGURE 2.1 Number and Type of Lobbying Entities in 2010

seek to serve small, tightly defined social or economic interests and have no desire to contribute to the general well-being of anybody else. Associations representing professions are the obvious example. If you do not design buildings for a living, you cannot join the American Institute of Architects. On the other hand, some interests will represent anybody and everybody. Anybody can join the Audubon Society; an interest in birds is not required. Often the policies interest groups seek will affect everyone, and thus the group may claim to be representing all Americans and therefore the public interest. Whether all citizens want the organization to represent them is another matter.

The other dimension is the intensity of passion members have for the interest binding them together. It seems to be a fact of political life in America that many people just do not feel all that strongly about their political interests, at least not strong enough to promote or defend them by participating in interest groups, even if they are members. Of course even social clubs are having a hard time getting people to participate these days (Putnam 2001). As Mancur Olson argued, many would simply prefer to sit back and let others do the advocacy work for them.

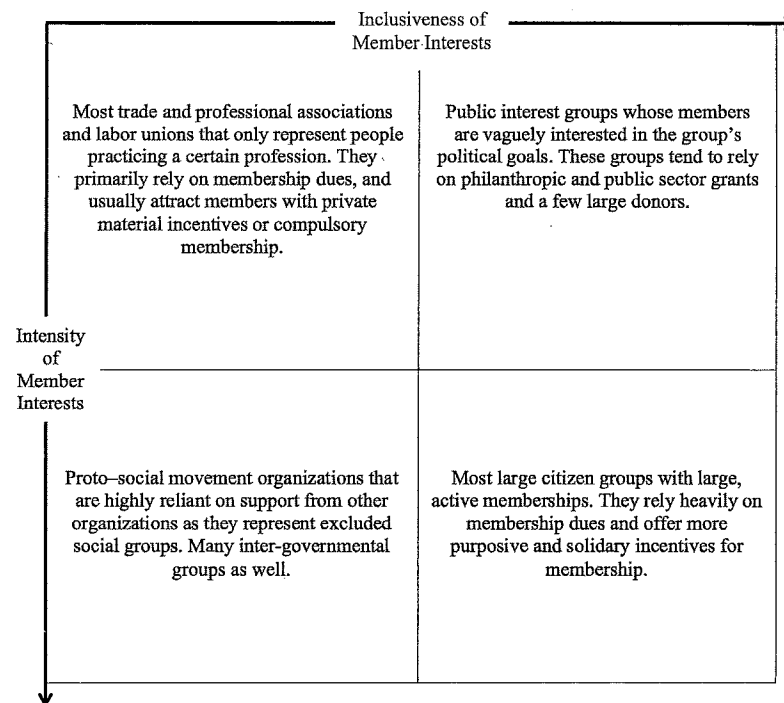


FIGURE 2.2 Dimensions of Interest Group Organization

Trade and Professional Associations

The most numerous, if not the most passionate member-driven, interest groups are the **trade and professional associations**. The interest that binds their members together is what they do for a living, which means that theirs are fundamentally *economic* interests. Some associations do not even represent individuals but the companies they work for. The American Bakers Association represents individuals who make and sell baked goods, while the American Bankers Association represents corporations engaged in banking, though individual bank CEOs still decide whether to belong to the ABA. Some associations are well known, such as the US Chamber of Commerce (businesspeople and businesses), the American Bar Association (lawyers), and the American Medical Association (doctors). Others are a little more obscure, such as the National Rural Health Association (country doctors), the Toy Industry Association (toymakers), the Bond Dealers of America (banks

and securities dealers), the Plasma Protein Therapeutics Association (plasma therapy professionals), and the Real Estate Roundtable (real estate development firms). Some have names that give them some flare, such as the Inflatable Advertising Dealers Association or the American Society of Nuclear Cardiology. Others try to make themselves sound less politically motivated, such as the American Petroleum Institute, which represents oil companies. Some like names that portray them as little persons struggling in the shadows of corporate Goliaths, like the Independent Oil and Gas Association. Some claim to represent broad economic interests when in fact they only represent a few well-heeled corporations, like the Financial Services Roundtable, which only represents the hundred biggest financial institutions in America. And every now and then entirely fake ones appear, such as the National Disabled Soldiers' League. It claimed to represent World War I veterans, but there were no members. League leaders pocketed all of the money they solicited except a little they spent to stage national conventions with hired "delegates" and "members" (Herring 1929, 27).

In Figure 2.3 I use the same data used in Figure 1.2 to chart the rise of trade and professional associations in American history. As I recounted there, these groups started to appear in the late nineteenth century as the Industrial Revolution gave rise to new trades and professions. When the country found itself faced with more complex economic and social problems, industries needed a more permanent presence in Washington to keep an eye on an increasingly proactive government (Aldrich et al. 1994, 227–34). The American Bankers Association, for instance, formed in 1875, when the federal government established and began to regulate a common currency with the 1864 National Bank Act (Hubbard 1995). Corporations also realized that it was not beneficial to them to be seen directly lobbying lawmakers after the fiascos of the Gilded Age, and instead invested in setting up associations to do it for them (Thompson 1985, 41–42). It is easy to see this in Figure 2.3, where the trend line indicating the number of trade associations born each year begins to rise in the late 1800s and early twentieth century.

Some associations were started at the urging of government. Part of the impetus to establish the Chamber of Commerce as an umbrella group covering all businesses came from President William Howard Taft, in 1912, to counter the umbrella union American Federation of Labor (Truman 1951, 85). The government pressured other industries to organize associations so production in support of World War I could be better coordinated. For instance, the government's Council of National Defense pushed the coal industry into forming the National Coal Association in 1917 (Truman 1951, 76). The trend line in

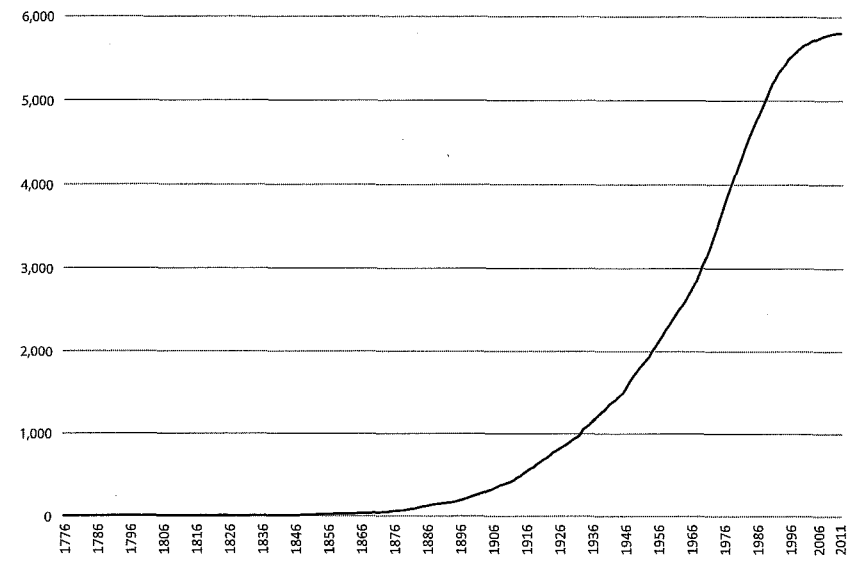


FIGURE 2.3 Historical Trend in the Total Number of Associations

Source: Lobbyists.info and *Washington Representatives*

Figure 2.3 continues to rise through the 1930s and 1940s, as the Commerce Department further organized industries into associations to instill some sense of self-governance in American industry without resorting to direct regulation, as well as assign them industrial classification codes to better target government support during the Great Depression (Lowi 1979, 79).

Some industries organized to ward off government regulation, as the American Association of Railroads did in 1934, after Roosevelt threatened a takeover because they were run so inefficiently (Truman 1951, 77). In 1919, after older organizations lobbying for national farm policy like the Grange declined, the American Farm Bureau Federation was formed. At the urging of Department of Agriculture officials, county farm bureaus (also originally created by the USDA) combined all over the nation to form this new agriculture advocacy group (Truman 1951, 90–91). Today just about every sector of the American workforce, from farm laborers to corporate boards, is represented by work-based associations. Indeed, one wonders if there is any profession in the United States still not represented by some trade group.

Business associations tend to seek government benefits aimed more exclusively at just their members, placing them on the left side of Figure 2.2. Some lobby for tax breaks, price supports, or subsidies for businesses or individuals

practicing their profession. They also frequently defend their member businesses and professionals from regulatory restrictions on their freedom to operate. Surprisingly, though, sometimes these trade groups lobby *for* regulation because it gives their members a market advantage over foreign, and sometimes even domestic, competitors (Truman 1951, 78–79; Stigler 1971). While these benefits are only for members, the group's lobbyists may still portray the desired policy as a public good benefitting the nation. Tax breaks for an industry can be justified by a lobbyist because they might benefit the country through job creation or through the production of more commodities and goods, which then generate greater revenue for the public sector through corporate and individual income taxes. When regulations on companies are loosened, this directly benefits member businesses, but it is also portrayed as job creation by the US Chamber of Commerce, National Federation of Independent Businesses, and National Association of Manufacturers. Because there may be truth to these assertions, the division between private benefits restricted to just one section of society and public benefits available to everyone is often just a matter of perspective.

Many associations are organized into state and even county chapters, such as the county farm bureaus or county bar associations. These decentralized groups are more reliant on revenue from dues than are other types of groups, though many of their members can charge their dues to their companies or customers and sometimes even deduct them from their taxes (King and Walker 1991, 82–83). Most trade and professional groups are organized as nonprofits under section 501(c)(6) of the Internal Revenue Code, which exempts them from many federal income taxes, though not to the same extent as 501(c)(3) charities. According to Lobbyists.info, and displayed in Table 2.1, the plurality (only 12 percent) have annual budgets between \$100,000 and \$250,000, so they are not as wealthy as some might believe, though 11 percent have budgets over \$5 million. About 87 percent employ only one to twenty-five staff members.

Members tend to join because they receive the exclusive, material benefits that Olson believed were important, such as cheap insurance, information about the latest innovations in their profession, and conventions in luxurious places. Others, usually corporate members, join so they can have a say in what their association lobbies for (Drutman 2012, 85). About 35 percent of these associations have at least one national convention a year for members in which they can socialize while the organization's official policy positions are decided, usually by committees of members specializing in different

Interest Group Type	Average Group Age	Average Number of Members	Number of Employees (modal category)	Annual Budget (modal category)
Trade and Professional Associations	51	11,965	1-25 (87%)	Under \$10,000 (5%)
			Over 100 (3%)	\$100,000-250,000 (12%)
				Over \$5,000,000 (11%)
Citizen's and Public Interest Groups	31	133,478	1-25 (74%)	Under \$10,000 (2%)
			Over 100 (11%)	\$2,000,000-5,000,000 (19%)
				Over \$5,000,000 (16%)
Labor Unions	79	200,014	1-25 (50%)	Under \$10,000 (2%)
			Over 100 (27%)	\$2,000,000-5,000,000 (22%)
				Over \$5,000,000 (45%)
Inter-Governmental Groups	51	1,864	1-25 (82%)	Under \$10,000 (11%)
			Over 100 (4%)	\$250,000-500,000 (13%)
				Over \$5,000,000 (12%)

TABLE 2.1 Characteristics of Interest Group Types in 2010

Source: Lobbyists.info

policy areas (Drutman 2012, 81). About 80 percent of associations sponsor professional journals, like the *Journal of the American Medical Association*, or newsletters with the latest research and statistics on the profession. Because associations try to be the sole and authoritative source of information regarding their members' professions, lawmakers, the media, and members alike often find these publications essential for policy making.

Some associations even provide what amounts to quasi-legal regulation of their professions, exerting control over them as if they were government agencies. They create and enforce common standards of practice and ethics

of conduct, and some even expel violators from the profession. Much of this self-policing and self-regulation is backed by state and federal law, often at an association's request, and its voice carries tremendous influence regarding any changes to laws regarding the profession under its jurisdiction (Truman 1951, 97). Associations usually do this to head off government regulation and preserve their professions' independence. For example, physicians formed the American Medical Association in 1846 to prove that they were more than just blood-letters, but also to stay independent of both hospitals and the government (McAdam and Scott 2005, 20–21). According to the Lobbyists.info data, about 19 percent of associations set certification of education standards at special colleges or accredit special degrees at standard universities (business schools, law schools, and medical programs). Doctors, nurses, lawyers, physical therapists, specialized contractors, and many others are bound by association standards of practice and conduct. And, like medieval guilds, one must pass rigorous exams in order to become a licensed member of groups like the bar and medical associations, which grant the right to practice the profession.

Professional and trade associations, of course, also offer opportunities for political advocacy if members are so inclined, and group leaders even consider these to be important incentives (King and Walker 1991, 86–88), but the intensity of member interest in advocacy here is arguably less than it is for other group types. This places most associations in the top part of Figure 2.2. Many bankers are probably happy to go to Washington for a quiet chat with their local member of Congress on the group's annual **lobby day**, but do not expect a Million Bankers March on the National Mall any time soon. Although labor unions might take to the Mall, they are a special kind of restricted, economic interest group that seeks policy and employment benefits exclusively for their members. I discuss them in Chapter 3.

Inter-Governmental Groups

Inter-governmental groups are similar to trade and professional associations, but profoundly different in important ways.³ Examples of inter-governmental groups are the National Governors Association (NGA), the National Conference of State Legislatures (NCSL), the National Association of Counties (NACo), the US Conference of Mayors, the National League of Cities, and dozens more representing states, cities, counties, and special-purpose districts (education, utilities, water, and so forth) before the national government. Like

professional associations, many inter-governmental groups represent public officeholders, such as the NGA, the National Association of State Attorneys General, and the Conference of State Bank Supervisors, though it is the office itself that is represented rather than the person holding that office. Other inter-governmental groups represent public institutions, such as the NCSL, the National Association of Clean Water Agencies, and the International Association of Fish and Wildlife Agencies. Still others represent whole levels of government, such as NACo, the Council of State Governments, and the International City / County Management Association. These groups are similar to work-oriented interest groups in that their memberships are highly exclusive, but because they are drawn from government their members are much more politically inclined, which places them in the lower left quadrant of Figure 2.2. As Table 2.1 showed, these kinds of groups have fewer members than trade associations, but many have large budgets, thanks to the dues that are often paid with taxpayer money.

Inter-governmental groups arose in the twentieth century as the constitutional relationship between the levels of government began to shift power and responsibility up to Washington, DC (Schlozman and Tierney 1986, 55). With the Progressive Era, the New Deal, and the Great Society all expanding the role of national policy to replace (some might say “usurp”) a variety of state and local responsibilities, these lower layers of government felt they needed to have coordinated representation in Washington. Because of this shared policy-making responsibility, some argue that it is not accurate to think of inter-governmental associations as interest groups. They are not groups of private citizens, but of official, and often popularly elected, policy makers exercising their public trust responsibilities, even if they often use many of the same lobbying tactics as other interest groups (Cigler 1995, 132). When the House Committee on Standards of Official Conduct held hearings on proposed (but ultimately failed) legislation to register lobbyists in 1975, the National Association of Counties argued that their members and organization staff should be exempted from any legal definition of “lobbyist” because as public officials they were the public's true representatives.⁴

Inter-governmental groups may actually be some of the most powerful of all of the types of interest groups because their members hold influential positions. Elected officials in Washington, DC, are of the same breed as those in states and cities. They travel the same career paths, serve many of the same constituents, and speak the same professional language. Often officials from the same state know each other well, perhaps as friends who got started

in politics at the same time or as professional allies mobilizing resources to get each other elected and remain secure in office (though it is also possible that one is gunning for the other's office). If personal, mutually beneficial relationships between those who lobby and those who are lobbied are as important to political influence as scholars believe (see Chapter 6), then inter-governmental groups have a significant advantage over all the others. Yet it is perhaps not enough of an advantage for some members, as many cities and counties still hire private lobbying firms to pursue their interests—a pursuit that sometimes reaches arguably absurd levels. Take, for example, the California town of Half Moon Bay (population 11,234 but empty city coffers), which in 2008 and 2009 paid a lobbying firm \$1,047,531 in a failed effort to secure financial bailout legislation (MacLachlan 2011).

Citizen Groups and Public Interest Groups

Scholars studying the changing political landscape of the 1960s were struck by what appeared to be an explosion of **cause-oriented groups** organizing to oppose what was believed to be the entrenched power of business in American politics (Knoke 1986). These new groups arguably conform more clearly to what people typically think of as interest groups. They differ from trade associations and inter-governmental groups in that their membership ranks are open to every citizen who identifies with the group's cause, who feels passionately about the interest the group represents, and who wants to be politically involved. This puts them in the lower right corner of Figure 2.2. At least this is true of the groups that actually have members. Political scientists do not agree on exactly what distinguishes citizen groups from public interest groups, but the difference often involves membership. Groups like the Sierra Club, lobbying for environmental conservation, and the National Rifle Association, protecting gun ownership rights, have large memberships organized into state and local chapters nationwide. Their members are passionate advocates for their causes, especially when their groups whip them into frenzies (Merry 2010). And *anybody* can join, which is why they are called **citizen groups**.

Interest groups like Defenders of Wildlife (lobbying for the environment) and American Land Rights Association (lobbying to keep property private rather than public) solicit contributions and donations from people they call members. But is somebody who only gives money really a member? These organizations may be lobbying for a cause that many people are sympathetic to and will give some money to support, such as preserving Rocky Mountain

wolves or rolling back environmental restrictions on private landownership, but they are probably not going to go to group meetings or participate in public protests. These groups tend more toward the upper-right box of Figure 2.2 instead of the lower-right. Both the Environmental Defense Fund, which also lobbies for the environment, and the Mountain States Legal Foundation, which defends property rights in court, pretty clearly do not have any members, though they do solicit contributions. All four (Defenders of Wildlife, American Land Rights Association, Environmental Defense Fund, and Mountain States Legal Foundation) are **public interest groups** that, like citizen groups, lobby for causes many people in the United States support. But unlike citizen groups they work on behalf of these social interests without actually recruiting people to participate as members (and are therefore not accountable to them).

Passionate citizen activism through these kinds of interest groups can be found throughout American history. Some citizen groups are quite old, such as Sierra Club, which was started back in 1892 by famed naturalist John Muir. Sierra Club's original goal was to prevent the flooding of Hetch Hetchy Valley in California's Sierra Nevada mountains, though the group turned on Muir in the middle of that fight, and the valley is now a reservoir for the city of San Francisco (Richter 2006). A few other social groups emerged at the end of the nineteenth century to help labor unions fight for better working conditions, antitrust laws, and child labor laws (Clemens 1997). In his 1929 book *Group Representation Before Congress*, Pendleton Herring mentioned several citizen groups existing at that time: the American Taxpayers League, the Popular Government League, as well as the Anti-Saloon League and its opponent the Association Against Prohibition (1929, 22–24). Indeed, there is something of a cycle in American politics in which periods of abusive business practices in the pursuit of profit have led to popular revulsion, which in turn has led to the emergence of organizations promoting new views of the public interest at odds with the hyper-individualistic, pro-business policies of the time (Mierzewski 2010).

Figure 2.4, however, shows a dramatic increase in the formation of citizen and public interest groups starting in the late 1960s, the very group explosion that caught the attention of political scientists. Subsequent growth has been steady, though they are still a clear minority in the national interest group community, with approximately 737 groups comprising 5 percent of all interest groups (see Figure 2.1). Because it is difficult to determine whether people who contribute to these groups really are members, it is hard to say

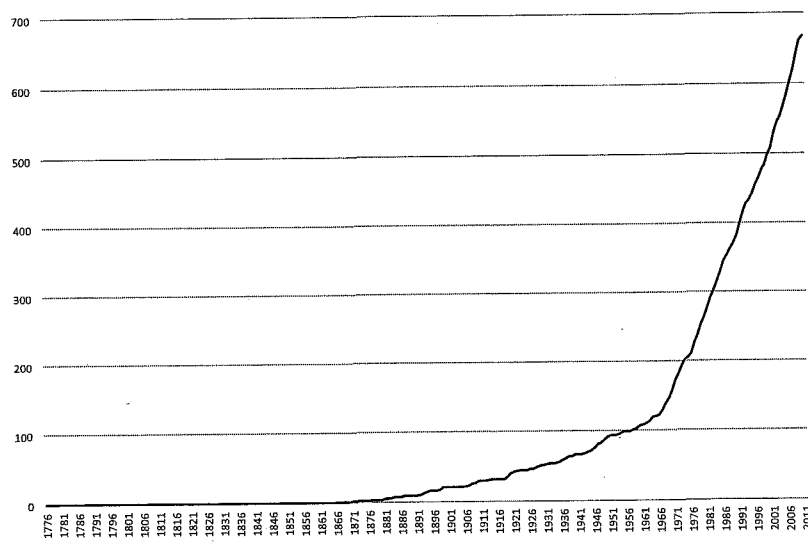


FIGURE 2.4 Historical Trend for Citizens and Public Interest Groups

Source: Lobbyists.info and *Washington Representatives*

whether they have more members than trade associations, though this is how it appears in Table 2.1.

Citizen groups have fascinated political scientists because they are so different from the older trade associations. Jeff Berry (1977) and Andrew McFarland (1984) were intrigued by the fact that citizen groups rely on dedicated members attracted by opportunities to express their political passions through advocacy. Members are drawn to join by purposive incentives, by opportunities to make a difference. Yet researchers also found that these groups are actually more dependent on the financial support of foundations and philanthropists, as opposed to member dues, than are trade and professional associations (Berry 1999, 25–26). Eighty-nine percent of citizen groups told Jack Walker that patron financing was critical to their survival (King and Walker 1991, 78). But as philanthropies have started directing their resources elsewhere since Walker's survey in 1983, many citizen groups have been forced to find new ways to aggressively fundraise (Nownes and Cigler 1995). As Table 2.1 shows, citizen groups today fundraise well: 35 percent of them have budgets over \$2 million—significantly more than trade associations—though they like to argue that they are always at a disadvantage when compared to their business opponents (Zeller 2011).

Reliance on contributions and donations helps citizen groups keep member dues low, making it financially feasible for people to join. This, in turn, helps group lobbyists in their advocacy because they can point to the backing of a large membership when trying to establish their political legitimacy on Capitol Hill (Berry 1977). Large memberships give their lobbyists the grassroots (or at least what looks like grassroots) support they need to pressure elected officials when issues crucial to the groups' interests come up for votes. Citizen groups' grassroots advocacy includes flooding congressional offices with e-mails and phone calls, sending regular mail, and even staging highly visible protest marches. But low dues levels may also make citizen groups more apt to prioritize donor interests over member interests, creating conflicts of interest and concerns over who is really being represented in Washington.

As for public interest groups, just because they do not have actual members does not mean they do not provide representation to anyone. The government and philanthropies like the Ford Foundation were moved to fund these advocacy organizations because they provide services to, and advocate on behalf of, people who cannot represent themselves (Berry 1993). So, public interest groups that represent poor and homeless people, like the National Community Reinvestment Coalition, the National Coalition for the Homeless, and the National Low Income Housing Coalition, were formed. The National Women's Law Center was created to advocate for women's rights through the courts and in public policy. Many environmental advocacy organizations are public interest groups, such as the Environmental Defense Fund and the Natural Resources Defense Council, since rivers and forests, gray wolves and spotted owls cannot represent themselves (Bosso 1991).

Lack of members does not mean public interest groups are politically toothless either. Just look at the history of Ralph Nader, perhaps the best known founder of modern public interest groups. Drawing on years of personal research and information disclosed in lawsuits against General Motors, he made the case in his book *Unsafe at Any Speed* (1965) that GM's Corvair was prone to spins and rollovers but that GM suppressed these facts so as not to hurt consumer confidence in the car. Nader's book garnered much publicity, and GM was discovered tapping Nader's telephone and hiring private investigators to entrap him. Nader sued GM, won, and used the compensation to open the public interest group Center for the Study of Responsive Law (Vogel 1989, 104). The publicity pressured Congress to pass new consumer-friendly laws mandating auto safety standards and to create the National Highway Traffic Safety Administration. Success breeds imitation,

and dozens of idealistic young lawyers and activists began setting up similar public interest groups with philanthropic support, many of them with Nader's aid and under his umbrella group, Public Citizen. This explains much of the dramatic upturn in the total number of citizen and public interest groups in the late 1960s, as seen in Figure 2.4.

The Politics of Tax Exemption

There is one more matter worth discussing: tax exemption. In 2013 this arcane tax issue was abruptly thrust into the political spotlight when the Internal Revenue Service (IRS) was accused by Republicans and Democrats alike of unfairly scrutinizing organizations connected to the Tea Party applying for tax-exempt status (Confessore 2013). It is a good example of how vague regulations can perhaps be abused by interest groups. Like trade associations, citizen and public interest groups are organized as nonprofits under the Internal Revenue Code's section 501(c), usually in the (4) category of social welfare organizations that do not have to pay income tax on money from member dues and donations. Many, though, are organized as 501(c)(3) charities to make it easier to raise money because contributors and members can deduct donations on their tax returns (Boris 1999; Reid 1999). And some organizations have parts of their operations classified under section (3) to do their charity work, and other parts under (4) to do their advocacy (Aviv et al. 2012).

Charitable nonprofits *can* engage in some limited political advocacy, but these limits are hardly limiting. Federal tax law says no charitable nonprofit can commit more than 10 percent of its time and resources toward actively influencing government officials on legislation, but this does not appear to include passively meeting with officials to consider contracts and services that nonprofits might offer, nor does it include efforts by nonprofits to organize people to lobby on their behalf (Reid 1999). Public interest groups organized as charities actually go out of their way to avoid using the word "lobbying," preferring the less pejorative term "advocacy" when doing this work (Reid 2000).

While most of the approximately 1.5 million charitable nonprofits in the United States (Reid 1999) are not true interest groups, they still work closely with the government. Since the 1980s the federal government has increasingly relied on nonprofits to provide social services (Smith and Lipsky 1993), such as counseling for abused women and alcoholics, mental health services, and economic development (DeVita 1999). Public sector outsourcing like

this turns charities into implementers of policy, linking them to government in ways that some might call lobbying—especially if the government is not ideologically supportive of the services the nonprofits provide. Such concern led Ronald Reagan to try "defunding the Left" by cutting off federal grants to many nonprofits in the 1980s (Berry 1993). The concern may have been justified. Nonprofit leaders work in these low-paying, high-stress jobs because they are passionate about providing public support for the disadvantaged. If they see a proactive government as a partner in solving society's ills, would they not aggressively work to promote this partnership through advocacy? In fact, some are quite adept at it. Nonprofits seeking financial services for the poor have learned to use federal laws to pressure bank regulators to, in turn, pressure banks to lend and invest in low-income and minority neighborhoods (Holyoke 2004b; Casey, Glasberg, and Beeman 2011). These nonprofits may not be interest groups, but they certainly are political.

For these reasons some interest groups have had their charitable status challenged by their political opponents. In 2003, the petroleum industry-funded public interest group Public Interest Watch demanded that the IRS strip Greenpeace of its 501(c)(3) status because of its anti-oil drilling advocacy, though the IRS ended up exonerating Greenpeace (Stecklow 2006). This political scrutiny is starting to extend to groups with the 501(c)(4) classification as well, especially as many of these organizations have become more active in presidential and congressional campaigns. An example of this was seen in the lead-up to the 2008 presidential primaries, with Friends of the Earth backing former senator John Edwards (D-NC) and Americans for Fair Taxation backing former governor Mike Huckabee (R-AR) (Solomon and Mosk 2007).

These types of nonprofits, which include famous organizations like the Sierra Club and the National Rifle Association, are not as restricted in their advocacy as charities, but as social welfare organizations their advocacy is supposed to be primarily directed toward promoting social welfare, not toward winning elections. Recently, the public interest groups Democracy 21 and the Campaign Legal Center challenged the tax-exempt status of the fundraising groups Crossroads GPS and Priorities USA. They argued that while the 501(c)(4) classification does allow for some electioneering and contributing, it must be in the promotion of a broader social welfare cause, not just trying to win elections (see Aviv et al. 2012, 9).⁵ Nor are (c)(4) organizations supposed to be spending all of their time pushing legislation. Common Cause has challenged the status of the conservative (c)(4) group American

Legislative Exchange Council, saying that the council just writes bills for legislators rather than pursues a social welfare goal (McIntire 2012). It remains to be seen whether the IRS agrees that these organizations are abusing their tax exempt status by being overtly political and cracks down on what well may be political abuses of philanthropic tax exemptions. Unfortunately, the IRS's rules regarding just how much political activity these nonprofit interest groups can legally engage in is not at all clear, and it was this ambiguity that led IRS staff to focus in on several small Tea Party organizations applying for 501(c)(4) status during the 2012 presidential election (Confessore and Luo 2013).

How Many Interest Groups Can There Be?

People who feel they do not have enough mail or e-mail in their lives should join a cause-oriented, purposive incentive-driven interest group. Since they share or sell their membership lists to one another, joining one guarantees a flood of solicitation to join others (Godwin 1988). People must like solicitations because even though they have only so much money to spend in support of political advocacy, only 11 percent of all people joining interest groups join just one (Baldassarri 2011). But why would anybody support several groups, especially if they appear to be advocating for very similar things? Is there a meaningful difference between the Natural Resources Defense Council and National Audubon Society that justifies joining both? How many organizations can one faction of people support? How many interest groups can America support overall? Is not seven thousand plus interest groups enough?

The easiest answer comes from David Truman (1951), who said that the size of the group community reflects the number and distribution of political threats to formerly latent (unmobilized) social interests across the country. As more threats arise in different areas of policy making, more groups mobilize. Since existing interest groups are the primary source of political threats, the actions of existing groups lead to the emergence of new groups that push back. The result is an exponential increase in group mobilizations that only ends when all possible latent interests in American society are no longer latent—when all of the mid-range interests of all people are represented by some interest group. As one might suspect, this answer is too simple to explain all mobilizations.

What is called “niche theory” provides a more thorough answer. Each group's size depends on the number of people sharing the interest it represents,

the **interest niche**, people who can be convinced to join using the three incentives described earlier in this chapter (Browne 1990). Therefore, whether more than one group can represent the same interest also depends on the size of the population with that interest, the willingness of people to join more than one group, the financial resources available, and how good each group is at recruitment (Gray and Lowery 1996; 1997). But instead of fighting each other to dominate the interest niche, many group executives try to divide it. They focus their attention on narrower subinterests, which allows them to parcel up the broader interest with other groups and share membership lists for fundraising, though subinterests can become only so small and refined before they are too small to support an interest group (Nownes and Lipinski 2005). So for everyone who cares about conservation generally, the Natural Resources Defense Council can represent those who care about wolves, while others can join the National Audubon Society to protect birds. Dedicated conservationists will join both. Overall, the more intensely people feel about an interest, the more that interest can be divided into subinterests, each represented by a separate interest group. In other words, the number of groups in America depends on the number of intensely felt interests.

The Diversity of Interests

There are many other entities identified in Figure 2.1 I did not discuss, like Native American tribes who lobby. And what about groups lobbying for foreign governments? What about lobbying by foreign governments themselves, or even by overthrown governments-in-exile? While space limits the number of group types I can discuss, some of these other groups are worth mentioning. Although Native Americans are represented by the Bureau of Indian Affairs (BIA) in the Interior Department, it is the kind of representation that leads many to wonder why Native Americans need enemies when they have friends like the BIA. Daniel McCool explains that Native Americans have, for decades, competed with farmers and their well-organized interest groups for federal money to build dams and irrigation systems. The National Irrigation Association and the American Farm Bureau Federation enjoy close relationships with successful dam-building agencies, like the Bureau of Reclamation and the Army Corps of Engineers, which have built dams and canals all over the country. Efforts by the BIA, responsible for helping Native Americans build similar structures, can be summed up in this anonymous quote from a BIA employee: “We began our first irrigation project in 1867 and we’ve never

finished one yet" (McCool 1994, 112). So Native Americans have been forced to learn to advocate on their own, and have done it well, especially for BIA approval of casinos (Hansen and Skopek 2011; Boehmke and Witmer 2011).

Foreign governments are supposed to express their concerns through the State Department, but many also sign up lobbying firms for extra oomph. In 2008, 130 foreign governments hired lobbyists to represent them (Newhouse 2009). Since lobbyists contracted by foreign governments must disclose their work under the **Foreign Agents Registration Act**, we know that in 2008 the most intense lobbying was from Turkey, Libya, and the United Arab Emirates (Narayanswamy, Rosiak, and LaFleur 2009). Sometimes foreign governments shape American policy and opinion in more subtle ways, as seen in efforts by China, India, and Japan to endow centers for the study of their respective cultures on the campuses of American universities (Hrebendar and Thomas 2012). Sometimes it is less subtle and may also involve lobbying through organizations and PACs ostensibly representing sympathetic citizens living in the United States, like Israel's connections to known Washington heavy hitter the American Israeli Public Affairs Committee (Mearsheimer and Walt 2007). The concern, of course, is that regardless of what the specific requests of domestic-oriented interest groups are, there is an expectation that these requests benefit at least *some* Americans, but this may not be the case with foreign governments, or domestic ethnic groups lobbying to aid their "kin states" (Uslaner 2007). It is even murkier when the lobbying is done on behalf of former governments to shape US policy against the governments that overthrew them, as happened in the 1950s, when Tom Corcoran used his lobbying skills to aid Chiang Kai-shek and his government-in-exile in Taiwan against the new Chinese Communist government (Koen 1974; McKean 2004). Examples like these show just how influential foreign governments and the lobbyists they employ can be on American foreign policy.

In Summary

The main points in this chapter are:

- There are more noninterest groups lobbying in Washington than true interest groups, like corporations and hospitals that do not represent anybody but themselves.
- Some people join interest groups because they are offered valuable, tangible benefits that they cannot get anywhere else, while others join

because they feel strongly about political activism and are looking for a way to participate.

- Trade or professional associations only represent people practicing a particular profession, while citizen groups and public interest groups work on political causes that people feel strongly about, though public interest groups advocate on people's behalf rather than have active members.
- While member dues are an important source of funding, many interest groups are highly reliant on financial support from philanthropies and even the government.
- The more intensely people feel about their interest, the more groups will emerge to represent them, but will do so by subdividing the interest into narrower subinterests.

In other words, this chapter shows the many forms that mobilized interests can take.

Interest groups' forms and structures reflect both the kinds of interests that exist in society and the motivations behind joining a group. Studying the inner workings of these groups also shows us that there are different pathways to influence. Citizen groups can rely on their passion-driven members to provide grassroots advocacy; trade associations (whose members often lack this passion) employ quiet, personal lobbying; and memberless public interest groups rely on research and persuasive arguments. Tactics are therefore a consequence of organizational design and member or patron motivations, which I discuss in more detail in the second half of this book. But before I do that, I discuss in Chapter 3 how new interest groups are sometimes the product of major social changes in American society, and I look at how leaders interface with their members in Chapter 4.

Notes

1. See "About AAA," American Automobile Association, 2013, <http://newsroom.aaa.com/about-aaa/>.

2. I did much of the early data analysis for the Congressional Management Foundation for a project called Citizen Communication with Congress, and I worked on a couple of its reports. The report by Goldschmidt and Ochreiter (2008) is the one most pertinent to the data reported in this chapter and Chapter 4.

3. Much of the information in this subsection comes from my personal experience working for the National Association of Counties for four years.