

Chapter 3

General Theories of Interest Group Activity: Pluralism, Corporatism, Neo-Marxism, and Other Explanations

3.1. INTRODUCTION

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The entries in this chapter outline the major theories developed by scholars to explain the overall relationship between interest groups and political systems and to show how groups interact with the policy process. As such, these theories, explicitly or implicitly, offer an approach, or methodology, for understanding interest group activity in the broad, or macro, context of political systems.

The theories and explanations considered here apply primarily to pluralist or liberal democratic systems. There are three reasons for this. First, these systems are the subject of well-developed theories based upon extensive research. Second, the vast majority of the work on interest groups has been conducted on groups and group systems in pluralist democracies. Therefore, a focus on macro explanations of groups operating in these systems is a prerequisite for understanding many aspects of interest group studies. Finally, no general theories of interest group activity apply to a wide range of nonpluralist systems in the way that pluralism and neocorporatism apply to virtually all pluralist systems. Perhaps this is because nonpluralist regimes cover such a gamut of systems, from mild forms of authoritarian regimes such as Franco's Spain to extreme totalitarian systems like communist Albania. The lack of applicable theories may also stem from the fact that, for a variety of reasons, scholars who study nonpluralist systems have not been as concerned with interest groups as scholars of pluralist democracies have been (see section 12.1. and chap. 12 in general). Therefore, a general explanation or explanations of interest group activity in nonpluralist systems awaits development.

However, elements of the explanations in this chapter do apply to some nonpluralist systems. This is particularly true of corporatism (see section 3.4.) in many of its manifestations. In fact, all the models and explanations considered here apply somewhat to the relationship of interest groups to nonpluralist systems. Even pluralism (3.2.) is relevant from the practical perspective of a competition of interests in some nonpluralist regimes, even though the official ideology of a regime may deny such competition.

The two major explanations considered in this chapter are “Pluralism and its Modifications” (see section 3.2.) and “Corporatism and Neocorporatism” (see section 3.4.). Pluralism is not only the major theory explaining the interaction of interest groups in pluralist systems—it is also the major theory in political science in the Western world. Neocorporatism, a much more recent theory, dates from the 1970s, though its derivations go back much further. It is associated primarily with the social democracies of Western Europe and is much less applicable to the United States. However, although pluralism and neocorporatism are the most widely accepted and well-documented theories of interest groups operating in pluralist systems, both are wanting in theoretical rigor and thus are inadequate explanations of group activity.

Of the other theories and explanations considered here, Elitism (see section 3.3.), the major modified form of pluralism, is important enough to warrant its own entry. Three entries, “The Responsible or Strong Political Party Model” (3.6.), “Statist-Centered Approaches” (3.7.), and “Neo-Marxist Approaches” (3.8.), are further variations on the pluralist model and, to some extent, the neocorporatist model, emphasizing certain elements in the political system (political parties, the government, business, etc.) as key in understanding the role of interest groups. The other two entries, “Political Economy Approaches” (3.5.) and “New Institutionalism” (3.9.), were primarily developed as methodological approaches and not as macro explanations but are still relevant to the macro role of interest groups. Economic approaches, through schools of thought such as rational choice and public choice, provide a perspective on how groups are affected by and affect the political system and society. Such approaches also offer insights into the internal operations of interest groups. New institutionalism attempts to explain how institutions—such as legislatures, executive departments, and so on—affect how interest groups operate and the role of this interaction in shaping policy outcomes.

None of the theories and approaches examined here offer a complete explanation of the way that interest groups relate to and are affected by pluralist political systems. Another important factor to note is that each theory or approach has been subject to the ebb and flow of academic fashion—a once-prominent theory may become unpopular because it seems less applicable, or simply because it does not agree with a current academic fad. Neocorporatism is one example. Its popularity in the 1970s

gave way to a sense that it was less relevant by the 1990s. Likewise, the *new* in new institutionalism emphasizes its proponents' belief that institutions do matter, whereas for a long time scholars believed that institutions had little influence on interest group activity. Despite these caveats, each theory or explanation offers its own important insights. And, either directly or indirectly, each provides a critique of the others. In the absence of an existing grand theory of interest groups, the explanation of group activity at the system level in a particular pluralist system—Germany, Japan, the European Union, for example—likely lies in a combination of two or more of the theories presented here.

3.2. PLURALISM AND ITS MODIFICATIONS

Grant Jordan

Pluralism is often seen as the dominant paradigm—the theoretical orthodoxy—in political science and the most realistic description of how interest groups relate to the political system in liberal democracies, especially in the United States. The basic elements of pluralism are encapsulated by Dye and Zeigler (1970, v):

Pluralism portrays the American political process as competition, bargaining and compromise among a multitude of interest groups . . . the modern pluralist accepts giant concentrations of power as inevitable . . . The pluralist realizes that the unorganized individual is no match for giant corporate bureaucracy, but he hopes that countervailing centers of power will balance each other and thereby protect the individual from abuse. Groups become the means by which individuals gain access to the political system. The government is held responsible not by individuals but by organized groups and coalitions of groups (parties). The essential value becomes participation in, and competition among, organized groups.

However, few, if any, concepts in political science and interest group studies have been as subject to debate as pluralism.

First, although it is the prevailing ideology, few scholars actually identify with pluralism. Dye and Zeigler (1970) point out the irony that while most American textbooks are founded on a pluralist perspective, challenging the orthodoxy of pluralism is common in these texts. Second, there is a major debate about what actually constitutes pluralism and whether it is a realistic description of the policy process and the role of interest groups in liberal democracies. Third, the nebulous nature of a core concept of pluralism and the dispute over whether it is an accurate description of policy making has led to several modifications of pluralism. And fourth, scholarly perspectives on pluralism have emphasized different interpretations and elements at different times.

Vaguely Defined Orthodoxy: The Debate about the Essence of Pluralism

Pluralism is a remarkably ill articulated idea. It has primarily been associated with Robert Dahl, but even he noted that once he had used the term:

Later . . . the concept took on a life of its own. . . . In fact, a good deal of the “theory” consisted of interpretations by hostile critics who sometimes constructed a compound of straw men and inferences from the work of assorted writers who by no means held the same views. (Dahl 1984, 232)

Pluralism has often been discussed, as in the *Federalist Papers* numbers 10 and 51 (Brock 1965), without the use of the actual term. It is also a label that is applied to very different concepts. It has been repeatedly rediscovered, but as Gunnell (1996, 254) puts it, “the continuities are less evident than often assumed.” In this vein, Polsby (1980, 112), while noting the relevance of writers such as Tocqueville (1835), Bentley (1908), Herring (1929), and Truman (1951) to the rediscovery of pluralism in the 1960s, also observes that there really was no core body of work on pluralism to be refurbished. What existed was a set of loosely connected ideas and assumptions labeled *pluralism*. However, since James Madison, its central proposition has been that competing interests should be encouraged in order to prevent an overly powerful government. This general orientation to interest groups regards them as “generally beneficial, or at least benign” (M. Olson 1982, 35).

The main post–World War II criticism of pluralism was that it was too uncritically descriptive and too optimistic in assuming some kind of fair contest among protagonists. Pluralist scholars were well aware of these shortcomings. Lindblom (1979, 523), for one, responded emphatically, “Who can deny so obvious a point?” to the criticism that not all interests are equally represented in the process. And Dahl’s complacent-sounding argument that the United States had a “political system in which all the active and legitimate groups in the population can make themselves heard at some critical stage in the process of decision” has been regularly misquoted by critics of pluralism. Dahl’s claim was not that all interests were equal. He went on to say:

To be “heard” covers a wide range of activities . . . Clearly, it does not mean that every group has an equal control over the outcome. In American politics . . . control over decisions is unevenly distributed; neither individuals nor groups are political equals. (Dahl 1956, 145)

The key to Dahl’s argument was not that power was held *equally* but that it was *dispersed*. Dispersal of power among the institutions of government

(national, state, and local; bureaucratic and elected; presidential and legislative) facilitates access by different sorts of groups. In this vein, Dunleavy and O'Leary (1987, 13) point to what Sartori (1976) termed the "value belief dimension" to pluralism. Sartori (1994) argues that this feature of liberal democracy grew out of religious toleration—a formula invented by minorities to assure their own freedom, not to protect the freedom of others. A concomitant of the respect for different values has been a suspicion of authority (Dahl 1984, 235, 238).

Imprecision about the nature of pluralism stems in part from the term's variety of uses and manifestations. Here the work of Polsby (1980) is particularly instructive. Pluralism-as-methodology he termed *Pluralism 1*, defining it as eclectic methods of gathering data. This is a research strategy that examines how decisions are made and how conclusions are drawn. Pluralism 1 was an explicit challenge to the stratification, or elitist, perspective on pluralism that Polsby charged built its conclusions into the research design. In a similar vein, Bachrach and Baratz (1962) say, "the pluralists' . . . approach to and assumptions about power predetermine their findings and conclusions."

Pluralism 2 is pluralism as conclusions about the distribution of political power. It involves propositions purporting to describe a certain state of affairs in one or more local communities. Polsby writes:

Pluralists . . . see American society as fractured into congeries of hundreds of small special interest groups, with incompletely overlapping memberships, widely differing power bases, and a multitude of techniques for exercising influence on decisions salient to them. (Polsby 1980, 118)

The pluralist 2 state of affairs . . . has one or more characteristics . . . dispersion of power among many rather than a few participants; competition or conflict among political leaders; specialization of leaders to relatively restricted sets of issue areas. . . . (Polsby 1980, 154)

Less clearly, Polsby also identifies *Pluralism 3*. This is the broad intellectual tradition that accepts some human nature assumptions that predict that individuals act out of self-interest.

Pluralism Modified and Qualified: The Variety and Imprecision of Neopluralisms

Terms like *neopluralism*, *reformed pluralism*, *critical pluralism*, and even *anti-pluralism* are repeatedly coined by scholars seeking to draw distinctions from earlier variants (Jordan 1990). One widely used term that embraces many of these forms of modified and qualified pluralism is *elitism* (see section 3.3.). Yet there is no consensus on how to label these

modified or qualified forms. Nor is there much detail on how they differ from actual (as opposed to caricatured) pluralism, which is, broadly speaking, portrayed by its critics as being a system of open competition. But this is an unfair oversimplification. Dunleavy and O’Leary (1987, 23) correctly observe that “pluralists know that citizens do not and cannot directly control policy-making in polyarchies.” Furthermore, those writing in a pluralist vein see a clear pattern of segmentation in the policy process.

This segmentation was clearly expressed in the 1960s and 1970s by the use of the term *subgovernment*: the idea that within the political system there exists close, often closed arrangements between powerful entities that have a symbiotic relationship. An extreme form of this was the “iron triangle” (see section 7.16.). Here policy was made through closed sectoral arrangements between the relevant civil servants, politicians, and cliental interest groups.

The issue network school (see section 7.16. and chap. 10) revision of pluralism—whose proponents see a web of loosely related government agencies, politicians, and groups in the same issue area—suggests that since the 1980s a pattern of conflict and confusion has superceded the neatness of iron triangles with their clearly identifiable subgovernments (Gais, Peterson, and Walker 1984; Hecl 1978). Salisbury et al. (1992, 149) also suggest that the subgovernment approach is too rigid. Jeffrey Berry (1989, 245) concludes that “the majority of recent empirical studies are critical of the traditional subgovernment thesis.” This is a return to the image of the structureless conflict of competitive pluralism.

In their study of British interest groups, Richardson and Jordan (1979) focus on the idea of policy communities. These are clusters of interests and policy makers around policy areas that tend to be more permanent than issue networks. In these communities interest relations are often institutionalized, and certain groups are excluded from the policy process. This is a form of pluralism where there is no single united elite in all policy areas. For example, the privileged elite in the arms industry is not the same elite as in the tobacco industry. M. Smith (1990) characterizes the work of Richardson and Jordan, with its central idea of policy communities, as *reformed pluralism*.

McFarland (1987, 130) sees Lowi (1979), Schattschneider (1960), and McConnell (1966) as anti-pluralists, while Nordlinger (1981, 157, 223) describes this school as neopluralist. Neopluralism, Nordlinger argues, is unlike the original form in that these writers believed that resource inequalities are dispersed cumulatively. Dunleavy and O’Leary (1987, 293) note that neopluralists “are prepared to concede what conventional pluralists always denied, that business interests occupy a position of special importance compared with other social interests.” Their neat distinction is undermined, however, by the fact that no pluralists are cited espousing such a naïve position.

Three Generations of Pluralism

Since the turn of the twentieth century, the concept of pluralism has undergone various permutations. McClure (1992) identified three broad generations of pluralism.

1. *Anglo-American, Mainly Philosophically Oriented Pluralism*. This developed at the turn of the twentieth century as a philosophical reaction against the monistic state—the superior and most politically legitimate entity in society and in public policy-making. Perhaps the definitional weakness of pluralism can be explained by its origins as an anti-theory. This first interpretation of pluralism denied, on normative grounds, the exclusive legitimacy of the sovereign state and argued that churches, trade unions, and other groupings were not inferior. The state, according to British historian Harold Laski, “is only one among many forms of human association and, as compared with other associations, has no superior claims” (Coker 1924, 93). Conjoined with this normative belief about legitimacy was a descriptive body of literature that sought to describe how the political machine really worked. This literature argued that policy making was not confined to official institutions, a notion which discredited legalistic and constitutional accounts of how policy was made and replaced debates about the desirability of particular policies with descriptions of policy making.

2. *American Empirical Pluralism*. Roughly spanning the period from the 1920s to the 1960s, McClure’s second category could equally be labeled *Pressure Group Pluralism/Mainstream Pluralism*. From Odegard (1928) to Herring (1929) to Truman (1951), authors looked at empirical practice and found groups active in the process. Pluralism, now less philosophical in orientation, was transmuted into an anti-theory challenging elitism, as in Dahl (1961). Gunnell (1996, 259) notes that, like Madison, Herring and his successors once more transformed a disease of democratic government into a theory of democracy. Dahl (1956) developed this orientation into a sort of empirically derived democratic theory.

Besides generating an academic critique, this generation of pluralists also produced another reaction. As McLennan (1995, 1) notes, for many during the 1970s *pluralism* was a term of abuse. American pluralism was taken by many radicals as representing little more than an apology for corporate capitalism, a Western Cold War ideology parading as mature social science. In another sort of critique pluralism was presented in a simplified, caricatured form, which set the stage for neocorporatism to appear as what was perceived by many as a novel discussion of interest group-governmental cooperation (Almond 1988). In fact, neocorporatism was not entirely distinctive when judged against the subgovernment approach to pluralism (see section 3.4. and chap. 10).

3. *Multiple Identity or Postmodern Pluralism*. As McClure (1992, 112) writes: “For the third time this century, arguments for ‘pluralist politics’

are beginning to command attention.” Thus, to use the words of Schlosberg (1998), this third generation might also be labeled *Resurrected Pluralism*. In this variant there is no longer a zeal for empirical understanding, but instead a normative reformism. Apart from an acceptance of the irreducible complexity of society and the sheer multiplicity of valid differences, such sources see politics as a process involving the construction of identities by, and in, organizations. Regarding the resurrection of pluralism, Schlosberg observed:

After years of thorough critique, a purge of sorts, and, finally, relative obscurity, political and social theorists have begun to resurrect pluralist themes, even if they often do not acknowledge the term. . . . [and]. . . . only a few would consciously label themselves “pluralist.” (Schlosberg 1998, 583, 591)

While there is an endorsement of pluralism from these postmodern quarters, the links should not be exaggerated. If there is a willingness to endorse the anti-monist theme of the first generation and the beneficial effects of organizational proliferation, there is also, as Schlosberg notes, a remarkable reluctance to be seen as endorsing the work of pluralists. Dahl and Lindblom are commended only for shifting away from early pluralism. The current sentiment is that the earlier pluralists were right, but the later pluralists were wrong. However, suspicion of the notion of the state provides a linking thread—though few authors even loosely attached to a pluralist position use the term *the state* with much frequency. Instead, they find all kinds of alternatives: *government*, *administration*, *elected politicians*, and *civil servants*, among others. Descriptive pluralists find major divisions in what others see as a unified state. They particularly focus on the friction between government departments and the divisions within capitalist representation (Vogel 1996).

Schlosberg (1998, 608) has portrayed the re-emergence of this philosophical interest as rescuing pluralism from the land of the theoretical untouchables. However, the new pluralism is normative, whereas mainstream pluralism was primarily empirical. Pluralism has been transformed as well as disinterred. There is a return to abstract conceptualization that predates the first pluralist generation (see also Eisenberg 1995).

Conclusion: A Practical Perspective

Logically, pluralism as a practical system cannot deliver satisfactory outcomes for all interest groups. Pluralism is a political arrangement that recognizes that interest groups have different needs, which they may legitimately pursue. Resources do matter in determining access and influence for a group, as do institutional structures (see section 3.9.), including the role of government (see section 3.4.) and political arrangements

such as the strength of political parties (see section 3.6.). And even the promise that different views can be addressed given time is little compensation for frustrated organizations, as there is no guarantee that their political position will improve in an acceptable period of time. If a group is a political loser, it is only a small consolation that many other groups with equally few resources have, at different times over different issues, had satisfactory outcomes.

3.3. ELITISM

Andrew S. McFarland

Here, *elitism* refers to a school of interest group analysis, one that replaced the pluralist school and that, since 1980, has been giving way to neopluralism. Some of the writers on elitism, cited below, would likely not have considered themselves part of a particular school, but in retrospect this appears to be the case. And if this school's influence is now waning, its impressive accomplishments have left a permanent mark upon political science.

In regard to interest groups, elitism might be better termed *multiple elitism*, because it refers to the perspective that the American political system is largely controlled by multiple separate elites, each dominating a particular area of public policy. Multiple elitism agrees with pluralism in rejecting the concept of a single power-elite in control of the important issues of American politics. However, while elitism regards policy areas as controlled by an elite particular to that area, pluralism sees policy as being influenced by a much wider range of individuals and interests.

The most enduring contribution to elitist theory is Mancur Olson's *The Logic of Collective Action* (1965). Olson argues that many widely shared but diffuse interests will not organize into groups because successful lobbying provides a collective benefit to all interested parties regardless of whether they contributed to the group. Many public policy benefits, such as national defense or reducing air pollution, contribute not just to the individual but to the public good. Olson argues that we cannot expect rational people or organizations to contribute to an interest group because they will receive the benefit of the group's actions anyway. On the other hand, rather small groups sharing a few interests—often a group of several business corporations—will organize because each corporation will see that its contribution is necessary to the political success of the group. Such a well-organized economic interest will then constitute a well-organized elite in some area of policy, overcoming more widely shared and diffuse interests that do not organize into groups.

A second extremely influential elitist theory work is Lowi's *The End of Liberalism* (1969, 1979). In an analysis parallel to Olson's, Lowi argued that vaguely specified legislation has invited particularistic interest groups

to form coalitions with friendly members of Congress and agencies of the executive branch. Such coalitions, or “little governments,” separately control many policy areas because congress and the president lack the political will and means to intervene, and widely shared interests cannot organize to provide countervailing power.

Another extremely influential writer of this school was Schattschneider, who argued in *The Semisovereign People* (1960) that manipulation of the scope of conflict is the basic variable of politics. Consequently, cliques of particularistic special interests constantly work to prevent the public from knowing about some issues and thus prevent wide participation in decision making on those issues. Schattschneider believed that American politics tends to be dominated by multiple-elites, which need to be balanced by stronger political parties. See section 3.6.

A fourth elitist theorist was Edelman, who wrote *The Symbolic Uses of Politics* (1964). He argued that small groups that have a continuing economic interest in a given public policy would pursue this interest continually in an effective, rational manner. On the other hand, the wider public is less informed about many public policies and easily convinced that reform legislation has dealt with an issue when in reality it has not. The legislation is a symbol of the public’s concern about a problem; the legislation, however, may not be effectively implemented because interests affected by the reform will organize to undermine the legislation. The general public does not understand this, regards the legislative symbol as operating according to design, and loses interest in the matter, thereby leading to renewed elite control. Given the many policy areas, Edelman argues, this process leads to multiple elitism.

A fifth multiple elitist theory is Stigler’s (1975) theory of regulation. Stigler argued that governmental regulatory laws act in the interest of the regulated, who mobilize interest groups to pass and maintain such laws to serve their own narrow interests, not those of the general public.

Other writers on elitist theory are discussed in McFarland (1991), which includes a useful bibliography.

3.4. CORPORATISM AND NEOCORPORATIST THEORY

Peter J. Williamson

Corporatism (and its recent variant, neocorporatism) is a cooperative relationship between government and certain interest groups, the goal of which is to provide stability and predictability in the development and implementation of policies, most often economic policies. Because of corporatism’s focus on economic policies, economic interests and producer groups are the most common participants in corporatist and neocorporatist arrangements. The two major producer groups are business and labor.

Agriculture and the professions are often included under business or labor as employers or members of the labor force. Because three sectors of society—government, business, and labor—are generally involved, negotiations are often referred to as *tripartite negotiations* and outcomes as *tripartite agreements*. And this institutionalized and authoritative process of negotiations between the key sectors of society is referred to as *neocorporatist* or *interest group intermediation* and sometimes as *concertation* (C. Thomas 1993a, 9).

Neocorporatism as a model of interest group activity in pluralist democracies is just thirty years old. However, its predecessor, corporatism, has a lengthy pedigree. Under the influence of Catholic moral philosophy (as well as secular conservative nationalist strands), corporatist economic and social theory advocated using employer organizations and trade unions as agents of state economic and social regulation. This placed corporatism somewhere between the free market and administration by a state bureaucracy. Peter Williamson (1985, Part 2) provides an overview of this aspect of corporatism, which was influential in continental Europe from the middle of the nineteenth century to World War II. During the twentieth century corporatist ideas were adopted by a number of authoritarian regimes (Williamson 1985, Part 3), including Nazi Germany and Fascist Italy and in the Latin-Iberian world (Malloy 1977; Pike and Stritch 1974).

Despite its historical association with reactionary thought and authoritarian practice, from the mid-1970s corporatist studies of interest groups in Western industrialized democracies became an important field. To distinguish this type of corporatism from its authoritarian forms, the prefixes *liberal* (liberal corporatism) and *neo-* (neocorporatism) were usually attached. The launch of neocorporatism can largely be attributed to Schmitter's (1974) essay "Still the Century of Corporatism?" He argued that in liberal democracies the institutional structures of organized interests displayed similarities to some non-democratic regimes; however, in democracies these similarities arose from societal pressures rather than state imposition. For this reason, corporatism in authoritarian and non-pluralist regimes is sometimes labeled *state corporatism*, while in liberal democracies *societal corporatism* serves as a synonym for neocorporatism.

Central to Schmitter's thinking was the idea of organized interests being structured into a limited number of peak associations (see section 4.10.) for each function or interest—ideally one peak association for business, one for labor, one for agriculture, and so on. This single representation limited competition among groups, and membership took on features of compulsion, which reduced the possibilities of membership breakaways. The state granted groups a representational monopoly in return for certain compliant behaviors. In setting forth an ideal model, Schmitter explicitly provided an empirical and theoretical alternative to the predominant pluralist view of interest group politics. Schmitter and

the neocorporatist generation of scholars raised the status of *corporatism* within democracies beyond a casual label for any structured, close relationship between interest groups and public authorities. The usage of *corporatism* in this less structured form of developed pluralism in describing the Western European experience is found in Beer (1956, 7), Eckstein (1960, 427–28), LaPalombara (1964, 222–46 and 283–84), Rokkan (1965, 113), Lowi (1969, 70), and Heisler (1974, 42).

Elements of Neocorporatist Theory and Phases in Their Development

In the 1970s, following Schmitter's lead, corporatist studies addressed the idea of interest intermediation in contrast to interest representation (Schmitter and Lehbruch 1979). The idea of intermediation suggested that interest groups ceased to be merely representative bodies and became agencies through which member interests were mediated with the state. Similarly, interest groups could assume responsibility for implementing public policy, thereby regulating the economic behavior of their members. At the time, most attention focused on incomes and prices policies. Such policies—negotiated by and often implemented through trade union and employer organizations—highlighted the possibility that members would sacrifice some of their autonomy for a wider public interest (Lehbruch 1979a and 1979b).

This emphasis on institutional structures was not the exclusive approach of early neocorporatist theory, although it has remained predominant. In effect, two variants of neocorporatism emerged from the outset (Schmitter 1982). The second, as represented by Lehbruch (1979a and 1979b) and Panitch (1979), concentrated on participation in policy making and implementation—an emphasis that makes this variant difficult to distinguish from corporate pluralism as developed by Rokkan (1965) and Heisler (1974). However, the vast majority of corporatist theorists did not share pluralist assumptions about politics and society. This was most obvious in discussions of the proactive role of the state under corporatism (Cawson 1978; Jessop 1979; Panitch 1979). Neocorporatist writers spent much of the 1980s trying to firm up a theoretical distinction from conventional pluralism (Cawson 1986; Schmitter 1985; P. Williamson 1989).

The essential element in the development of corporatist theory was the need for a theory of the state. The state was seen as serving institutional interests of its own, which influenced the nature of corporatist structures and the political decisions they produced. There was, however, no agreement within corporatist writings about state theory and neo-Marxist class-based theories (Jessop 1979; Offe 1981, 1984; Panitch 1979, 1980) and perspectives based on the state as a powerful organization in its own right (Schmitter 1979, 1985) were developed Cawson (1986 and 1988).

Scholars who provided the most coherent and considered view of the state and corporatism, argued that the state should not be viewed as a unified whole. The failure of corporatist theory to clarify the position of the state meant that corporatist conclusions remained broadly speculative, often based more on a scholar's own values than on a validated analysis of the evidence.

Corporatism was concerned not just with intermediation and political representation, but also with the involvement of interest associations in implementing public policies agreed upon with state bodies. This posed the question of whether private interest groups were effectively being given public authority as agents of the state. This would involve consequences for interest representation not considered in conventional interest group analysis.

Many empirical examples of this "private interest government" were identified and analyzed in the corporatist literature. Streeck and Schmitter (1985) highlight the issues effectively, and reveal the breadth of such arrangements in all types of sectors, although the principal example was self-regulation by unions and employer organizations of prices and incomes policies. However, while these developments challenged traditional views about private interest groups and public authorities and, in the British case, generated considerable debate about accountability (C. Crouch and Dore 1990), the broader significance remained ambiguous. In one way such developments could be seen as an extension of pluralist interest representation into the state's administrative machinery itself, while an alternative, less favorable, view was that this was a state takeover of private interest groups to its own ends. The studies were never quite able to provide the answer to this fundamental question.

Lehmbruch and Schmitter (1982) decisively took corporatism into the area of comparative politics. This analysis ranked countries on a corporatism league table and then measured the association between the ranking and political and economic outcomes. The hypothesis tested was that corporatist arrangements, through facilitating stable management of the economy, improved "governability" (Schmitter 1981) and economic performance (Schmidt 1982).

Studies did not stop here, but extended to consideration of what socioeconomic (especially class divisions and conflicts) and political characteristics supported the development of corporatist arrangements (Goldthorpe 1984; Scholten 1987a). The conclusion was that for corporatism to be adopted and operate successfully, features like a predominance of social democratic or labor parties and restricted socioeconomic differentiation were required (Lehmbruch 1982; Schmidt 1982; Schmitter 1981).

The study of macro-corporatism, or corporatism at the national level, was not the only dimension of corporatism studied in the 1980s. Wassenberg (1982) suggested that a national focus alone gave the misleading

impression that corporatism had a monolithic, society-spanning presence. For him, corporatism was more relevant to the study of arrangements at the sectoral or industrial level—*meso-corporatism*. From this viewpoint many comparative studies of different industrial sectors were born. Cawson (1985) provides a comparative review of institutional arrangements of interest organizations in the same industries across several countries from a corporatist perspective.

Neocorporatism As an Explanation of Interest Group Activity: Strengths and Weaknesses

Corporatism opened up an important debate about the wider nature of close and structured relationships between public authorities and seemingly independent organized interests. The traditional pluralist picture was challenged, although it also counter-challenged in turn (Almond 1983; Heisler 1979; A. Jordan 1984). In this respect, corporatism posed, and continues to pose, many interesting questions. However, answering these questions requires both sophisticated theories of interest determination (organizational power in relation to the state) and considerable detailed empirical data. Corporatism produced the latter, but has been unable to deliver the former in a way that would allow the empirical data to be understood by means other than placing it alongside broad theoretical stances about the state and democracy (Cox and O'Sullivan 1988).

Corporatism has never represented a complete alternative to pluralism. From the outset it was recognized that polities were not exclusively corporatist, but had to be placed on a continuum between ideal corporatism and ideal pluralism. Moreover, there were major variances among Western democracies in their ability to achieve neocorporatist arrangements. The United States had not embraced corporatism (Salisbury 1979; G. Wilson 1982), though see Shaiko (1998) for an alternative explanation. Japan had a form of corporatism, but it did not involve labor organizations (Hrebennar 2001; Pempel and Tsunekawa 1979). And Britain had little success in embracing corporatism (Lehmbruch 1982, 21). Corporatism, therefore, appeared to be linked to specific socioeconomic, political, or cultural phenomena and was not a universal development of interest group activity in liberal democracies. This appeared to be the case not only at the national level but also at the sectoral level (Atkinson and Coleman 1989b; W. Grant 1991a and 1991c). Furthermore, Lijphart and Crepaz (1991) contend that corporatism should simply be seen as a product of a consensual democratic political system (as opposed to an adversarial system). This view doubts the centrality of corporatism in creating a consensus to manage the economy. Such doubts are magnified by the inconsistent definition of *corporatism* across corporatist studies (Keman and Pennings 1995).

In addition, by the end of the 1980s corporatist theory faced two empirical challenges. First, the increasing shift to market-based policies by most

Western governments and higher rates of unemployment began to dictate a new agenda for research that was less concerned with regulation involving trade unions and employer organizations. Even where regulation persisted, the state often preferred to deal directly with individual firms (Cawson et al. 1990). Second, there was evidence that organized interests were changing both in terms of their attractiveness as a means of representation and their actual ability to deliver members' compliance. (Schmitter 1989; see also Micheletti 1990b examining the Swedish case).

Given such developments, in 1989 Schmitter published an article provocatively titled, "Corporatism is Dead! Long Live Corporatism!" Interestingly, this article displayed a downgrading of theory and a generally less assured approach. Since then the flow of literature with an exclusive corporatist focus has declined. Yet corporatism as an analytical concept is far from receiving its last rites. There remains a considerable interest regarding corporatist relations in industrial policy, including its relation to the internationalization of markets (Greenwood, Grote, and Ronit 1992a; Martinelli 1991). Likewise, attention has returned to corporatism and macro economic performance in the context of Economic and Monetary Union (EMU) in the European Union (Schmitter and Grote 1997) and questions of governance (Gorges 1996; Marks et al. 1996; Streeck and Schmitter 1991).

Thus, while corporatism has become caught up in addressing the complexity and diversity of advanced polities and economies and has moved on from the greater certainties surrounding the corporatist model in the 1970s and 1980s, there is still mileage in its central question of how democratic pressure politics are given particular institutional arrangements. Corporatism continues to offer insights beyond historical analysis, but does so much more as one piece in the analytical toolbox for exploring empirical data. But today it is much less explicitly presented as *the model* of a system (W. Grant 1991c, 113–14).

See chapter 10 (especially sections 10.2., 10.3., and 10.4.) for the place of the neocorporatist perspective in comparative interest group studies and a critique of its strengths and weaknesses as an explanatory theory.

3.5. POLITICAL ECONOMY APPROACHES AND EXPLANATIONS

Paul Brace and Kellie Butler

Economic theories of interest groups provide insights into both the internal dynamics of groups—particularly the reasons for group membership and its consequences for representation—and the effect of interest groups on the public policy process and on society as a whole. A good example of a general theoretical study of interest groups using an economic approach is Grossman and Helpman, *Special Interest Politics* (2001).

In most areas of political inquiry, studies employing economic approaches have left an indelible mark on contemporary research. For example, Downs (1957) reoriented thinking about the interplay of voters and parties; Buchanan and Tullock (1962) pointed to dysfunction of democratic institutions and processes. These and other studies illustrate the analytical value of accepting human behavior as purposive, leading to less-than-obvious conclusions arrived at through intuition disciplined by logic and precision in theory. While it is difficult to gauge the overall impact of economic approaches, modern political science would be vastly different without them.

Economic approaches have been used to understand interest groups from the early years of the study of political science. Bentley (1908) used an economic approach that focused on political pressure groups. His work helped stimulate the large amount of literature in political science on pluralism. Yet despite Bentley's early efforts, interest groups received scant attention in economic models of political processes until the mid-1960s. In Downs's (1957) model, for example, collective organizations are conspicuously absent. And Buchanan and Tullock (1962) give them only slight attention.

Economic Explanations of the Internal Dynamics of Groups

Mancur Olson's Contribution—Rational Participation in Interest Groups. Olson's *The Logic of Collective Action* (1965) altered the direction of scholarship to include collective organizations by focusing on the incentives for group formation and the biases this may create in the representativeness of groups. Applying the simple logic of the provision of public goods to the outcomes achieved by interest groups, Olson showed that groups face significant obstacles to their formation. The largest impediment is the free rider problem: individuals who may share a group's collective goals have an incentive to be a rational non-contributor to the group because the group cannot deny them the benefits of the policy goals the group seeks. According to Olson, group goals are insufficient to stimulate collective action and not all groups will be able to surmount the free rider problem. Small groups facing lower organizational costs and benefiting from a single large member (one receiving so much benefit to be willing to cover all or a majority of the costs of collective action) and groups with access to selective incentives (material inducements that depend on an individual's contribution to the group, such as a journal or newsletter) that only members receive have special advantages that allow them to form. Because individuals join these groups for reasons besides the group's collective aspirations, this raises fundamental questions about the ability of such groups to represent member interests.

Pluralist theories that viewed groups as natural extensions of member interest were fundamentally contradicted by Olson's theory. By focusing

on the necessary and sufficient conditions under which a utility-maximizing individual would join a group, Olson laid bare the precarious and biased organizational footing on which groups form. In so doing, he also questioned the normative interpretations of political scientists that underscored the corrective give and take of interest group participation over the long run. However, one obvious weakness of his explanation is that the material rewards for participation in many groups are quite minor; yet some such groups have large memberships, often without the aid of selective incentives. Olson (1965, 2, 108) allowed that groups may contain “altruistic” or “irrational individuals,” and selective incentives may not always be necessary. He proposed that psychology, particularly social psychology, may be more appropriate for studying “groups that are characterized by a low degree of rationality” (M. Olson 1965, 160, 161).

Subsequent studies have identified other motivations besides material gain as reasons to contribute to or participate in interest groups (see, especially, Moe 1980a and 1980b). Purposive and solidary goals have been added to material gain as incentives. Purposive goals as incentives suggest that individuals join a group to achieve the group’s ends, while solidary incentives suggest that there are direct benefits from participating in the group that lead some to join. Any single group is likely to offer some mix of all three incentives. Moe suggests that the mixture of incentives can influence a group’s internal politics, stability, resilience, and effectiveness over time.

Economic Explanations of the Effect of Groups on Public Policy and Society

Economic Theories of Regulation and the Effects of Groups. In a later work, Mancur Olson (1982) argues that the biases in group formation retard a society’s economic development by concentrating resources in the hands of the organizationally advantaged. The dynamics of collective organization confound the efficiencies of the market economy over the long run, although the details and empirical support for this argument have been subject to debate (Brace and Cohen 1989; Gray and Lowery 1988).

Where Olson was preoccupied with the conditions for group formation and their organizational and political consequences, some work by other economists focused on the role of groups in the regulatory process. Specifically, these economists sought to provide explanations for the behavior of regulated industries, regulatory agencies, and the consequences of their interactions in the market and the political system.

These theories challenge the ostensible public interest basis for regulation. A basic premise of these theories is that the primary source of regulation is the regulated industry itself. Contrary to conventional interpretations that view regulations as minimizing negative externalities or prohibiting monopoly, regulation is promoted by industries that, unable

to regulate competition privately, seek regulation to create barriers to entry and to punish recalcitrant producers. Thus, industries secure government regulation to overcome free rider problems among competitors and to protect and even increase profits. This phenomenon is referred to as *capture*—an interest group dominating a policy area within an agency. Captured regulatory agencies work to further the interest of industries, not those of the public at large (Demsetz 1968; Stigler and Freidland 1962).

The Public Choice School. Some economists have placed interest groups at the center of their interpretations of government and politics. Theorists such as Buchanan, Tollison, and Tullock (1980) and Tollison and McCormick (1980 and 1981) see government as an arena where wealth transfers and rents (monopoly rights granted by the government) are conferred. The pursuit of economic rents drives much of the political activity of interest groups. The government is organized to supply rents (e.g., licenses, permits, and tariffs) in a manner that allows it to provide entitlements and still maintain the political decision maker's position and power. From this perspective, both government size and organization are largely the result of demand for and supply of economic rents.

Strengths and Weaknesses of Political Economy Approaches

Taken together, economic theories of interest groups provide an understanding of both the internal dynamics of groups and the policy process, helping to explain why the “pluralist choir sings in an upper class accent” as Schattschneider (1960) observed. But the political economy explanation of interest groups in the public policy process is incomplete. It provides a theory of political action that reduces public sector interests primarily to economic interests that are organized. There is clearly much more going on that needs to be addressed.

The economic interpretation of interest groups suggests that large interests organize, support politicians who promote key programs, and thereby extract collective benefits from government. While a satisfactory interpretation on many levels, this view is at variance with some central facts. For example, we know that government is more than a cipher for special interests. We know also that politicians have goals that are not all facilitated by pandering to groups. Furthermore, some interests are created by public policies. In addition, we know that institutional procedures that affect agenda setting and structures that affect preference aggregation can alter the influence of interest groups on public policies.

Ultimately, a more satisfactory picture of interest groups must reconcile the incentives of politicians with those of groups and the manner in which the two interact within political institutions. From such an enriched vantage point, we may better understand the influence of groups relative to

public authority, enhancing our understanding of the role of the state in the policy making process.

3.6. THE RESPONSIBLE OR STRONG POLITICAL PARTY MODEL

David J. Sousa

The responsible political party model, sometimes referred to as the strong party model, is used to distinguish the relatively weak, non-programmatic parties operating in the United States from the stronger, more programmatic parties in other Western democracies, especially Great Britain. Epstein (1980) observed that American scholars summarizing the British party model for Americans often used a dated and idealized conception of the realities of British party politics. Still, the responsible party model—which makes clear predictions about the deleterious consequences of party weakness and links interest group power to “overload” and “ungovernability,” immobilism, and rising popular alienation from politics (Fiorina 1980)—has shaped scholarly debate on the nature of change and the role of interest groups in democratic nations.

The responsible party model was advanced by scholars and politicians frustrated by the barriers to progressivism caused by the internal diversity of the Democratic Party in the United States and by the growing power of what Schattschneider (1942) called “pressure groups.” Advocates of this model typically characterize interest group power as undemocratic, arguing that the “sovereign majority” can rule only through political parties that meet the basic test of responsibility. The argument is that responsible/strong parties: (1) take clear issue positions; (2) choose candidates on the basis of loyalty to the party program, and make renomination contingent upon loyalty to that program; and (3) when in power, work to enact their electoral programs (Lawson 1980). In the absence of strong political parties, interest groups short-circuit majority rule, developing close ties to politicians and party factions in ways that allow them to prevail over the will of the majority.

Schattschneider (1942, 190), the most ardent supporter of the responsible party model, saw pressure groups as “a parasite living on the wastage of power exercised by the sovereign majority” and argued:

[P]arty government is better than government by irresponsible organized minorities and special interests. The parties are superior because they must submit their fate to an election, and they are responsible to the public. By every democratic principle the parties, as mobilizers of majorities, have claims on the public more valid and superior to those asserted by pressure groups which merely mobilize minorities. Government by interest groups who have never dealt successfully with the majority and never submitted

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themselves to the judgment of the public in an election is undemocratic and dangerous. (Schattschneider 1942, 193)

Another ardent endorsement of the responsible party model came in a report by the American Political Science Association's Committee on Political Parties (APSA 1950; for a strong critique of this report, see Kirkpatrick 1971). The argument for greater party responsibility is explained well in Fiorina's (1980) analysis of the problems of governance in the United States during the Carter years.

Advocates of the responsible party model also assert a simplistic (though theoretically interesting) inverse relationship between the effectiveness of political parties versus that of interest groups and the power relationship between parties and groups. The failure of political parties (defined as their inability to adequately represent the interests of large numbers of citizens, effectively respond to emerging issues, and use governmental power effectively to address pressing problems) creates openings for alternative organizations aimed at transmitting group demands and linking citizens to government. Among these alternative organizations are interest groups. Lawson and Merkl (1988) provide a theoretical discussion of the relationship between party decline and the political role of interest groups, social movements, and alternative political parties in addition to case studies of developments in Europe (Denmark, France, Germany, Great Britain, Italy, Poland, Sweden, Switzerland), Ghana, India, Israel, Japan, Taiwan, and the United States.

A prime example of a new organization filling the party power void is the rise of the political action committee (PAC) in the United States. Sorauf (1980 and 1988a) argues that PACs did not begin the process of party decay in the United States, but they have thrived in a legal, technological, and political environment in which parties have struggled to maintain their positions. PACs challenge parties by offering alternative sources of financial and organizational support to politicians, and by pressing issue demands that may conflict with the wishes of party leaders. The rising role of PACs and lobbying groups, coupled with the diminishing position of party organizations, creates a political system far better at "articulating" than "aggregating" or "adjusting" citizen demands (Sorauf 1980).

Sorauf also suggests that there is a "natural cycle in the lives of parties," in which they exercise substantial influence in the early years of democratization and then "lose it in the much greater political literacy, wider political involvement, and newer political agendas of those societies and economies as they mature" (Sorauf 1988a, 284). J. M. Hansen (1991) shows that when interest groups provide electorally valuable resources more efficiently than parties, politicians value ties with groups more than ties with parties. Politicians may also find that they can more effectively define themselves for activists through close alliances with particular

interest groups. The proliferation of groups also allows citizens to express their preferences through organizations more effectively than they can through weak, diverse, and aggregative political parties.

Lawson (1980) adds layers of complexity to this analysis, but the body of literature on parties and interest groups suggests that the rise of groups is a common occurrence in countries where political parties are faltering. The complexity of the party-group relationship across Western democracies and some transitional political systems is extensively explored in Clive Thomas (2001a; see also section 4.5.). The conclusion is that parties are not going to disappear because they perform functions not performed by interest groups and other organizations. Instead, as Thomas suggests, they are working to redefine their roles, including their role with interest groups (Thomas 2001a, chaps. 1 and 15).

Some scholars—particularly those studying U.S. state politics (Key 1964, 154–65; Zeigler 1983, 111–17; Zeller 1954, 190–93), but also others, such as Graham Wilson (1990a)—have argued that there is an inverse power relationship between parties and groups: strong parties, such as those in Britain, mean weak interest groups, while weak parties, such as those in the United States, result in strong interest groups. Thus, the interests of certain minority constituencies—those represented by strong interest groups—will triumph over the majority will because there are no strong parties to represent that majority will. Recent research shows that the relationship is much more complex (Thomas and Hrebendar 1999a; C. Thomas 2001a, 95–96, and chap. 15). Strong parties and strong interest groups can coexist as they do in most Western European countries and in some states in the United States, such as New York and New Jersey. This is further evidence that the responsible party model is far more complex than its original advocates understood.

In recent years scholars of rational choice and principal-agent theories have rethought the question of party strength and weakness. They have elaborated, mainly in the U.S. context, on a theory of “conditional party government.” The argument is that partisan elections tend to produce legislators “whose policy preferences are similar within and differentiated between” (and perhaps among) parties (Aldrich and Rohde 1997–98, 546). Where elections produce party caucuses with relatively homogeneous preferences, those caucuses will endow legislative party organizations and party leaders with the resources necessary to realize collective goals. Where elections produce party caucuses that are sharply divided (e.g., the U.S. Democratic Party in the 1950s and early 1960s), those caucuses will not be willing to grant significant resources and authority to leaders. In the U.S. context the increasing ideological homogeneity of legislative party caucuses, driven particularly by the growing strength of the Republican Party in the South, is thought to have enhanced the power of party leaders and created the conditions of a kind of party government in the U.S. Congress (Aldrich and Rohde 1997–98; Rohde 1991).

3.7. STATIST-CENTERED APPROACHES

David J. Sousa

There is no simple state-centered or statist theory of interest groups or a definable body of literature in the field. Instead, there is a literature that emphasizes one or more of the following four perspectives: (1) The limits of pluralistic, society-centered explanations of outcomes, emphasizing the ways that the autonomy of the state, grounded in a set of policy ideas and the interests of state managers, enables it to pursue its own goals independent of interest group claims; (2) Questions about institutional capacity and the problem of state building; (3) The effects of evolving ideas about the proper relationship between state and society on the ways that interest groups are integrated into the policy process; and (4) Interest groups as a dependent variable—the ways that laws, societal norms, institutions, and political processes may shape the formation, structure, and nature of interest groups and group claims on society.

State Autonomy

The major argument here flows from the observation that “the state is not only affected by society but also affects it” (March and Olsen 1984). Political institutions do not merely provide arenas in which interest groups compete; and public policies do not simply reflect social forces. Institutions and policies shape interest group politics in fundamental ways. Public policies themselves, once adopted, become endowed with separate meaning and force by having an agency established to deal with them. Nordlinger (1981, 1) contends that state preferences are at least as important as group preferences in driving policy, and that “the democratic state is not only frequently autonomous insofar as it regularly acts upon its preferences, but also markedly autonomous in doing so even when its preferences diverge from those of the most powerful groups in civil society.”

Institutional Capacity and State-Building

Skowronek (1981) brought a historical perspective to questions about problems of state capacity and advocates broader conceptualizations of the context in which interest groups formulate objectives and press demands. He demonstrated that in mid-nineteenth-century America, courts and parties were incapable of meeting rising societal demands for regulatory action because their very structure, norms, and settled practices “presumed the absence of national administrative capacities” (Skowronek 1981, 248). Settled structures and processes may interfere with the adoption of rational solutions to emerging problems; they may

block effective responses to interest group demands. Students of interest group politics must attend to the “fit” between the demands placed upon governments and the state’s capacity to meet those demands and be attentive to periods in which it becomes necessary to reconstruct governing ideas and institutions in order to facilitate effective state action to meet emergent demands.

Ideas Have Consequences

The literature on groups has been so focused on the role of interests that it has paid little attention to the role of ideas in motivating group activity and shaping group strategies, tactics, and prospects. Still, the importance of ideas has not been entirely neglected (Landy and Levin 1995). Lowi (1969) focuses on the enormous significance of a “public philosophy” in shaping the role of interest groups in the polity and defining the relationship between state and society. McConnell (1966) offers a compelling analysis of the ways that key tenets of American ideology shaped thinking about the place of interest groups in the political system. More recently, Weir (1992) emphasized the importance of ideas in shaping U.S. employment policy. And in a work focused on explaining differences in natural resources policies, Klyza (1996) emphasizes the importance of ideas in shaping relationships between the state and private power. He demonstrates that without an understanding of the dominant political-economic ideas in a given time, it is impossible to understand either the kinds of demands that private interests place upon the state or the ways that the state defines its (or the public’s) interest. Once established and institutionalized, these patterns of demands and definition of interests are difficult to break. Public policy outcomes cannot be understood simply as a reflection of the present constellation of group and institutional forces because of the long shadow that the past—the institutionalized past—casts over contemporary action.

Interest Group Politics As a Dependent Variable

Another, somewhat fragmented, body of literature treats interest group politics (and social movements) as dependent variables affected by state structures, events, and established patterns in public policy (Chubb 1983; Skocpol and Finegold 1982; Tilly 1978). An exemplary work in this tradition is Hattam’s (1993) study of the American Federation of Labor’s (AFL) “voluntarism” in the United States. Hattam dismisses explanations of the AFL’s pursuit of “business unionism” that focus on the heterogeneity of the American labor force as a fundamental barrier to class-based political action. Instead, she contends that the “divided” structure of the American state, and especially the dominance of courts within that divided structure, induced labor leaders to abandon political strategies

and focus on economic action. In this case, state structure, coupled with the hostility of judges to labor's political agenda, shaped union strategy in fundamental ways. Thus, it is impossible to understand labor strategy without reference to the nature of the state.

In the social movement tradition, scholars applying the political process model (Costain 1992b; Costain and McFarland 1998; McAdam 1985) emphasize the role that state action plays in triggering social movements and shaping movement strategies and potentials.

3.8. NEO-MARXIST APPROACHES

David J. Sousa

Neo-Marxist theories center on understanding and explaining the role of the state in capitalism. These theories are Marxist because they assume the centrality of class and class conflict in the political economy; they are neo-Marxist because they focus on the state apparatus and on exploring the mechanisms that lead state managers to act in the interests of capital. This theoretical debate among Marxists emerged in the face of the "class compromise" of the post-World War II era, growing affluence in the West, and then the stagflation crisis of the 1970s. The best summary of the major neo-Marxist perspectives on the state is Skocpol's (1981) critical analysis of neo-Marxist explanations for important pieces of New Deal legislation. There are also excellent overviews in Carnoy (1984) and Jessop (1982).

There are three basic neo-Marxist models: (1) The instrumental Marxist or corporate liberal model; (2) The functionalist model; and (3) The structural dependence or class struggle model.

The instrumental model is usually associated with Miliband (1969 and 1977). Instrumentalists see the direct translation of class power into state power, and contend that capitalists control the state by three means: by holding powerful positions themselves, by directing state action, and by dominating normal political processes through the control of politically valuable resources. State policy reflects the interests of the dominant fraction of the capitalist class, but it will not always reflect naked class power. That is, the instrumental model holds that where reforms are necessary for maintaining the stability of the system and the dominance of the capitalist class, those reforms will be forced by the leaders of the capitalist class.

The functionalist model is associated with Poulantzas (1969, 1974, 1975), who argued that the capitalist state, while in some respects autonomous from the capitalist class, performs two vital functions for the reproduction of capitalism. First, the state works to unite the capitalist class, taking and enforcing decisions that at times hurt some sectors of the capitalist class in the interest of maintaining long-term stability. Second, the state works to block the development of working-class consciousness and unity by purveying an ideology of universal citizenship and, at times,

by exacerbating racial, ethnic, and occupational divisions. This model was powerfully criticized by Skocpol (1981). She questioned why we should expect that states will always have the institutional capacity, technical knowledge, and prescience necessary to enact policies to serve the long-term interests of capital.

The structural dependence or class struggle model is most closely associated with Block (1977) and Lindblom (1977 and 1982). This school recognizes that capitalists and their allies can assume positions of power in the state, and that business interests will be quite powerful in normal political processes through the effective use of campaign contributions and control over the instruments of persuasion. But the essence of the model is that capitalists do not need direct control of the state, or “ownership” of state managers, to exercise dominant influence. Instead, capitalists’ control of decisions about production and investment—and the power to disinvest in the face of unfavorable state policies—ultimately constrains state managers (whatever their ideologies or constituencies) to serve the interests of capital. Since elected officials need a healthy economy to stay in office, and because the state is dependent upon tax revenues generated by business activity and investment, policy making and the policy agenda itself are fundamentally constrained in liberal democracies.

The structural dependence model is difficult to test, though Skocpol’s (1982) critique of its applicability to the New Deal case in the United States is provocative. And Przeworski and Wallerstein (1988) find some significant limitations to the model. They suggest that under some circumstances market discipline will indeed constrain demands on the part of social groups for greater consumption (or regulation), but that it is possible for states to largely escape the constraints associated with a structural dependence.

Students of interest groups may find these models (particularly the structural dependence model) useful for orienting their thinking about key developments in the political economies of the West, especially the weakening of labor movements. If union strength contributed to the growth of the welfare state and of economic regulation—if it weakened the structural dependence of the state on capital, what will be the implications of union decline? Can emergent environmental and consumer groups play the same role in challenging the privileged position of business?

3.9. THE NEW INSTITUTIONALIST PERSPECTIVE ON INTEREST GROUPS

Michael J. Gorges

New institutionalism (sometimes referred to by European scholars as *neoinstitutionalism*, see section 10.2.) is “concerned with illuminating how institutional arrangements shape political outcomes by structuring the

relationships among contending societal groups” (Thelen 1991, 22). Consequently, new institutionalist analyses of interest groups attempt to elucidate the relationship between institutional structures, interest intermediation, policy choice, and policy impact.

Although there is no one new institutionalism, the approach can be summarized in the fundamental insight that institutions matter, and that political phenomena cannot be understood using rational choice explanations alone, which are criticized for underestimating the importance of institutional context (DiMaggio and Powell 1991, 5). For new institutionalists, institutions—organizational structures, conventional procedures, legal-administrative rules, organizational incentives, and informal institutional structures such as roles and norms, all of which persist over time—are independent variables that influence political choices. Structures and rules influence decisions by shaping actors’ goals, and by mediating among actors, leaving their own “imprint on political outcomes” (Thelen and Steinmo 1992, 9). Consequently, the choices of political actors are strongly constrained by institutional norms and rules and “existing institutional arrangements are powerful forces in shaping political interests and the conflicts between them” (Zysman 1983, 295).

Two debates divide new institutionalist scholars: the definition of institutions; and the role institutions play in political and social life. While most definitions include both formal organizations and institutional rules and procedures that structure conduct, others include factors such as norms and class structure (Thelen and Steinmo 1992, 19). North (1990, 3), for example, has defined institutions as “the rules of the game in a society, or more formally, . . . the humanly devised constraints that shape human interaction.” The more intense debate is over the degree to which institutions matter; there are three major schools of thought: historical, sociological, and rational choice institutionalism.

Rational choice institutionalists argue that institutions are created by utility-maximizing individuals with clear intentions. Historical institutionalists argue that one of the shortcomings of rational choice institutionalism is that it excludes preference formation from the analysis. They do not deny that individuals attempt to calculate their interests but argue that outcomes are the product of the interaction among various groups, interests, ideas, and institutional structures, and these preferences evolve and should not be viewed as fixed. Sociological institutionalists contend that individual decisions are a product not only of the institutional setting but also of a much larger environment. Individuals find themselves “embedded” in cultural and organizational “fields” or “sectors” that determine “self-interest” and “utility” (Koelble 1995, 232).

In general, new institutionalist scholars focus on two aspects of politics: (1) The conditions under which the institutional environment has an effect; and (2) Institutional change and institutionalization. In their stud-

ies of policy making, for example, new institutionalists argue that institutional features of the environment shape the goals and means of participants in the policy making process. In turn, this environment is shaped by two primary actors: the state and professional bodies. Studies of institutional change focus on how and why institutions evolve, and on the processes of institutional reproduction (DiMaggio and Powell 1991, 63–66; North 1990).

Institutionalization, on the other hand, can be defined as “the process whereby social processes, obligations, or actualities come to take on a rule-like status in social thought and action” (Meyer and Rowan 1977, 341). Institutionalization is also seen as a constraining process that forces actors or organizations to “take on the formal and substantial attributes of organizations within which they interact and upon which they depend” (DiMaggio and Powell 1983, 147). This “institutional isomorphism” can be brought about through the coercive action of a state, by one organization recognizing the success of another and attempting to copy it, or when an organization adopts the “conventional wisdom” that certain forms are more “modern, appropriate, and professional” (W. R. Scott 1987, 504).

Turning to the application of new institutionalism to the study of interest groups, as Immergut (1998, 21) notes, “the structure of political opportunities will shape the strategies of organized interests and their beliefs regarding the efficacy of different types of political action.” Thus, any study of interest groups that takes into account the role of institutions in accounting for outcomes could plausibly be labeled new institutionalist. Neocorporatist theory, however, provides a particularly insightful new institutional perspective. An explanation of neocorporatism is provided above (see section 3.4.). In regard to its being a new institutional approach to interest group studies we can make the following brief comments.

Neocorporatist theory is part of a new institutionalist approach to politics because of its fundamental assumption that behavior cannot be understood entirely through rational choice or pluralist theoretical frameworks (Schmitter 1989, 62). Initially offered as an alternative to the dominant pluralist paradigm, neocorporatist theory provided new insights into the relationship between the state and civil society as represented by interest groups. Indeed, the theoretical contribution of neocorporatism is that “it takes as a starting point the role of the state in shaping interest representation” (Collier and Collier 1979, 967). The state plays an active role as the “architect of political order,” favoring and promoting some groups at the expense of others and thereby profoundly affecting group dynamics. In Schmitter’s words, the state is “a constitutive element engaged in defining, encouraging, regulating, licensing and /or repressing the activities of associations” (Schmitter 1982, 260). Neocorporatist theories focus on the institutional devices facilitating the cooperation of private actors in policy formulation and implementation (Schmitter 1974).

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From the corporatist perspective, corporatization is the institutionalization of a pattern of interest intermediation involving an increase in the participation of the official group(s) at the expense of unofficial or unrecognized groups. It also emphasizes an increase in the degree to which interest associations can be considered monopolistic, hierarchical, and authoritative. It “entails a fundamental alteration of the manner in which the favored interest groups relate to both the state and their members” (Keeler 1981, 185).

For a new institutionalist perspective on U.S. interest group activity see Ainsworth (2002). For the place of the new institutionalist perspective in comparative interest group studies and a critique of its value as an explanatory theory, see chapter 10 (esp. sections 10.2., 10.3., and 10.4.).