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Interest Groups in Public Policy



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Definition

An interest group is an organization of a part of society, which aims to defend the material interests of its members and/or to promote the ideal cause of the group in the public space and to influence policy-making. It has four constitutive characteristics.

An interest group:

1. Is made up of members, who may be individuals (e.g., an occupational group of family doctors) or collective actors (e.g., a sectoral association of organic farms). This first dimension distinguishes it from a private company that can also lobby politicians.
2. Is a structured organization that can take different legal forms (e.g., association,

foundation, or cooperative). It differs thus from a loose social movement that does not have formal and permanent structures.

3. Seeks to influence public opinion formation, the drafting of legislation, and policy implementation. It uses various advocacy strategies to gain access to policy-makers and institutional venues.
4. Does not seek to hold elected office in the legislative, executive, or judicial branches of government. Unlike a political party, it does not participate directly in electoral competition, although it may support, including financially, certain candidates, parties, and electoral or referendum campaigns. Access to elected officials (parliamentarians, government, and ministers), judges, or senior civil servants who make binding decisions represent a “facilitating, intermediate objective” (Truman, 1958) in the exercise of power.

Logics of Influence and Membership

The leaders of an interest group have two related objectives: on the one hand, to ensure the organizational survival of their group (logic of membership) and, on the other hand, to influence public policies so that these serve the material interests of their members or the ideal cause defended by their group (logic of influence) (Schmitter & Streeck, 1999). Both logics often go hand in hand. Increasing the number of members ensures not only more

resources (e.g., through membership fees or volunteer work by members) but also a better representativeness of the group and, therefore, a reinforced credibility with policy-makers. For example, a trade union organization is likely to have more political clout, and thus potential success in achieving its policy demands, if it has a high membership rate within an economic sector. Conversely, a group that is able to influence a policy decisively, and that makes this known (“credit claiming”), can expect an increase in membership because the group has demonstrated its usefulness in defending their interests.

However, the two logics may not necessarily reinforce each other. An interest group may exert political influence by participating in an expert group that is drafting legislation or by providing confidential information to parliamentarians sitting on the relevant legislative committee. If so, it is politically active without any external visibility, and therefore without any direct appeal to attract new members. On the other hand, an interest group may deliberately aim to strengthen its organization, and pursue political actions that it knows have no chance of success (e.g., street demonstration or launching a citizen’s initiative to amend the constitution), but whose primary objective is to mobilize its (potential) members.

Furthermore, both logics can prove to be in direct conflict. Members of the group expect their leaders to comply and fight for their interests. At the same time, these leaders act in a competitive environment and have to bargain with other groups or the State and, thus, to accept policy compromises. This inevitably leads to internal frictions, which may translate into a loss of members (who join other advocacy organizations) or the dismissal of the group’s leaders.

Categories of Interest Groups

While all interest groups must indeed pursue organizational and policy objectives, not all face the same challenges, due to the very nature of their membership and the material interests and/or ideal causes they advocate for. Five categories of interest groups are generally distinguished:

1. Business or employers’ associations bring together business leaders, at the level of a particular economic sector or branch (e.g., chemicals, construction, or banking), or even at the umbrella level of the private economy as a whole.
2. Trade unions represent the interests of employees in companies, at the industry level (e.g., industry agreements) and in neo-corporatist negotiations with employers and the state (e.g., pension systems, minimum wage).
3. Occupational groups represent people who work in the same profession, in particular liberal professions such as doctors, architects, or lawyers.
4. Public interest groups have members who support an idealistic cause that goes beyond their own interests and is intended to benefit society as a whole (e.g., environmental protection, humanitarian aid, pacifism, etc.).
5. Categorical or identity-based organizations represent the interests of a particular segment of the population (e.g., women’s organizations, consumer groups, tenants’ associations, seniors’ associations, disability associations, religious communities, etc.).

Interest groups offer citizens and collective actors a means of targeted involvement in the policy-making process, allowing them to intervene in between elections. At the same time, they also enable state authorities and political parties to structure and even shape the multiplicity of interests present in society. Two historically dominant approaches study these interactions: Interest group pluralism, developed in the United States in the 1950s, considers interest groups’ vehicles of representation exerting pressure on the state (Truman, 1958). Neocorporatism, developed in continental Europe in the 1970s, considers the relationship between interest groups and the state to be bidirectional: Interest groups exert pressure on the state, whereas the state structures societal interests by relying on interest groups (Schmitter, 1974). Independently from the specific interest representation system characterizing a country and/or policy domain, all interest groups

have to develop advocacy strategies to achieve their organizational and policy objectives. Of course, the pluralist and neocorporatist models were conceptualized in advanced industrialized democracies in North America and Europe. This research does not reflect the role of interest groups in authoritarian systems (i.e., parts of Latin America or Asia), which usually operate through single-party rule and where citizens are not allowed to create advocacy (opposition) groups.

The Policy Influence Chain and Advocacy Strategies

The (undue) influence of interest groups on policy-making processes often attracts media attention. A number of high-profile cases (e.g., Barroso Gate in Europe) demonstrate the sometimes very close links, and even possible conflicts of interest, between elected politicians and senior officials, on the one hand, and business associations or other interest groups, on the other. These links are generally decried because they suggest that interest groups have a decisive influence on the behavior of elected officials and the public administration, and thus on the substantive content of public policies. This entry summarizes the international literature on this topic by disentangling the four main stages in the “chain of influence” in which interest groups are

embedded, and the strategic choices that groups face at each stage (see Table 1). Of course, these four stages are closely intertwined, with numerous feedback effects (Lowery & Gray, 2004).

The first step begins with the transition from a “latent” societal group to a “manifest” organized group, which is not self-evident, as Mancur Olson (1965) has shown. Which benefits to offer potential members is one of the major questions that group leaders ask themselves. At this stage, the group must also determine what policy issues it will focus on and whether it seeks to maintain the status quo or, on the contrary, to promote policy change.

Baumgartner et al. (2009) show that policy agenda monitoring is considered very important by interest groups active in the US Congress. Status quo groups seek to maintain control over “their” policy. In this way, they constitute true “policy monopolies” by framing the debate according to their own interests and channeling it into an institutional venue that is favorable to their cause. These groups often occupy a niche position and follow a strategy of conflict containment. Specifically, they aim to maintain the status quo by opposing any paradigmatic change in policy framing (“veto players”).

Long periods of policy stability are, however, interrupted by highly conflictive episodes in which new interest groups attempt to change the content of policy (Baumgartner & Jones, 1993).

Interest Groups in Public Policy, Table 1 Stages of the influence chain and strategic choices for groups

Stages of the influence process	Research questions	Strategic choices for groups
Group formation and control of the policy agenda	Which groups are able to mobilize, and on what policy issues?	Defining priority issues? Maintaining the status quo or policy change as a goal? Providing selective benefits to members?
Competition between groups for access to decision-making process	Which groups have privileged access to which venues?	Insider or outsider strategy? Specialization in one venue or mobilization in multiple venues?
Exchanges between groups and policy makers	Which repertoires of action are used by which groups?	Available resources? Building coalitions with other groups and/or political parties?
Effects of groups on policy outputs	Which groups win versus lose?	Extent to which group preferences are realized? Degree of influence on the (outcome of the) decision-making process?

These challengers work as “policy entrepreneurs” to introduce major changes. They propose a new framing of the policy issue at stake and move debates to other institutional venues (“venue shopping”; Pralle, 2006). They follow a “conflict expansion” strategy (Schattschneider, 1960) to involve political actors, including parties, and the media. If this strategy is operative, then potentially many interest groups can also jump on the bandwagon (Halpin, 2011) and participate in policy change processes.

The second stage of the influence chain concerns the choice of “insider versus outsider” strategies (Maloney et al., 1994). Insider strategies focus on the executive and parliamentary arenas. Interest groups try to gain direct, and if possible discreet, access to the senior officials, ministerial cabinets, or expert groups that design policies and formulate draft legislation, as well as to the parliamentarians who hear out stakeholders, and then pass legislation. Access to these venues is challenging since gatekeepers can grant or deny entry to interest groups (Binderkrantz & Pedersen, 2017). Groups that follow an insider strategy seek to obtain a privileged, insider status (“insiders”), allowing them to directly influence policymakers. Business associations are clearly at an advantage in this exercise as they enjoy privileged access to the executive arena, where the salience of the issues remains low and the debate is more technical than political (Culpepper, 2011).

Outsider strategies refer to the multiple activities that groups undertake in more open and transparent arenas, such as the media, the courts, or direct democracy. Alerting public opinion through the press, taking a case to court, or launching a popular initiative represent fallback options for groups that have been denied direct access to executive or parliamentary arenas. These strategies of mediatization, judicialization, and use of popular votes are more indirect and less exclusive. They consist of putting pressure on decision-makers with whom the groups have not been able to establish a privileged, direct link. They are typically favored by public interest groups.

Interest groups often combine insider and outsider strategies, depending on the sequence of the decision-making process. It is therefore a question

of studying which groups are “multi-venue players” (Varone et al., 2018) and, through this cumulative access to several arenas, potentially enjoy greater influence on public policy (Boehmke et al., 2013).

The third stage is characterized by the actual exchange relationship between interest groups and political-administrative elites (Berkhout, 2013). In return for the access to the decision-making process, interest groups provide various resources to policy-makers. These “access goods” (Bouwen, 2002) include, for example, the financing of a political party, technical expertise on a particular issue, information on the acceptability of a policy solution by the members of the group or even by the entire population, or political intelligence on the positioning of potential allies or enemies during the decision-making process (Hall & Deardorff, 2006). Of course, the insider/outsider strategy espoused during the previous stage depends on the extent to which decision-makers value interest groups’ access goods.

Beyond the strategic choice of mobilizing and exchanging resources, group leaders also consider whether their group should conduct its advocacy actions alone or, on the contrary, form alliances with other groups and participate in ad hoc coalitions (Gray & Lowery, 1998). Working within a coalition allows for the pooling of resources and signals to policy-makers that the position advocated by the coalition has broad support.

The fourth step of the influence chain analyzes the tangible effects of group strategies, measured in terms of advocacy success and policy influence. It is usually very difficult, if not impossible, to isolate the net influence of a specific group on the process and content of a public policy. Empirical studies are therefore often limited to measuring the “preference attainment” of groups (McKay, 2012), i.e., their success. In concrete terms, studies compare the final content of a policy with the positions defended by a group during the policy-making process and, through this comparison, estimate whether the group was able to obtain what it wanted. For example, one can identify the comments that a group makes on a draft bill submitted for external consultation and then see whether these comments were included in the final text of the bill. If the final text incorporates

the group's expressed requests for changes, then the group was successful and realized its preferences (Yackee & Yackee, 2006).

The big question is which groups realize their preferences more frequently than others. The most intuitive hypothesis posits that business groups, which enjoy a priori more financial resources, personnel, and technical expertise, have higher rates of success than public interest groups advocating for an ideal cause. However, empirical evidence does not tend to validate this hypothesis. Indeed, Frank Baumgartner and colleagues show that, in the United States, resources are not an explanatory factor for group success, if opposing "policy sides" are of similar strength and neutralize each other (Baumgartner et al., 2009). When studying success, the relevant unit of analysis appears to be the policy side (in which groups are embedded), rather than the capacities of the individual groups. Focusing on the success of groups seeking to influence policies conducted by the European Union, Dür et al. (2015) even suggested that, given equal resources, business groups lose more often than public interest groups. Other studies, meanwhile, conclude that economic associations only win if they do not display any internal division (Young & Pagliari, 2017).

In order to pursue the analysis along the influence chain, it is ideally necessary to estimate the impacts of groups' advocacy strategies on the behavior of the policy-makers who are the target of lobbying. A few empirical studies have shown that if parliamentarians have personal links to similar interest groups, then they act in a concerted way at different stages of the policy cycle. For example, the likelihood that parliamentarians with similar interest profiles will cosign legislative proposals (Fischer et al., 2019) or requests policy evaluations (Varone et al., 2020) is higher than if parliamentarians are not linked to similar interest groups.

Outlook

Four promising avenues of research would allow better understanding the role of interest groups in policy-making.

1. Whereas researchers have observed a decoupling between political parties and their traditional allies (e.g., between social democratic parties and labor unions), regularized leadership contacts between parties and a wider set of interest groups are common. Recent research has focused on the organizational and contextual factors favoring such "organizational ties." However, we know little about how political parties protect themselves (and their members of parliament) against interest group lobbying. A focus on organizational ties ignores the fact the elected politicians are party members. We must thus better understand how the party rationale impinges upon the relationship between elected politicians and interest group representatives.
2. Some interest groups have *structural* power because of their importance as economic actors (e.g., as capital investors, local employers, or tax contributors) within a country. This structurally strong position means that, even without any proactive action by interest groups, policy-makers will censor themselves in adopting policies that would be diametrically opposed to the interests of these groups. A focus on groups' visible activities (i.e., their instrumental power) thus necessarily limits our understanding of their power in the decision-making process. Grasping the informal and structural power of interest groups is probably empirically more difficult, but no less important.
3. The *individualization* of political participation represents a challenge for (public) interest groups: Political consumerism (e.g., through boycotts of products of multinational companies) and mobilization on social networks (e.g., through global awareness campaigns such as #MeToo) opens up a wide range of actions that are theoretically available to interest groups. However, we do not know under which conditions which groups are able to capitalize on these opportunities and how effective these new repertoires of action are.
4. Finally, interest groups develop insider and outsider strategies, to access multiple decision-making arenas within a country. In addition to this horizontal venue shopping

between the executive, legislative, and judicial branches of a national political system, there is also the strategic choice of being active at different levels of power (vertical venue shopping or scale shifting; Beyers & Kerremans, 2012; Dür & Mateo, 2016; Constantelos, 2018). Which interest groups are able to mobilize jointly at the (infra-) national and inter- or even supranational level, and how successfully?

Cross-References

- ▶ Administration
- ▶ Agenda Setting
- ▶ Business
- ▶ Conflict
- ▶ Courts
- ▶ Decision
- ▶ Direct Democracy
- ▶ Elections
- ▶ European Union
- ▶ Evaluation
- ▶ Expertise
- ▶ Government
- ▶ Implementation
- ▶ Lobbying
- ▶ Media
- ▶ Multilevel Governance
- ▶ Neocorporatism
- ▶ Parliament
- ▶ Pluralism
- ▶ Policy Cycle
- ▶ Political Parties
- ▶ Power
- ▶ Public Opinion
- ▶ Social Movements
- ▶ United States of America

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