

Interest Groups in the American Democracy

Part II

Who is in charge?
Is it taxpayers or is it the special interest groups?
Scott Walker





What Do Interest Groups Do?

- There are many ways that interest groups can influence government.
 - lobbying
 - electioneering
 - political action committees
 - litigation
 - grassroots lobbying
 - persuading the public: direct mail, etc
 - direct action
- These interest group activities can be divided into two broad categories: the **inside game** and the **outside game**.





What Do Interest Groups Do? The Inside Game

- ...one-on-one contact between interest group representatives and government officials ... **lobbying** Congress, the executive branch and the courts
- used by **insiders**, members of the old-boy network
 - Successful interest group representatives are often retired members of the House, Senate and bureaucracy.
- **Works best when:**
 - issues are narrow and technical, specific rather than general
 - issues do not command much media attention
 - issues do not stir up counter-actions by other interest groups



What Do Interest Groups Do? The Outside Game

- ...indirect form of influence that involves interest group efforts to mobilize public opinion, voters and important contributors.
- evidence of increased importance compared to inside lobbying (though inside lobbying still tends to be more directly effective)
- mobilizing membership
- organizing the district
- shaping public opinion
- involvement in campaigns and elections





What Do Interest Groups Do? Lobbying

- ...the activities of a group or organization that seeks to influence legislation and persuade political leaders to support the group's position
- Lobbying, under federal tax law, is a specifically defined activity. Just having a conversation with a legislator is not automatically lobbying.
- There are two different types of lobbying: direct lobbying and grassroots lobbying.
 - Direct lobbying is defined as any communication with a legislator that expresses a view about specific legislation.
 - may draft bills, testify before congressional committees, meet with elected officials and present their cases, provide information, etc



What Do Interest Groups Do? Lobbying

- lobbyist: someone who engages in lobbying
 - full-time and part-time
 - hired gun with contacts and expertise for a price
 - others affiliated with particular party
 - staff lobbyist
 - Leaders of organizations often do double-duty as lobbyists.





What Do Interest Groups Do? Lobbying

- Grassroots lobbying is defined as any communication with the general public that expresses a view about specific legislation *and* includes a call to action. A call to action refers to four very specific ways the organization can ask the public to respond to its message: (1) asking the public to contact their legislators or their staff, (2) providing contact information for those legislators, (3) providing a mechanism to contact legislators such as a tear-off postcard, petition, letter or e-mail link to send a message directly to the legislators or (4) listing the recipient's legislator, the names of legislators voting on a bill, or those undecided or opposed to an organization's view on the legislation.
- [How Corporate Lobbyists Conquered American Democracy](#)



What Do Interest Groups Do? Lobbying Techniques

Technique	STATE-BASED GROUPS		WASHINGTON, D.C.-BASED GROUPS (n = 175)
	Lobbyists (n = 595)	Organizations (n = 301)	
1. Testifying at legislative hearings	98	99	99
2. Contacting government officials directly to present point of view	98	97	98
3. Helping to draft legislation	96	88	85
4. Alerting state legislators to the effects of a bill on their districts	96	94	75
5. Having influential constituents contact legislator's office	94	92	80
6. Consulting with government officials to plan legislative strategy	88	84	85
7. Attempting to shape implementation of policies	88	85	89
8. Mounting grassroots lobbying efforts	88	86	80
9. Helping to draft regulations, rules, or guidelines	84	81	78
10. Raising new issues and calling attention to previously ignored problems	85	83	84
11. Engaging in informal contacts with officials	83	81	95
12. Inspiring letter-writing or telegram campaigns	82	83	84
13. Entering into coalitions with other groups	79	93	90
14. Talking to media	73	74	86
15. Serving on advisory commissions and boards	58	76	76
16. Making monetary contributions to candidates	—	45	58
17. Attempting to influence appointment to public office	44	42	53
18. Doing favors for officials who need assistance	41	36	56
19. Filing suit or otherwise engaging in litigation	36	40	72
20. Working on election campaigns	—	29	24
21. Endorsing candidates	—	24	22
22. Running advertisements in media about position	18	21	31
23. Engaging in protests or demonstrations	13	21	20



What Do Interest Groups Do? Lobbying Congress

- Members of Congress are the primary targets of lobbyists.
- Many lobbyists are former members.
 - Former Senators Bob Dole (R-KS) and Robert Mitchell (D-ME) earn well over a million dollars a year as Washington lobbyists.
- Lobbyists try to develop close relationships with members to gain access to the process of policy making.
 - Information is critical.



What Do Interest Groups Do? Lobbying Congress

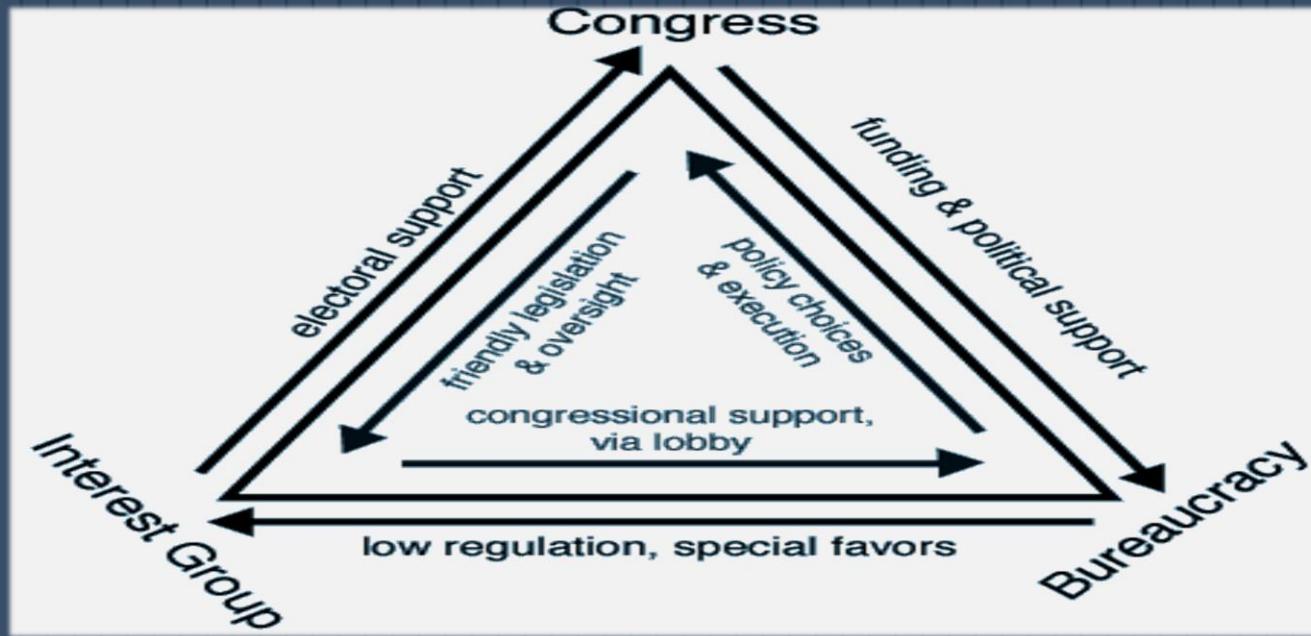
- Lobbyists also work most closely with representatives who are their friends.
 - revolving door: shuffles former federal employees, including elected officials, into jobs as lobbyists, consultants and strategists just as the door pulls former hired guns into government careers
 - subgovernments/iron triangles: implies that government policy is largely made by well-defined networks of legislators, government bureaucrats and private sector interests internally tied together by specific policy matters



The image of a revolving door has been used to describe the relationship between federal employees and lobbyists.



What Do Interest Groups Do? Iron Triangles

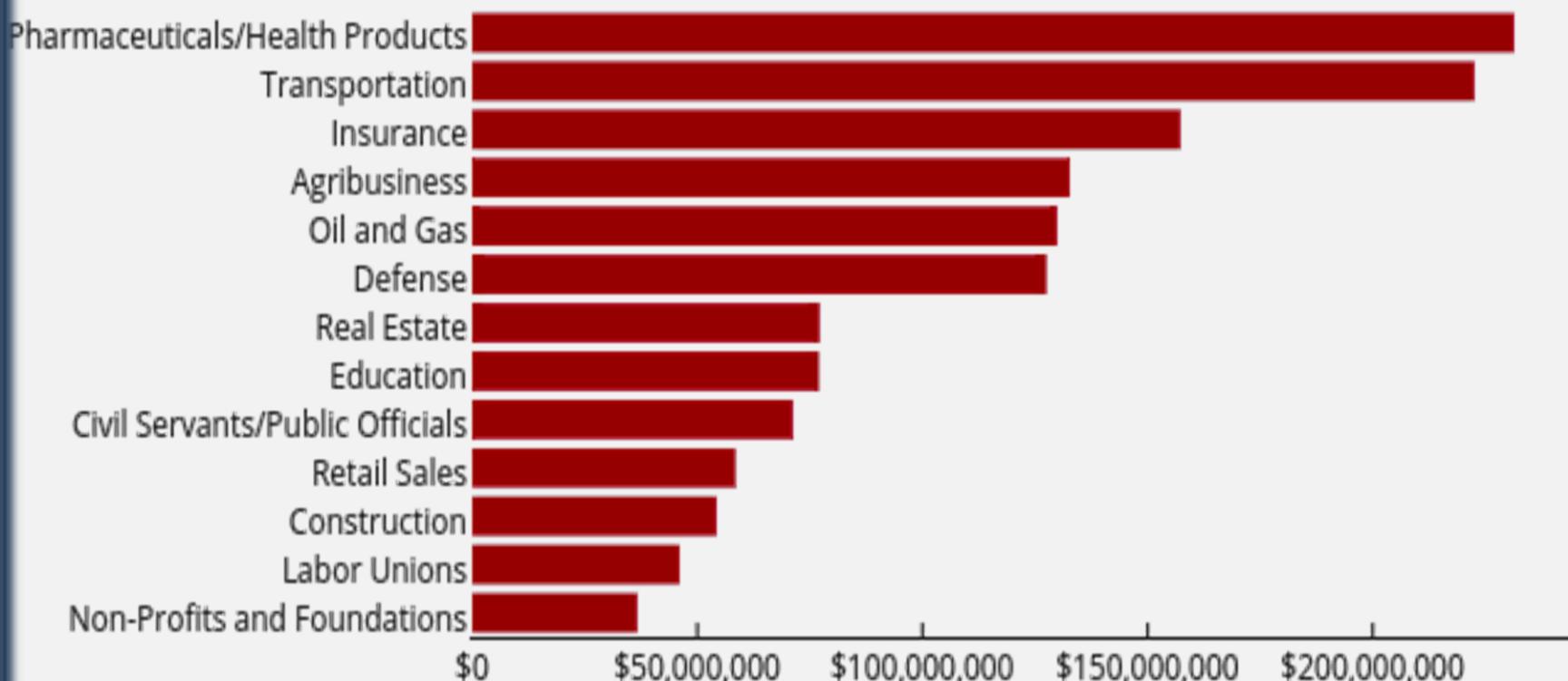


An iron triangle, also known as a subgovernment or power elite, is an understanding between Congress, bureaucratic agencies and interest groups, focused on the benefits of a select group of individuals rather than the larger population of the country. This system monopolizes the policy making process. Interest groups aid Congress with useful statistics, information, political support and funding. In return, Congress passes laws and policies beneficial to those groups. Agencies help Congress pass those laws and gain favorable remarks and testimonials in regard to their services. Thus, all elements of the triangle keep the others happy.

Federal Lobbying Spending by Industry, 2015



2015 Federal Lobbying by Industry



NOTE: Totals shown for select industries

SOURCE: Center for Responsive Politics



What Do Interest Groups Do? Relationships with Policymakers

hierarchy of relationships between interest groups and policymakers

- interest group makes policy ... This is uncommon.
- group maintains close political relations with policymakers ... more common
- group has an unchallengeable veto status over some governmental decisions ... for example over a presidential appointment
- group receives some attention from policymakers but mainly has a pressure relationship with them
- group has only a potential reprisal relationship with policymakers ... it can threaten to oppose a member of Congress at the next election
- group is left to agitate and resist ... its public demonstrations usually signify its inability to achieve its objectives by less visible means ... at bottom of ladder, rejected by policymakers



What Do Interest Groups Do? Lobbying Congress

- Two major reasons that lobbyists are considered harmful to the American government:
 - They operate in such a manner as to actively subvert the best interests of the governing process by garnering favors, contributing money and maintaining a constant in-person communication with legislators in order to ensure that their clients receive more favorable legislation without regard to the overall effects on the country.
 - Due to their constant communication and ability to easily gain access to legislators, lobbyists have a more powerful presence than the average American citizen and are able to sway legislators' minds more effectively than that citizen.



Congressional Lobbying Reform: Current Situation



- recent years: overall spending on lobbying decreased, fewer and fewer lobbyists registered, more and more registered lobbyists deregistered
- 2013: \$3.2B declared and 12,281 registered (both much lower than previous years)
- reality: conservatively more likely over \$9B and 100,000 lobbyists, most unregistered
- Why the difference?
 - Obama issued executive order stating that registered lobbyists would not be welcome in his administration.
 - LDA revision (See following slides.)



Congressional Lobbying Reform: Current Situation

Fewer Lobbyists, But Spending Still High

Spending on lobbying peaked in 2010 at \$3.6 billion, while the number of registered lobbyists fell by 17 percent between 2007 and 2013. But according to the Sunlight Foundation watchdog group, the spending figures do not reflect fees paid to "shadow lobbyists" — advisers hired to influence policy but not required to disclose their fees or clients. When they are included, the total spent on lobbying may have been as high as \$6.7 billion in 2012, the group estimated.



Source: "Lobbying Database," Center for Responsive Politics, <http://tinyurl.com/cbyu433>; also see Tim LaPira, "How much lobbying is there in Washington?" Sunlight Foundation (blog), Nov. 25, 2013, <http://tinyurl.com/mzkgm3f>

Congressional Lobbying Reform: Lobbying Legislation

- Federal Regulation of Lobbying Act 1946: applied only to those seeking direct communication with lawmakers, only organizations hired principally to influence legislation had to register, lacked clear enforcement mechanism
- Lobbying Disclosure Act (LDA) 1995, Revised 2007:
 - employs a strict definition of lobbyist: an individual who (1) earns at least \$2,500 from lobbying over a three-month period, (2) has more than one lobbying contact for his services and (3) spends at least 20% of his time during a three-month period making lobbying contacts (Daschle Loophole) ... If a lobbyist can argue that one of these statements doesn't apply, he is not required to register.
 - Considered lobbyist under the law only if he/she advocates on behalf of a certain position on legislation, not if simply "gathering information."



Congressional Lobbying Reform: Lobbying Legislation



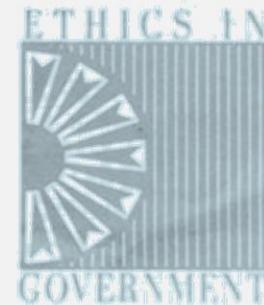
- Lobbying Disclosure Act 1995, Revised 2007:
 - Requires lobbyists to register with the clerk of the House and the secretary of the Senate, report their clients and issues and the agency or house they lobbied, estimate the amount they are paid by each client.
 - “If you’re not registered to lobby, you must not be a lobbyist.”
 - Easier for watchdog groups to track lobbying activity, know who is attempting to influence the laws and regulations that govern us.
 - Doesn’t apply to grassroots lobbying.
 - Even though Congress added criminal penalties for failing to disclose lobbying activities, there has not been one single case of criminal charges filed under the law.

Congressional Lobbying Reform: The Ethics in Government Act (1978)

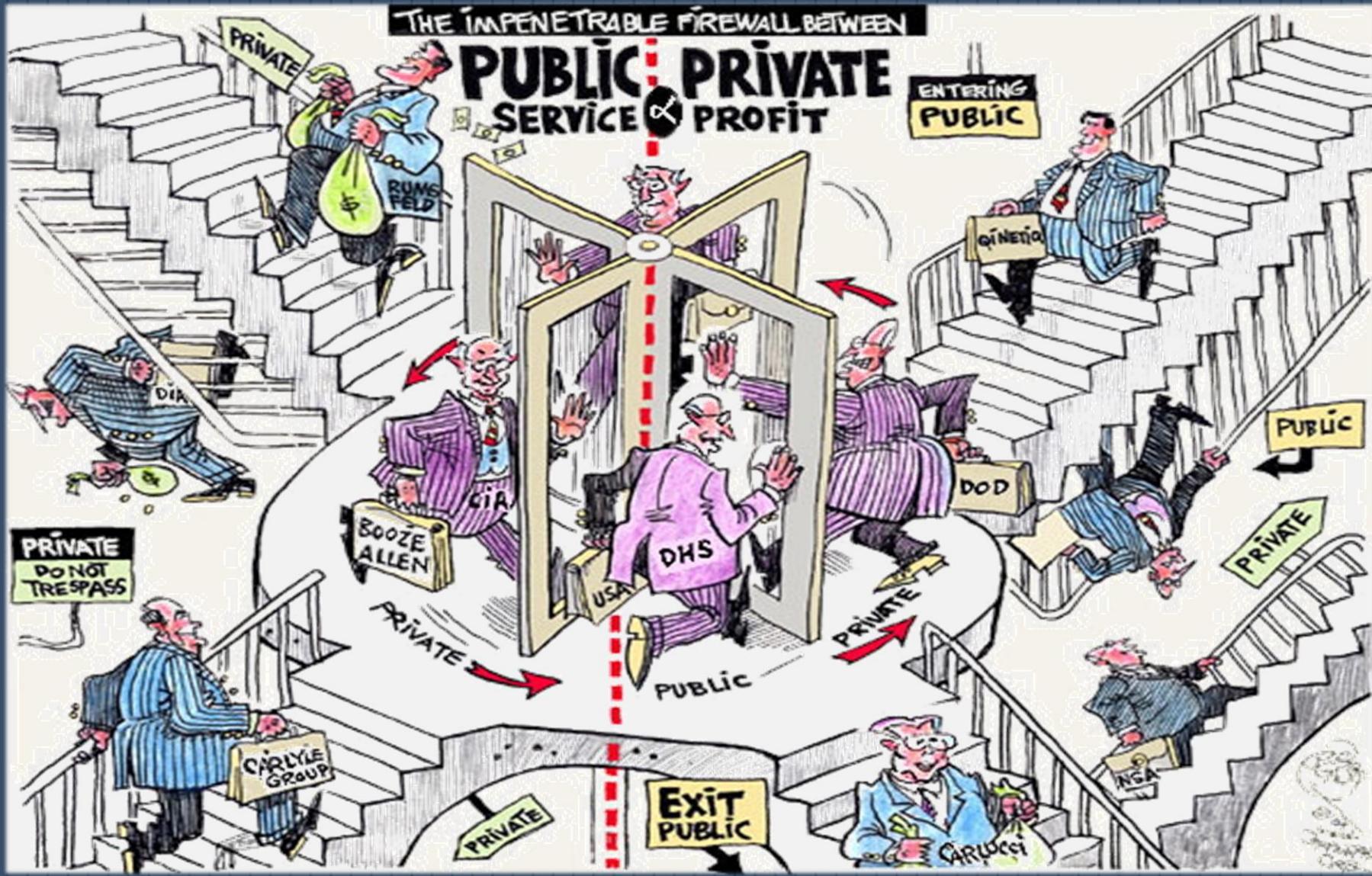


The goal was to interrupt the iron triangle system ...
not very successful.

- ▶ Broadened rules governing conflicts of interest among senior members of the executive branch
- ▶ President, VP, GS-16 and above must file
 - ▶ Public financial disclosure report each year
 - ▶ Indicating source and amount of income
- ▶ Former executive branch employees may NOT
 - ▶ Represent anyone before former agencies in connection with any matter that the employee was involved in
 - ▶ Appear before an agency for two years after leaving government on matters that were within their responsibility
 - ▶ Represent anyone on any matter before their former agency for one year after leaving government



Congressional Lobbying Reform





Congressional Lobbying Reform: Consequences

- Many then-current lobbyists deregistered.
- rather than lobbyists, now have government relations, government affairs, public affairs, policy advisor, strategic consultants
- rather than lobbying, now gathering information
- rather than lobbying firms, now have PR firms, law firms, think tanks, research institutes
- The American League of Lobbyists, a professional association for the industry, changed its name to the Association of Government Relations Professionals.

Congressional Lobbying Reform: Consequences



- astro turfing: artificial grassroots movement, it may look like the real thing, but it is orchestrated and directed by political and corporate economic campaigns
- The “business value at stake from government and regulatory intervention” is about 30% of earnings for companies in most sectors. Simply put, government policies can mean a difference of billions of dollars for major companies ... spending on politics offers a huge payoff.

Taxes Paid, and Lobbying Expenses, in Millions (2008-2010)

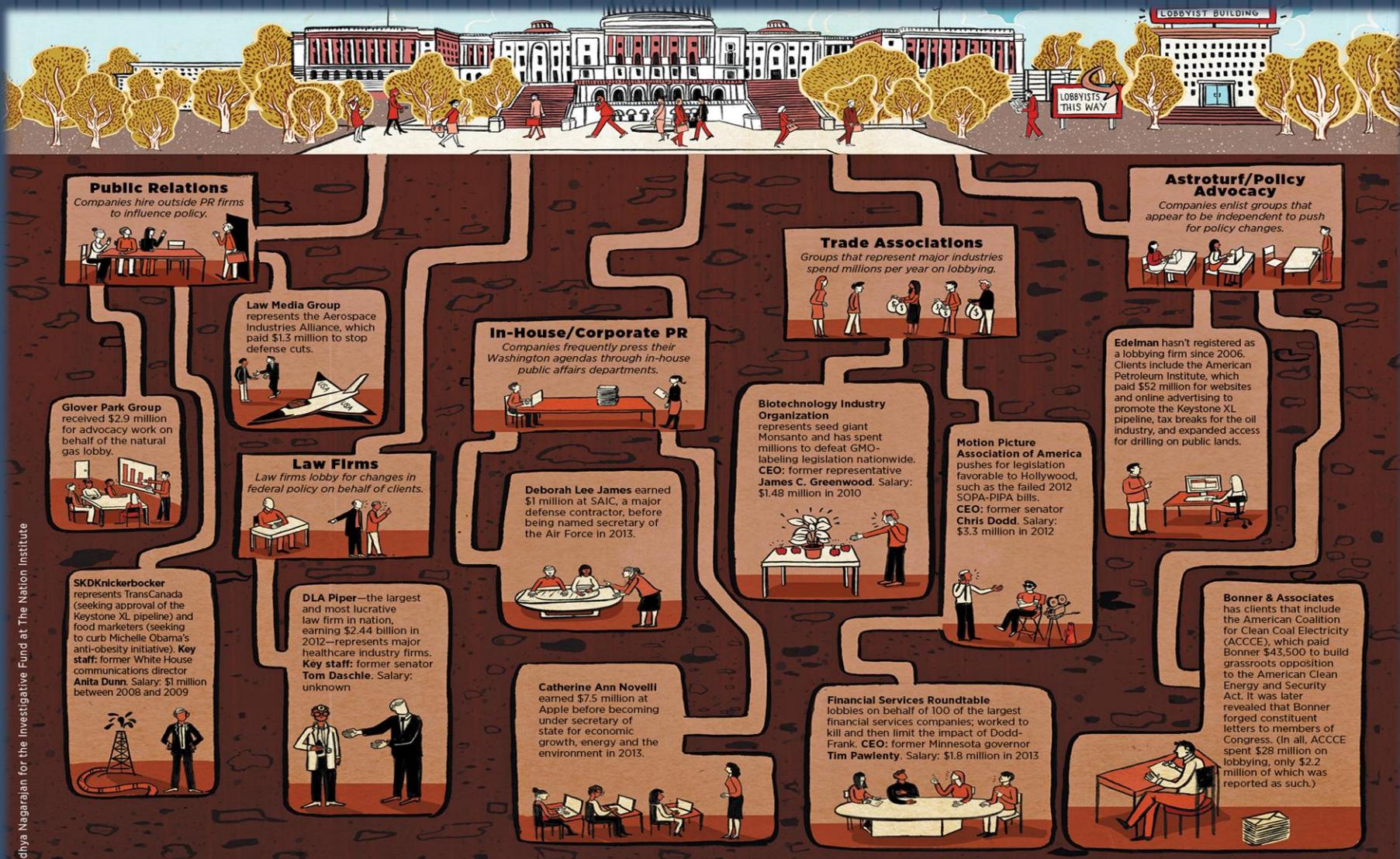
Company	U.S. Profits	Taxes Paid	Lobbying
General Electric	\$10,460	-\$4,737	\$84.35
PG&E Corp.	\$4,855	-\$1,027	\$78.99
Verizon Communications	\$32,518	-\$951	\$52.34
Wells Fargo	\$49,370	-\$681	\$11.04
American Electric Power	\$5,899	-\$545	\$28.85
Pepco Holdings	\$882	-\$508	\$3.76
Computer Sciences	\$1,666	-\$305	\$4.39
CenterPoint Energy	\$1,931	-\$284	\$2.65
NiSource	\$1,385	-\$227	\$1.83
Duke Energy	\$5,475	-\$216	\$17.47

Congressional Lobbying Reform: Consequences



- Department of Justice does not have the time, resources or political will, to really pursue any of these cases. As a result, the American people are increasingly left in the dark about who's calling the shots in their government.
- stipulations: limits on soft money contributions
- consequences: enhanced role of PACs, 527s
- Overall, it's clear that there's a very serious disparity between the resources available to business and those available to, well, everyone else.
- The result of Congressional lobbying reform has been more lobbyists and lobbying money than ever before in what is now being called the Shadow Lobbying Complex.

Congressional Lobbying Reform: The Shadow Lobbying Complex



Congressional Lobbying Reform: Next Step



- Many worry that Congressional reforms haven't yet gotten to the heart of the problem. Indeed, as we've seen, the latest reforms may have worsened the problem.
- Some political scientists have suggested that we focus our efforts on strengthening institutions of majoritarian democracy, such as political parties and the presidency, as a way to offset the power of lobbies.



What Do Interest Groups Do? Lobbying the Executive Branch

- As the scope of federal government has expanded, so has lobbying of the executive branch.
 - many potential access points
 - Lobbyists seek influence at the policy formation and policy implementation stages.
 - An especially strong link exists between interest groups and regulatory agencies ...
regulatory capture: special interests co-opt policymakers or political bodies, regulatory agencies in particular, to further their own ends ...
client politics: most or all of the benefits of a program go to some single, reasonably small interest, industry, profession, locality but most or all of the costs will be borne by a large number of people (for example, all taxpayers)



What Do Interest Groups Do? Lobbying the Courts



- Lobbying the courts can take two forms.
 - litigation / direct sponsorship / test cases: involves carrying out a legal strategy to utilize court decisions to support the interests group's goals ... example: Civil Rights Movement carefully selected cases to litigate that eventually led to landmark decisions that helped end segregation.
 - filing *amicus curiae* briefs: briefs that inform the court of the group's policy preferences, generally in the guise of legal arguments, intended to influence litigation outcome
- Interest groups also attempt to influence who is nominated and placed on the bench through electioneering.



What Do Interest Groups Do? Grassroots Lobbying

- ...a form of interest group activity that attempts to involve individuals who contact their representatives directly in an effort to influence policy, efforts by groups and associations to influence elected officials indirectly by arousing their constituents
- persuading ordinary voters to act as the group's advocates
- new innovation: **grass-tops lobbying**
 - An interest group makes an ad featuring a prominent local personality (someone who is a key supporter of a member of Congress) then plays the ad in the member's district.
 - The assumption is that key supporters of the congressional member are on the interest group's side. Key supporters may be more influential than regular voters.



What Do Interest Groups Do? Persuading the Public

- overlaps a bit with grassroots lobbying
- focus primarily on issue advocacy
 - advertising campaigns that attempt to influence public opinion on an issue
 - communication with citizens even when no specific legislation or regulation is at issue
- Direct mail is another tool interest groups use.
 - computer-generated letters, faxes, emails and other communications to people who might be sympathetic to an appeal for money or support
 - generating media coverage for the group and its agenda
 - petitions and letter writing campaigns
 - public demonstrations





What Do Interest Groups Do? Reported Acts Designed to Influence Policy Makers, Annual

Political Activity	Total
<i>Direct Contact</i>	
phone, wrote or visited a public official	22
<i>Joining/Attending</i>	
attended a meeting about community or schools	30
belonged to an organization other than local church or synagogue	43
participated in a march or protest	3
<i>Contributing</i>	
contributed money to a candidate	7
contributed money to a political party	8
contributed money to any other group	7
contributed to church or charity	75



Continued in
Interest Groups in the
American Democracy Part III