I. Chapter Overview

A. Learning Objectives

- 16.1 Trace the roots of the American interest group system
- 16.2 Describe the historical development of American interest groups
- 16.3 Identify several strategies and tactics used by organized interests
- 16.4 Analyze the factors that make an interest group successful
- 16.5 Explain reform efforts geared toward regulating interest groups and lobbyists

B. Chapter Summary

Traditionally, interest groups have been thought of as a way for citizens to access the government through “strength in numbers.” They have also been conceptualized as filling the void left by the failing political parties. In the last decade, political scientists have started to look at interest groups as supports for democracy in terms of contributing to social capital but many Americans have negative views on interest groups and lobbyists, especially after the Abramoff scandals. Finally, in 2007, Congress passed extensive lobbying reforms aimed at ending expensive dinners, drinks, honoraria, and gifts to members of Congress. So what are interest groups? Are lobbyists good, bad or indifferent to the political process? Has the ethics reform worked to curb unethical practices?

The Roots of the American Interest Group System

There are a number of definitions of an interest group in your text as well as a number of aliases—pressure groups, lobby groups, special interests, etc. Some of the definitions point out the function of interest groups (to influence public policy), others point out what interest groups are not (political parties—they run candidates, while interest groups influence government), or focus on membership (shared interests or attitudes).

Theories of Interest Group Formation

Political scientists tend to talk about interest groups in a variety of ways: how they form (Truman and disturbance theory), how many issues they deal with (multi vs. single), or as types (economic, public, governmental). Pluralist theorists argue the groups form among a widely diverse and competing groups and when there is a disturbance in the political sphere more groups arise. Then transactionist theory argues that it is not rational for people to organize into groups and so groups that do form are by and for the elite. Interest groups have been around at least since the founding of this country. James Madison, in Federalist No. 10, warned of the “mischief of faction” and argued that the best way to control it was through the proliferation of groups, so that no one group could get hegemony over the other groups.
Kinds of Organized Interests

Public Interest Groups

Public interest groups are those organizations whose activities benefit society as a whole. They do not agitate for their members alone but for the public. Environmental, civil liberties, good government groups like Common Cause, peace groups, and advocates for children, the mentally ill or animals are all public interest groups. Though partisan, MoveOn.org is also a public interest group as it seeks collective not selective benefits.

Economic Interest Groups

Most groups have some economic interests but economic interest groups are those whose primary purpose is to advance the economic interests of their members. Business groups, trade unions, and organizations representing farmers are prime examples.

Governmental Units

State and local governments also lobby and form interest groups. They lobby the national government and charitable foundations for money for their programs. Most states have lobbyists in Washington whose job it is to help congressional representatives ‘bring home the bacon’.

Political Action Committees

In 1974, the Federal Election Campaign Act made it legal for corporations, labor unions, and interest groups to donate money to campaigns through political action committees. A PAC is a political arm of an organization that can legally raise money from voluntary donations of the membership of that organization and then donate it to political campaigns/candidates. PACs do not have formal memberships but seek to influence public policy by donating money.

The Development of American Interest Groups

National Groups Emerge (1830–89)

It was not until the 1830s that the first national groups began to form. Many were single-issue groups deeply rooted in Christian revivalism and concerned with issues such as temperance (anti-alcohol), peace, education, and slavery. After the Civil War, more groups were founded such as the Women’s Christian Temperance Union and the Grange (an educational society for farmers).

The railroad was a particularly effective interest group. The Central Pacific Railroad sent a lobbyist to Washington, who ended up becoming the clerk of the committees in both houses of Congress that were supposed to regulate the railroad industry. They proceeded to receive vast land grants from Congress and large subsidized loans. Other business interests were also on the rise, including Standard Oil.

The Progressive Era (1890–1920)

Rapid industrialization and high immigration had created a host of problems by the 1890s, including crime, poverty, unsafe working conditions, corruption, and high prices due to
monopolistic business practices. The political and social movement that grew up to combat these problems was the Progressive Movement.

The Progressive’s desire to reform led to a proliferation of interest group formation including trade, labor, and the first public interest group. In response to this pressure, the government began to regulate business. Business organized to oppose regulation and the labor unions jumped into the fray as well.

**Organized Labor**

In 1886, the American Federation of Labor (AFL) became the first national union bringing skilled workers from several trades together into one stronger national organization. They were quite effective in winning higher wages.

Businesses began to push back. Business interests argued for “open shop” laws outlawing unions, and the AFL became increasingly politicized to fight these attempts. In 1914, after massive AFL lobbying, Congress passed the Clayton Act, allowing unions to organize free from prosecution and guaranteed the right to strike.

**Business Groups and Trade Associations**

The National Association of Manufacturers (NAM) was founded in 1895 in response to the growing power of organized labor. NAM lobbied heavily for business rights and tariff protection, often lavishing money on members of Congress. In 1912, they were joined by the Chamber of Commerce and, shortly thereafter, by other trade associations such as cotton manufacturers.

In 1928, business lobbying had gone too far. The Senate requested that the Federal Trade Commission begin a massive investigation of lobbying tactics among business interests.

**The Rise of the Interest Group State**

The next big explosion of new group formation began in the 1960s and continued into the 1970s. The rise of public interest groups during these years was reminiscent of the Progressive Era. The new groups were devoted to the interests of blacks, women, the elderly, the poor, and consumers, as well as the environment. These groups were strongly influenced by the Civil Rights Movement, the Vietnam War and the movements opposed to it. Other groups formed long ago, like the NAACP and the ACLU, found new vigor. Foundations like the Ford Foundation funded groups liberally. Among the most influential of the public interest groups formed at this time were Common Cause and Public Citizen, the latter formed by Ralph Nader.

**Conservative Response: Religious and Ideological Groups**

The growth and success of public interest groups, civil rights organizations, and women’s rights movements in the 1960s and 1970s led to a conservative backlash in the late 1970s and 1980s. Religious and ideological conservatives became a potent force in U.S. politics, with the founding of the Moral Majority by Jerry Falwell in 1978. This group was widely credited with helping Ronald Reagan win the presidency. In 1990, Pat Robertson, of the TV program *The 700 Club*, formed a new group called the Christian Coalition. Religious conservatives accounted for one-third of votes cast in the 1994 elections. Following IRS troubles in the 1990s, the Christian Coalition had its tax-exempt status revoked and the group began to restructure as a for-profit entity, with a smaller
nonprofit affiliate. The religious right continues to pressure Congress and others in power for bans on abortions, repeal of the marriage penalty, and a constitutional amendment allowing prayer in schools. The National Rifle Association and Focus on the Family are other conservative groups that have made substantial contributions or had influence in politics.

This leaves a quandary for the Republican Party. The religious right can really deliver votes, but they turn off moderate Republicans and business groups who donate most of the money for campaigns.

**Business Groups, Corporations, and Associations**
Business and other groups also rallied in the 1970s and 1980s. In 1972, they created the Business Roundtable to encourage business leaders to directly lobby government officials. Most large corporations have their own lobbyists in Washington, DC and give huge sums to favored politicians.

**Organized Labor**
The political clout of organized labor has been falling since its heyday (the late 1950s, after the merger of the AFL and the CIO). Union membership has been falling for decades as the economy has been shifting from industry to service, and now high-tech. In 1997, only 13.9 percent of workers were unionized.

In 2005, labor was further weakened when three of the largest member unions withdrew from the AFL-CIO. There were also strong disagreements about how the unions were spending money. It should also be noted that 84 percent of union members live in only 12 states. By 2007, only 12.1 percent of workers were in unions.

**What Do Interest Groups Do?**
As an example of what interest groups do, let’s take the 1993 health care reform proposal put forward by President Clinton. More than $100 million was spent in campaign contributions, television ads, expense paid trips for lawmakers on both sides, and more. Campaign contributions alone were over $25 million and over $8.2 million of that went to members of the five committees, most likely to have jurisdiction over the legislation. Six hundred and fifty health-related groups made contributions. The AMA sponsored 55 trips to sunny spots where lawmakers addressed groups, played golf, and sunned themselves. At least 80 former executive and legislative branch officials went to work for health interests at this time. But this is an extreme example.

Interest groups also do a lot of good. And some groups with little political clout and little money have made a huge difference, like the NAACP for example. Interest groups allow individuals to gather together to multiply their political power. A congressman may not meet with you as an individual, but they will meet with a representative of an association with 800,000 members! Banding together promotes common interests.

The downside is that most interest groups make claims without regard to broader interests or the effects of their demands on other groups or individuals. This selfishness is not positive for society as a whole and can lead to increased costs on programs or efforts that don’t benefit everyone.
Lobbying
The most common and effective interest group technique is lobbying, or seeking to influence and persuade others to support your group’s position. Lobbyists are hired by universities, businesses, foreign countries, trade associations and anyone else wanting their voice heard on the Hill.

Lobbying Congress
The most popular ways to lobby include:

- testifying at legislative hearings
- talking directly to government officials
- helping to draft legislation
- alerting state legislators of a bill’s effects on their districts
- having influential constituents contact a legislator’s office
- mounting grassroots campaigns
- writing letters
- donating money
- litigating
- endorsing candidates and more.

However, a lobbyist cannot lie or misrepresent the truth if he/she wants to remain effective. Access to lawmakers is critical, and if you earn the reputation of being untruthful or disingenuous, doors will close all over Washington, DC. Of course, lobbyists put their group’s position in a favorable light, but good lobbyists will also make lawmakers aware of the downsides of a bill and the arguments on that side as well.

The Federal Regulation of Lobbying Act in 1946 was the first attempt to regulate lobbying. The Act required lobbyists to register as a lobbyist and file quarterly financial reports. But, few did. Public opinion polls continued to show that Americans think Congress is often “bought,” so in 1995, Congress passed the Lobbying Disclosure Act. Lobbyists (those who spend over 20 percent of their time in lobbying activities) are required to register with the Clerk of the House or the Secretary of the Senate, report their clients and the agency or house they lobbied, and estimate the amount they were paid by each client. In 1998, 14,000 lobbying groups were registered in Washington, D.C.

Lobbying the Executive Branch
In the executive branch, lobbyists work closely with the administration to try to influence policy at the formulation and implementation stages of the process. There are many points of access in the executive from the White House to the agencies and beyond. Especially strong links exist between interest groups and regulatory agencies. Groups monitor and report on laws and the expertise of the lobbyists is often needed by various agencies as well.

Lobbying the Courts
Many court cases are either sponsored by an interest group, or an interest group will submit a friend of the court brief to lobby the courts. Interest groups also attempt to influence judicial appointments, aiming for judges who might be sympathetic to their issues.
Grassroots Lobbying
Interest groups also mobilize individuals at a grassroots level through door-to-door campaigns or petition drives. Fax campaigns and Internet lobbying are also becoming popular. The goal is to get constituents to argue their case for them. They are often quite influential.

The Civil Rights Movement used nonviolent protest to excellent effect, and others have used more violent forms of protest to draw attention to problems. This has been an American tradition since the Boston Tea Party.

Protests and Radical Activism
When normal protest activities fail to achieve goals, some groups resort to radical tactics. From Revolutionary times and the Sons of Liberty, Americans have experienced radical protests.

Election Activities
Interest groups can also have an effect by electioneering such as:
- recruiting candidates
- endorsements
- rating the candidates or office holders
- creating political parties
- get out the vote campaigns
- giving money and
- creating political parties.

Since the 1970s, most interest groups have formed PACs. A PAC is a political arm for a business, labor, trade, professional, or other group legally authorized to raise funds on a voluntary basis from employees or members, for contribution to a party or candidate. PAC money plays a significant role in campaigns.

What Makes an Interest Group Successful?
Groups often claim credit for “winning” legislation, court cases, or elections. But in general, three things tend to lead to interest group success:

Leaders and Patrons: Having a prominent leader, who also finances your group, aids the reputation of the group and enhances a group’s ability to attain its goals.

Funding: Funding is critical. If a group does not have money, it is hard to get their message out.

Members: A group must have members to be successful. The whole purpose of organizing is strength in numbers...so a group needs numbers!

Toward Reform: Regulating Interest Groups and Lobbyists

Until 1995 there was little effort to regulate lobbying but when the public came to believe that members of Congress were being bought by lobbyists efforts changed. The 1995 Lobbying Disclosure Act required lobbyists to register and provide information on who gave them money and where the money was going. In 2007 Congress went further and prohibited personal gifts of money or services to members of Congress by private lobbyists. While lobbying restrictions

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from the 1995 Act do not apply to the employees of the executive branch, they are governed under the Ethics in Government Act of 1978 which limits lobbying after employment for two years.

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