Synopsis of Interest Group Thoery

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Interest group formation and maintenance

A discussion of interest groups formation is difficult without referring to James Madison's writings in *Federalist 10*. He wrote that factions, whether representative of a minority or majority of the whole, unite around an interest (Cigler & Loomis, 2002). Madison worried that elites would become too powerful an interest, even take over the government, and assessed ways to avoid too much power in the hands of a few. In *Federalist 10*, he stated:

"There are two methods of curing the mischiefs of faction: the one, by removing its causes; the other, by controlling its effects. There are again two methods of removing the causes of faction: the one, by destroying the liberty which is essential to its existence; the other, by giving to every citizen the same opinions, the same passions, and the same interests."

Madison bases his solution around the checks and balances inherent in U.S. democracy by providing competition between interests, setting up a system allowing all interests into the policymaking schema, and therefore creating an environment whereby government supports factions (pluralism) (1787). This competition between factions allows government to choose between varying interests for the best policy actions. Redford and Martin, in Micropolitics and Subsystem Politics, indicate that "even minimal regard for the equalitarian tenet of democratic morality requires decisions regarding interests be made with consideration of their effects on related or competing interests and on the diffused interests of the community as a whole" (1985). This prevents favoritism to the certain few. Government also needs interests to take the role of advocate as well as the role of watchdog over government agencies, as well as a check on each other – interest group to interest group (Maxwell, et. al., 2000). Theodore Lowi further defines pluralism but uses the term 'liberalism' when referring to factions that have many points of expanding access to all levels of government as well as the growth and multiplication of faction interests (1969).

David Truman's theory of interest group liberalism asserts that lobbies form around factions and changed interests, such as new regulations, policy failure, or unfunded mandates. He pits one group against the other and suggests that as interests divide, new groups form. Truman further indicates that groups form to advance their economic interest. Specifically, where private interests form, they "engage in collective action" or individuals create a groups that acts collectively or together toward a goal (Browne, 2002). Truman's bases his theory on pluralism where interest groups are central participants in policymaking, particularly as society and government "decentralization, complexity, disequilibrium, disruption, and specialization" occur and interest groups form and expand (Cigler & Loomis, 2002; Browne, 2002). According to Cigler and Loomis (2002), as government changes, competing interest groups provide a stabilizing effect on government, or "continuity in a changing political world". Competition between groups decreases the likelihood of domination by elites within the system, as groups act as proxies for individual interests (Madison, 1787; Greenwald, 1977). Even James Madison could see how factions might increase due to economics. By the time the Civil War was over, the specialization, complexity and expansion of technology in society rose, creating such interests as railroads and farmers forming groups competing against each other – one monopolistic and the other asking government to provide limits on transportation prices. These economic factors, as well as advancing technology, the state of the economy, national defense, civil rights, labor and other emerging interests in the following years, created a need for increased legislation. Regulation over business/industry practices increases the complexity of government itself due to the formation of commissions, agencies, and additional regulation (Cigler & Loomis, 2002). According to Truman, change occurs over time depending on activating factors, it is not continuous, and relies on whether the interest needs to protect or defend due to a threat in their position at the time. New groups emerge to combat previously developed groups interests due to a particular cause or changes in society itself, often due to an inequality between ideals. These groups ebb and flow as issues come to the fore – some groups having more power during one period than another. Some groups (particularly single issue groups) may dissolve after their issue is resolved, or move on to encompass other issues. Maintenance of these organizations is seemingly dependent on these variables.

Mancur Olson's economic model contends that Truman's theory is limiting and does not consider the proclivities of the individual and the "logic of collective action" (Cigler & Loomis, 2002). James Madison's wrote eloquently about individual proclivities, actions, and factions forming in *Federalist 10*:

"The latent causes of faction are thus sown in the nature of man; and we see them everywhere brought into different degrees of activity, according to the different circumstances of civil society. A zeal for different opinions concerning religion, concerning government, and many other points, as well of speculation as of practice; an attachment to different leaders ambitiously contending for pre-eminence and power; or to persons of other descriptions whose fortunes have been interesting to the human passions, have, in turn, divided mankind into parties, inflamed them with mutual animosity, and rendered them much more disposed to vex and oppress each other than to co-operate for their common good. So strong is this propensity of mankind to fall into mutual animosities, that where no substantial occasion presents itself, the most frivolous and fanciful distinctions have been sufficient to kindle their unfriendly passions and excite their most violent conflicts. But the most common and durable source of factions has been the various and unequal distribution of property. Those who hold and those who are without property have ever formed distinct interests in society. Those who are creditors, and those who are debtors, fall under a like discrimination. A landed interest, a manufacturing interest, a mercantile interest, a moneyed interest, with many lesser interests, grow up of necessity in civilized nations, and divide them into different classes, actuated by different sentiments and views. The regulation of these various and interfering interests forms the principal task of modern legislation, and involves the spirit of party and faction in the necessary and ordinary operations of the government."

Madison's contentions support the ideal of why factions form, yet Olson's theory indicates that there is a free-rider dilemma inherent in interest group formation and maintenance. According to Olson's model of the "rational economic man", individuals will not join when someone else or a group is taking care of the problem for them and they obtain collective benefits everyone else receives regardless of their personal inaction (Cigler & Loomis, 2002; Browne, 2002; Birkland, 2001). In other words, it is not rational for them to join when they receive the 'collective' benefits anyway unless they are coerced (Browne, 2002; Lowi, 1969). When many groups try to acquire collective benefits, the chances of collective action diminish (Godwin & Seldon, 2002). Olson deduces that without additional incentives, factions will find difficulty surviving due to the free-rider dilemma (2002). The theory of collective action indicates that any cost incurred is greater than the cost of free-riding when faced with a group acting toward a goal anyway.

Truman and Olson's theories compete with each other. Olson's formula for group formation says that personal impact times the collective good(s) must be greater than the costs of participating in a group (Figure 1-1). He contends that individuals may join if others listen to their views, they can make a difference (efficacy), and they have the skills necessary to participate, thereby increasing their personal impact. Collective benefits or goods may also increase the likelihood of participation when individuals assess the collective benefit is important to the cause as well as the direct benefit to themselves. However, personal impact (PI) and collective goods (CG) must still be greater than the costs of joining (C) (from money, time and effort, to personal costs). (Cigler & Loomis, 2002)

FIGURE 1-1

$$(PI) \times (CG) > (C)$$

Means to overcome the free-rider dilemma include the provision of incentives, increasing individual impact and skills, and changing the costs from monetary costs those of time, reputation, or retribution by loss of benefits. Such incentives could be material, purposive (expressive) or solidarity in nature. Material incentives may include tangible rewards (i.e. - seminars, insurance, discounts), purposive incentives engender personal gain or personally held belief/ideology (i.e. – animal rights advocacy, political, non-material), and solidarity benefits are those that make the participant feel good about themselves and they may join regardless of the cost because the benefits outweigh the cost of joining or free-riding (i.e. – status, fun). Figure 1-2 indicates Olson's expanded formula including the addition of these incentives (I) (material, purposive, and solidarity). (Cigler & Loomis, 2002)

FIGURE 1-2

$$(PI) \times (CG) + (I) > (C)$$

Variables in the relationship between interest groups in overcoming the free rider dilemma

Interest groups form and succeed in overcoming the free-rider dilemma by adding additional variables to Olson's formula. Variables include changing interests (CI), the political entrepreneur (PE), patronage (P), and group size (GS) as the mixed model formula indicates in Figure 1-3.

Changing interests may include technology, economy, legislation and government growth. The political entrepreneur (individual or collective) creates an interest group around a commonality or norm, providing leadership for the interest, creation of the organization, determination of issues or goals, and is “independent of social change” (Casamayou, 2002). Jack Walker defines the patron as those members of a group who pay for others to free-ride, basically funding a large percentage of the groups maintenance, often providing start-up costs, and who often influence the agenda and leadership more so than others (Cigler & Loomis, 2002). Sometimes, patron based organizations have no other members but themselves, and the interest is simply a forum for their ideals. Interest groups are generally measured by their membership or budget size. An interest groups size and budget also implies what resources it can bring to bear. Industry interest groups of great size create an atmosphere of economic importance for their industry (Meier, 1985). In this respect, large industry groups are often more effective in changing regulatory policy than smaller industry groups. Group size can be problematic due to individual need for involvement, expression of ideals, and purposive benefits, which may be difficult to engender in large state, national and worldwide groups due to concentration in one place. On the other hand, access to groups of all sizes “contributes to Americans’ strong sense of political efficacy and public interest group legitimacy due to large membership representation” (Cigler & Loomis, 2002; Meier, 1985). Large groups have the advantage when they can disperse locations throughout the country (Meier, 1985). For example, nationally dispersed groups have the advantage of access from the regional through the national level, creating many more points of contact. These groups, with a spectrum of participants, often create a substructure serving a smaller clientele so that purposive benefits are available more readily and information goes to the leader of that subgroup and then through the system for consideration or action. However, action can and does occur in these smaller groups at the sub-level. Breaking down the overall size of the group structure to serve smaller substructures, providing the power of legitimacy, and the ability to bring forth vast resources are means to overcome group size free-rider issues and maintain groups.

FIGURE 1-3

$$(PI) \times (CG) + (I) + (CI) + (PE) + (P) + (GS) > (C)$$

Arthur Bentley and John Dewey name the process of exchanges between the entrepreneur and participants “transactional analysis” (or exchange theory) (Browne, 2002). Benefits received in the exchange are transactional benefits, including reinforced ideology and enhanced personal status, whereas transactional costs include those related to all the costs of joining such as money, materials, votes, and loss of status, influence, or reputation (Browne, 2002). Weighing the transactional costs of joining, which may be steep and could over-ride the benefits of joining, and vice-versa is what entrepreneurs and participants inherently assess in exchange theory (2002).

Robert Salisbury’s coins the term exchange theory, which implies that entrepreneurs exchange selective benefits (education, seminars, discounts, insurance, research or expression of ideology) for profit, and both members and entrepreneurs are pleased with the exchange (Cigler & Loomis, 2002). Generally, these are marketed groups that have common norms, such as the National Homeowner’s Association, may have little to do with social or political change, and any lobbying activity is purely minor in nature (Casamayou, 2002; Browne, 2002). In these associations, there are generally no free-riders. However, associations such as AARP lobby for benefits that affect the public and therefore create free-riders when individuals are not members.

Albert Hirshman believes that self-satisfaction gained through participation in groups is also one answer to the free-rider dilemma (Cigler & Loomis, 2002). In fact, economic theory may not influence some individuals when deciding to join groups. Further, Michael McCann indicates that the "moderately affluent" individual may support groups regardless of self-interest or benefits (Cigler & Loomis, 2002). The free-rider dilemma, with these individuals, is negligible to group formation. The provision of tangible or selective benefits for protest, citizen, and public interest groups is not necessary. Browne indicates that Salisbury, Olson, and Truman's theories are incomplete as they leave out "the interest … of joining interest groups" (2002). In theory, people with an interest would not necessarily care about the free-rider dilemma, as their interest is what drives them to participate, and therefore is not an issue (Browne, 2002). "Alexis de Tocqueville observed [that] … values such as individualism and the need for personal achievement underlie the propensity for citizens to join groups" (Cigler & Loomis, 2002).

Key components for successful interest group formation and maintenance

Key components to successful interest group formation and maintenance include personal impact, acquisition of goods/benefits, incentives, changing interests, the political entrepreneur, patronage, and group size, which theoretically should be greater than the costs of joining or participating. The provision of incentives that are material, purposive or solidarity in nature is important for many groups to create membership. Patronage is particularly important to an organizations startup, formation, and maintenance. However, there is no attribution to personal interest in the issue or group within these other variables nor is it inherent within previously discussed formulae. Participant interest is a crucial component in interest group formation and maintenance. Some groups may have a vested interest tied to private goods (i.e. contract for a natural resource) or ideology tied to public goods (i.e. clean environment) to uphold or defend (Figure 2-2). Other factors that do not appear to be particularly legible within the theories are the ability of the group to be successful in meeting their goals and thereby maintaining the organization membership. Groups that appear to be the strongest are those with permanent lobbies/organizations in Washington, D.C., and with hefty financial support, such as environmental groups or the energy industry. In summary, group formation and maintenance depends on these components, yet some groups do not need all of these incentives to create membership and maintain their group.

The relationship between lobbyists and lawmakers: an economic theory

William Browne examines Bentley and Dewey's transaction (or exchange) theory through a situation surrounding dumping complaint (2002). The public, bureaucracy (agency) and legislator exchanged transactional benefits with each other in a symbiotic relationship:

(1) the public benefited by receiving action on their complaint about dumping;

(2) the legislator benefited by receiving good publicity, improved stature/image, and public support/votes in reacting to the public; and,

(3) by addressing the legislator and public needs through preparation of new legislation, the agency received the backing of the legislator in an important committee, and enhanced the agency reputation, personnel, assignments and budget.

The exchange of these benefits, for the legislator and agency, was attractive, as they both gained something they needed for initial low transaction costs. Initial transaction costs included time, materials, personnel, power, and energy. At the same time, the legislation benefited the agency with more personnel, budget money, and authority while it increased the economic costs for the public in tax dollars. (Browne, 2002)

Unintentional consequences ensued due to the adopted regulations, creating high transaction costs for the public, legislator, and the agency. Manufacturing sanctioned the public with higher prices in goods/services due to the legislations economic transaction costs. The agency, initiating legislator and no doubt the rest of Congress paid through negative publicity, the acrimony of the industry, elucidation of their actions, more time and effort, and a new opposing faction. The affected industry utilized collective action to lobby for modified legislation (transaction benefits) and to lower the high transaction costs of lobbying individually. The costs of complying with the legislation were higher than combined lobbying costs, so they formed an interest group lead by an attorney lobbyist. The group saw collective benefits with lower individual costs, access to the system, the impact of mass versus solitary lobbying, recruitment to further lower individual costs and engender national industry support, lobbying expertise and information/process, as well as a reduction of personnel time, material, and energy from each patron firm if lobbying individually. Members also saw the possibility of selective benefits in the form of legislative measures benefiting their firms in other ways. However, this interest group had difficulty recruiting nationally due to their lack of previous interest group connections and commonalities, and due to this, high transaction costs occurred. (Browne, 2002)

In response to the industry lobby, environmental groups formed a coalition, creating a new national interest group with themselves as patrons, a political entrepreneur (a former bureaucrat to enhance process and access) to organize the new group, and membership with selective benefits for end-users of national forests. The founding interest groups used their stature, contacts, and influence furthering the establishment of the new interest group. Besides the transaction costs to the patron groups, they received transaction benefits. The new group worked for the benefit of the patrons, increased the spectrum of their purview, and provided them with additional cache and standing. The new group targeted the arrays of possible members to receive selective benefits according to their affiliation with national forests. Each affiliated member received selective benefits for an economic exchange. The new group provided transaction benefits to the disputed legislations affected agency by supporting their agency rules and careers, in addition to vast favorable media attention and grassroots support for the legislation and agency. In exchange, the agency provided information and data to them. The new national group also provided benefits to the legislator by supporting his message, providing him with favorable media attention and grassroots support, as well as involvement in his home district. In exchange, the legislator reacted by publicly speaking and backing the group, joining the group, and acting as a fundraiser for the interest. All around, this iron triangle between the new environmental lobby, the bureaucracy, and the legislator supported each other's needs through the exchange of transaction costs (low) and benefits (high) creating a symbiotic relationship. The legislator, agency, and interest lobby worked together by providing and receiving a series of exchanges against the backlash the adopted legislation imbued by the affected industry. This is a prime illustration of the iron triangle, as it creates a Symbiotic Relationship – they each need something from the other to function.

Browne also reflects on the earlier use of exchange theory. He claims that all things are not equal, in relative weight or value to interest group members. The issue of the individual's 'interest' as explained in Federalist 10, is not inherent in the theory, and as Browne indicates, is missing from the formula (Madison, 1787; Browne, 2002). Early scholars did not consider the free-rider dilemma, nor the issue of cost or benefits of group membership. In a theoretically perfect world, the public is completely informed about issues, politics, and the costs and benefits from interest group membership as well as why they joined the group; Brown insists this is not the reality of the situation (2002). In the end, analysis suggests that "interests … [are] highly variable" (Browne, 2002). As Browne states, "Those who practice exchange theory were incorrect: well-informed measures of transaction costs and benefits did not determine membership. Rather, perceptions of the likely value and likely availability of transactional exchanges mattered far more; and many of those perceptions were not based on accurate knowledge" (2002). Benefits are of no small importance in group membership. This is true when there is a powerful leader or broker of interests with institutional experience that pulls a group together forming the membership. Browne calls this "leadership advantage exchange (sub)theory" (2002). The new environmental interest discussed by Browne utilized this (sub)theory successfully. It is also likely that when actions are taken in small bites, accomplishment of goals is more likely with small changes, and success provides politically motivated members with collective goods incentives. Browne calls this "likely interest group success exchange (sub)theory" (2002). Browne reiterates that Bentley's transactional theories do not always work, as in the instance of the failed manufacturers collection action lobby due to their inability to find and motivate new membership. (Browne, 2002)

Kenneth Godwin and Barry Seldon discuss collective (public) and private goods transactions. Like Olson's theory, this decision model is economic in nature as it looks at costs in contrast to benefits. Public goods are those benefiting all and cannot be provided by the private market due to the expense and/or size of the benefit or service (i.e. the entire U.S. transportation system; provision of social security benefits). Lobbyists for these goods generally come from public interest groups and associations. Public goods tend to have a free-rider dilemma and inherent conflict due to competing public goods interests. Private goods are those primarily sought by corporate or industry groups or special interests. This could include a single contract to build a mile of U.S. highway system and which rarely have conflict since these issues are typically represented by one interest, have low visibility to the public, and therefore, low conflict. However, private goods can also be those that only affect a specific, localized geographic area in the U.S., and which is specific to that area only, such as a single municipal government. The provision of private goods is primarily an economic exchange with low transactional costs and high benefits to the legislator. As illustrated by Godwin and Seldon in Exhibit 2-2, public and private goods exist on a continuum, where some benefits are closer to the center of the continuum between public and private goods, and others are purely one or the other in nature. (Godwin and Seldon)

Public policy provision for private goods can be impacted by campaign contributions. Typically, the largest contributions come from corporate interests and lobbyists, a sure economic benefit to legislators in need of funds and apparently a beneficial economic exchange for corporate lobbies of private goods as they receive more in exchange than they give. The lobbyist decides to pursue private goods based on this theory, or lobbyists receive more benefits than they give in acquiring the private goods. Theoretically, they measure this by assessing their ability to succeed (P = probability) times the value of the benefit (B) to the corporate interest. The

outcome of the formula must be greater than the cost (C) of lobbying in order for the lobbyist to act on gaining that benefit (Figure 2-3). As illustrated in the continuum, when the benefit is a 'purely private good' then making the decision to lobbying for the benefit is easy. As the continuum moves toward public goods and interests, making decisions to lobby for the benefit may be fraught with competing interests, public awareness, and lobbying opposition. When lobbying moves from purely private goods toward the other end of the continuum, the issue of Olson's free-riders become more evident as do the costs (votes, stature, publicity, etc.) to the legislator. Coalitions may form and small firms may choose to sit back and take advantage of larger firm's efforts obtaining benefits. As Olson predicts, collective action is also difficult as the continuum moves further toward collective goods and more groups and firms become involved in pursuing the benefit. (Godwin and Seldon, 2002)

FIGURE 2-3

$$(P) \times (B) > (C)$$

Theoretically, legislators use a decision process relative to provision of private goods, as there are costs and benefits associated with such decisions. Legislators measure the value (V) of votes gained (or lost) by the transaction of private goods divided by the resources (time, influence, and expertise of themselves and their staff) expended to provide the private goods benefit to the corporate firm. These measures provide the legislator with an idea of the efficiency of effort (E) needed to provide the private goods (Figure 2-4). The cost for private goods is high when votes are lost and low when votes are maintained or increase due to the decision of the legislator to act. The low visibility of these transactions makes such efforts easy for legislators because there is little public interest or exposure, these issues are "narrow in scope, … [and they] avoid retribution [from their constituents and public interests]" (Godwin and Seldon, 2002). As Rogan Kersh states, "Policymakers' hold over lobbyists is diminished by the mutual benefit character of most exchanges between lobbyists and public officials, and also by the fact that much of what lobbyists seek from officials is not terribly costly to obtain" (2002).

FIGURE 2-4

$$E = V / R$$

According to Godwin and Seldon, “The total impact of … [private] goods may be greater than the impact of the collective goods that government provide … [after adding] up all the costs and benefits of all private goods” (2002). They also hypothesize that regulated businesses are more likely to spend their money on lobbying for private rather than collective goods. James Wilson and Theodore Lowi also maintain that legislators prefer dealing with policies and issues with low visibility and conflict, as do lobbyists. In which case, theoretically, lobbyists also prefer low visibility and conflict because they are more successful. Which means private goods, rather than collective (public) goods, will be those that legislators and lobbyists prefer, that dominate lobbying efforts, and which have the greatest economic impact meeting legislator and lobbyist goals. It is also more likely that success occurs when lobbying for purely private goods such as a single firm contract or a waiver to legislation versus purely public goods such as a new highway bill or clean act legislation for everyone (Exhibit 2-2). (Godwin & Seldon, 2002)

Clyde Wilcox and Dong-Young Kim discuss how the structure and rules of Congress provide the necessary permeability that provide the opportunity to influence legislators through lobbying efforts. Lobbyists are able to influence legislators from initial ideas, to new legislation, and up to the point where it reaches Congress for final vote. After the legislation leaves committee, it is very difficult to influence legislators since most decisions are already made. Rules surrounding debate and vote on the bill also limit changes to the bill and stifle influence. The best a lobbyist can hope for at this point is to change individual legislators minds about their vote, but the effort (efficiency and costs) is usually greater than the potential benefit, if any. Generally, the corporate or special interest lobbyist prefers to deal in incentives, the greatest of which is the exchange of information, to get some provision or benefit inserted in a bill or remediation/removal of some measure affecting the industry. Lobbyists and legislators alike prefer the status quo, so changes in the form of amended or new legislation that do not benefit the group may be easy to kill before ever reaching Congress for a vote. This can happen in committee as well, where some legislation is lost in the system; but, the lobbyist must make take care to watch every committee reviewing the legislation. This all points to the quantity and variety of access lobbyists have to legislators. Madison even reflected on the need for permeability of government to interests in Federalist 10 (1887). Lobbyists and legislators influence bureaucracy in the formation of policy, due to information provision. This process is certainly a cost-benefit model as each has something the other needs creating a symbiotic relationship. All of the costs and benefits discussed under Truman, Olson, Bentley and Dewey, Godwin and others apply throughout this process. As Lowi intuits, when only some groups are represented, someone is always left out. It is clear that the provision of private goods has more capital with legislators than public goods, of which the public is rarely informed or benefits. (Wilcox and Kim, 2005)

Paul Brewer and Christopher Deering discuss the influence of money, committee term limits, seniority, and other influences on selection of committee positions by the Steering Committee (2005). Particularly crucial in committee election is money and fundraising ability, something interest groups provided in an effort to influence the seating of legislators to committee positions. Interest groups gave money to all candidates for committee positions rather than announcing their preference. However, during the 107th Congress, they did discuss their preferences privately with the Steering Committee, promising funds to them as well to influence decisions. The provision of money was apparently the most influential motivator for committee selection during this 107th Congress, even over the norm of selection by seniority. Committee term limits also impact the availability of positions, as members choose to remain in their Congressional seats rather than run for other positions in the Senate or take positions with the administration. The influence and power of committees is strong, particularly that of committee chairs. “Expertise, legislative skill, popularity with colleagues, ideological purity, [and other factors]” played much lesser roles in committee appointments (Brewer & Deering, 2002). The power and influence of these positions makes it critical for investment by interests, as a $40,000 investment could net a single lobbyist a million dollar contract or untold benefits for their industry with a stroke of a pen or kill a bill that would cost their business a million dollars to ameliorate. Due to reforms, where long-standing relationships were once stable, new ones with unknowns require interim investments to cultivate relationships of relatively short duration. Contributions by interests through fundraising activities also influence the party speaker who siphons those funds to party campaigns. This exchange of money for influence certainly benefits both parties of the transaction – however changing and unstable the relationships and regardless of diminished long-standing access. Certainly, exchange theory and transactional costs and benefits are at play in Brewer and Deering’s analysis. (Brewer & Deering, 2002)

In Gais’s (et. al.) Interest Groups, Iron Triangles and Representative Institutions in American National Government, the authors discuss President Jimmy Carters’ farewell address, when he implies “the fragmentation of power and decision-making exploited by influential special interests,” was the downfall of this presidency, as these influences endeavored to protect their “narrowly defined interests” (2002). The President was referring to the seemingly impermeable relationships between interests, bureaucracy and legislators – or, the iron triangle. When lobbyists capture the influence of bureaucrats and legislators, their own level of influence becomes powerful. The triangular relationship held power, regardless of presidents or political majorities, which continued to direct policy due to the incentives each player received from the other.

According to Clyde Wilcox and Dong-Young Kim in Continuity and Change in the Congressional Election, members of Congress utilize interest groups to gain knowledge about the impact of legislation – both in expertise and due to any potential political fallout or backlash from constituencies (2002). Legislators also use interests groups to reach voters and help finance their reelection. These needs from the legislative side create at atmosphere of influence. Interest groups provide these services and information in exchange for benefits – collective and private. Benefits from legislators also create more accessibility for the interest group as well as the needed influence to affect legislation or to receive the benefit of transactional goods. Interest groups may even provide research or speeches, and expand the functionality of legislator offices in order to be instrumentally involved creating legislation or adding provisions for their benefit.

Effective lobbyist tools

Rogan Kersh’s study, *Corporate Lobbyists as Political Actors*, measures the what, why, when, and how lobbyists perform (2002). According to Kersh, the most important tool for a lobbyist is building relationships (2002). Establishing relationships with committee members and chairs, house leaders, legislative staff, legislators and agency personnel is important when lobbying for goods. The relationship establishes access for the lobbyist – for use when needed, even if the issue is not one of their own. Providing data and information for such an issue can build capital with the interested party for use later. Lobbyists use contact with legislative staff much more than with the legislator themselves due to access. The lobbyist often maintains this contact through e-mail and telephone. Lobbyists also make use of briefings, newspapers, journals, and reports in print and digital formats that provide abridged versions of legislation and actions. They create relationships with other lobbyists, especially opposing lobbyists, for information exchanges and analytical views and reports. According to Kersh's study, acquiring and disseminating information, as well as performing research and analysis is only second to building relationships as a lobbyist tool (2002). Lobbyist's number one need from legislators and their staffs is information. Lobbyists are devoted to furthering the public officials' interests as well as making their clients happy by providing seemingly confidential information to them that others do not have. Providing expertise, research, analysis, and material goods often supports legislators and provides lobbyists with the opportunity to insert key provisions into legislation in their clients or their own interests. Lobbyists have other tools they can use to gain their needs, such as money, endorsements, campaign support, material goods, and mobilization, in order to gain more time with a legislator. Providing testimony or public comments for someone else, in oral and written form, is another tool which can provide influence over legislation. Lobbyists also activate their clients or mobilize them to some action as necessary, to testify, meet with other industry leaders, or make public comments. (Kersh, 2002)

William Browne indicates the tools a lobbyist uses is dependent on the issue and ultimately the transactional costs and benefits in any exchange (2002). One tool is limiting conflict and visibility for a successful transaction, as Godwin's continuum indicates in Figure 2-2 describing public and private goods (2002). The tactics used depend on where the goods lie along the continuum as well as the importance of the goods. Lobbyists for public goods face conflict and must employ the public and publicity to mobilize their efforts, and establish relationships, along with information, money, and legislator/agency support. Godwin and Sheldon's decision process for legislators makes it clear that a tool for lobbyist's is to ensure that any effort on the legislators' part is efficient and that votes subsequent to any action stay the same or increase, and that any expended resources stay low (purely private goods scenario) (2002). Additionally, lobbyists for private goods also exchange information, establish relationships, campaign contributions, election resources, and grassroots support. In Browne's study, public lobbyists use tools such as creating a strong national coalition, the ability to mobilize quickly and in mass, publicity, mail campaigns, and collective influence and power, as well as expertise and material goods as a tool to support the legislator and agency (2002). Support with constituents, endorsements, and campaign contributions are also tools a public lobbyists can use with legislators. (Browne, 2002; Godwin & Sheldon, 2002) (Question 2 discusses Browne's study more thoroughly.)

As federal election law and internal revenue service (IRS) code speak to interest group type so does Ronald Shaiko in determining their methods of organization and how those lobbyists can act (2005). Adaptation appears to be Shaiko's key tactic for interest groups to the continuously changing spectrum of election law, IRS code loopholes, reorganization of government, and cycle of government actors in order to forge new relationships and stabilize processes. Shaiko contends that these "cutting-edge" interest groups will form in ways that bests suit their needs and accentuates their potential influence (2005). These interests will organize and use tools that best target the lawmakers they need to lobby, including the use of all means of lobbying. The two forms of organization include direct representation and surrogate representation. (Shaiko, 2005)

Shaiko uses organizational forms as a context for who these groups serve and what kind of laws they are required to follow (2005). Many groups may use several of these organization forms to acquire necessary tools to more effective. For example, groups may form a 527 or political action committee (PAC) in order to influence political issues or campaigns where their non-profit status would not have allowed political advocacy. PAC contributions have been used to overwhelmingly reelect scores of incumbents. Lobbyists themselves also contribute to campaigns and interests through personal donations and PACs. Some groups and individual lobbyists use campaign fund-raisers, dinners and other methods to raise funds, siphoning them into campaigns. Groups not only offer money contributions as one of their tools, but strategy and assistance with campaigns, as well as mobilization of volunteers. According to Shaiko, some interests have tied themselves to political parties or conservative/ liberal persuasions as allies to certain legislators or groups due to party polarization; but, many do not as they are more interested in individual power brokers, and not offending one group or the other (2005). Therefore, both candidates in a particular campaign find themselves with funding from the same lobbyist. Some interests are simply party or ideology oriented and that tie is often obvious as indicated through their campaign contributions, issues and other associations. Tools, such as knowledge of rulemaking processes, are critical for implementation or dilution of policy. Executive orders from the President can also have vast impacts on established policy – without hearing a whimper or a whoop from the public or interests until after its signed and completed. Shaiko also emphasizes that maintaining the status quo is a tool most legislators and lobbyists frequently utilize, as they abhor risk and change is a tough opponent in the legislative battlefield (2005). (Shaiko, 2005)

Clyde Wilcox and Cong-Young Kim describe insider and outsider strategies and the tactics employed by lobbyists (2005). Many lobbyists of goods primarily use insider strategies (informal lobbying) because they require many points of direct access for the exchange of goods, the provision of information, and in order to create and maintain relationships. Whereas, outsider strategies are less dependent on access and employ formal lobbying techniques, which are public in nature.

Some informal tools lobbyists can utilize include providing information about a policy and its implications, who is opposed or in support of the legislation, and contributing to elect a legislator with money, volunteers, communication, or “infrastructure” (Wilcox & Kim, 2005). Primarily, campaign contributions have been shown to provide access for lobbyists to legislators. Support of legislator’s bids for party chair, committee membership, or support of other party candidates that legislator endorses is another tool of access. Other tactics include organization size, ability to produce voters, and communication. Groups that have technical expertise also have influence gaining access to legislators in need of that data. Lobbyists that have established relationships with legislators or committees enjoy access for their clients or group. Access to legislative staff is another point of access lobbyists utilize due to the time constraints of legislators and legislative staff is often providing expertise for their legislator. Lobbyists often work with staff by providing expertise and data as well for consideration. Staff can also convey information about meetings and votes to the lobbyist. Some legislators will support a group’s interest and create a close relationship with that group. In these cases, interest groups can also become quasi-staff members and legislators exchange these services by introducing new policy or making policy changes. Access to committees is essential, as this is when legislation dies, fades away, or passes on to the House for disposition under the Rules Committee. The Senate has the ability to hold the bill, allowing changes, something that is difficult if not impossible in the House. Gaining access, a lobbyist must be ready to convey and receive critical information, as the provision of information influences legislation. Use of money to influence votes is not clear due to lack of information in the field, yet Wilcox and Kim claim that recent data supports this notion – particularly when committees are reviewing legislation (2005). The insertion of a sentence in legislation providing goods for an interest can be one source of monetary influence. Creating triangular relationships is certainly a successful tool lobbyists can employ, although changes due to reform and decentralization have made these relationships more difficult to maintain. Forming coalitions between like interests is a tactic employed to lobby more effectively and when access is difficult due to the dispersion of contacts. Some groups create coalitions to counter other groups interests by reframing the group to appear similar to a public interest when in fact it is a corporate interest. Groups also write legislation for their own benefit. Agenda setting and budgeting are processes in which lobbyists want to participate as it may facilitate their interests. Lobbyists also testify at committee hearings by presenting data and information. (Wilcox & Kim, 2005)

Outside strategies (formal lobbying which is public in nature) are generally used by groups to the detriment of a legislator, agency, president or other interest group. Generally, this coercion is used to persuade an official to support the groups interest or policy and when compliance occurs, electoral support is imminent. These practices include members communicating with legislators, through letters, phone calls, e-mail, petitions, editorials, media, and meetings with the legislator or staff representative. Most groups have web-sites for member information and urgent action messages with links to critical news coverage, press releases, or announcements. Some groups have yearly campaigns in Washington, D.C. where they march on Congress or the White House for their cause and they can quickly mobilize their membership as needed from the local to national levels. Groups can also intentionally aid or damage a legislator's message relative to policy views. (Wilcox and Kim, 2005)

As relayed previously, money is the overriding influence and tool used by lobbyists to effect legislator nomination and selection to committees and chair positions (2005). Secondary influences would concern relationships with candidates and the steering committee as well as access to the steering committee to relay lobbyists preferences. Lobbyists gave money to most candidates in order to maintain their relationships and regardless of their preferences. Monetary influence was also utilized with the party chair, due to the influence of that position over nominations, selection, and legislation and also to the Steering Committee members to influence their vote on candidates. As indicated in Brewer and Deering's study, financial contributions came overwhelmingly from corporate interests and some from association and special interests (2005). (Brewer & Deering, 2005)

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