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Polarizing Pluralism

Party Competition, Interest Group Strategy, and the Resurgent Mischiefs of Faction

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Part I A Logic of Interest Group Partisanship

Pragmatic or Programmatic? Interest Groups and Polarization in American Politics

Abstract For much American political history, the overriding concern about the role of organized interests was what Madison called the "Mischiefs of Faction," pulling policymaking toward parochial "special" interests at the expense of the broader public good. However, the role of organized interests in American politics has changed. In the past few decades, so-called special interests have come to behave more like political partisans than narrow, policy-motivated entities. That is, rather than pragmatically pursuing policy goals or "rents," interest groups today are well-characterized by a single preference dimension and have sorted into left-leaning and right-leaning poles—much like every other actor in American politics. On one hand, this finding is unsurprising in light of recent depictions of interest groups as the organizational, and polarizing, bases of American political parties. On the other, it is decidedly puzzling, given the long-standing conceptualization of interest groups as parochial and exclusively policy/outcome-driven. Taken together, the observation of interest group polarization raises a series of fundamental questions about both American political history and contemporary American politics. First, to what extent are interest groups primary movers in the polarization of American politics? Have interest groups always been well-sorted and extreme in their policy preferences? Or have interest groups merely responded to broader, polarizing forces in American politics? Second, inasmuch as groups have become polarized over time, what explains their willingness to align with a single "side" of the partisan and ideological spectrum—particularly in an era lacking in stable partisan control?

This book addresses these questions by positing and testing a new theory of interest group and party relations, specifically in the latter half of the 20th Century. During this period, partisan competition over the levers of government intensified, heightening incentives for partisan political teamsmanship. We argue that interest groups have responded to this environment by signaling their alignment with a single party, in an effort to secure access to electorally minded party leaders. To do so, groups have broadened their policy interests beyond their core issue areas, leading them to the quasi-partisan sorting observed today. We test this account of group-party relations by analyzing an expansive, original dataset of interest group position-taking on bills before the U.S. Congress, using new methodological advances in preference measurement, text analy-

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sis, and causal inference. The data and analyses in this book span not only a broad swath of organized interests, but also a sizeable stretch of history compared to previous studies of interest groups, 1973 to 2020. Altogether, then, the book not only lends key insights into group-party relations and the polarization of American politics in the 20th and 21st Centuries, but it also contributes valuable data and methodological resources to the studies of U.S. parties, interest groups, and the U.S. Congress.

Lobbying Competitive Parties

Abstract Extant theories of lobbyist influence are dyadic: that is, they assume that the ability of lobbyists to affect policymaking works through relationships between individual lawmakers and individual lobbyists. Here, we consider how such interactions change in the context of intense, macro-level party competition. In such contexts, the appearance of partisan unity is paramount, leading individual legislators to search for opportunities to contribute to the party's brand, and to themselves be seen as loyal partisans. We argue that, in pursuit of these goals, contemporary legislators condition lobbyist access on the perception of an interest group's *copartisanship*, rather than merely a shared policy objective on a single issue. Faced with this requirement, interest groups make two choices: first, *whether* to signal loyalty to one party, at the cost of necessarily signalling opposition to the other, and second, *how* to signal that loyalty without compromising the group's core interests.

While some groups may successfully resist legislators' partisan designs, given the primacy of access to the lobbying enterprise, we believe that many contemporary interest groups have responded to the first of these choices by searching for ways to signal their copartisanship to legislators. One primary means for signaling such alignment relates to the subjects of groups' legislative position-taking. More specifically, groups signal their partisan alignment by taking partisan aligned positions on issues outside their core interests. This results in a diversification of their legislative position-taking into issue areas outside their core interests. Doing so provides not only a costly commitment to their "own" party's program, but also a tangible impediment against future work with the opposite party. Of course, not all issue areas fall equally cleanly along partisan cleavages. Therefore, we theorize that interest groups are especially likely to signal partisan alignment in this manner when their core issue area becomes increasingly tied to one party brand or the other. Consequently, as insecure majority control and accompanying partisan warfare bring issue cleavages in greater alignment with partisan ones, more groups will choose to signal partisan loyalty. Taken together, then, we expect groups to sort into partisan camps over time, with the growth of insecure majorities. Pluralism, as it were, will polarize.

How, and When, Interest Groups Polarized

Interest Groups and Polarization: Primary Mover or Primarily Moved?

Abstract While interest groups today appear to have sorted into left- and right-leaning poles, it remains an open question as to whether this contemporary observation is the result of a decades-long process, or whether it merely captures a long-standing regularity of interest groups in U.S. politics. Some popular accounts of political parties in the U.S. place interest groups at the center of the polarization of American politics. Such accounts conceptualize interest groups as intense policy demanders who serve as the organizational bases of political parties—and who use parties as vehicles for achieving their extreme policy objectives. As a result, this account implies that interest groups have always been polarized, both in the extremity of their revealed preferences and in their attachment to one party or the other. By contrast, our account of interest group polarization posits that groups have simply responded to broader polarizing forces in American politics, namely the rise of insecure majorities. As a result, we hypothesize that groups will polarize over time, increasing in polarization as the insecurity of majority control in Congress rises. Moreover, because our theory depicts individual legislators as connecting interest groups to the forces of insecure majorities (by encouraging them to signal partisan loyalty), the theory implies that legislators will exhibit preference polarization first—before interest groups themselves display such sorting.

To test these competing accounts of interest groups, parties, and polarization, we collected an expansive new dataset of interest group positions on bills before Congress, ranging from 1973 to 2020. Using these data, we then develop a new set of ideal points for interest groups and members of Congress over the same time period. Importantly, not only do these ideal points characterize revealed preferences for the largest set of both donating and non-donating federal-level interests available to date, but they are dynamic in nature, capturing shifts in interests' position-taking patterns over time. We use these scores, termed dIGscores (Dynamic Interest Group Scores), to establish that interest groups have in fact *not* always been polarized along a single dimension. Instead, interest groups only begin sorting along this dimension within the 1990s. Moreover, this polarization occurred firmly *after* members of Congress moved apart from one another along the same dimension—suggesting that polarizing forces in American politics come from a source beyond the interest group population.

Means for Polarizing: Unidimensionality and Issue Expansion among Interest Group Activities

Abstract The timing of interest group polarization suggests that it is unlikely that extreme interest groups are responsible for the polarization characterizing the modern American political system. But while this finding rules out one of the most important alternative explanations for interest group polarization, it does not itself evince our own account. In order to provide more evidence more specific to our theory, we begin by establishing two macro-level trends that are predicted by our theory—but that are not a necessary implication of alternative theories. First, our theory predicts that interest groups take positions outside of their core issue areas in order to signal their party loyalty. An empirical implication of this decision, which we demonstrate here, is that when interest groups take positions on bills outside of their core issue areas, their position-taking is more easily characterized by a single dimension and appears similar to a partisan lawmaker. Consequently, in periods of intense partisan competition, interest groups should appear more consistently unidimensional in their revealed preferences. Second, as a result of their loyalty-signalling, interest groups will take positions on a more diverse range of issues. Here again, as partisan competition increases over time and the need for loyalty signals increases, interest groups will exhibit higher levels of position-taking diversity. We contend that these global trends are better explained by our theory than others, and these macro-level findings form the basis for individual organization-level analyses to follow.

Part III Mechanisms and Mechanics

Issue Partisanship and Incentives to Polarize

Abstract Our theory broadly suggests that groups have been pressured to take partyconsistent positions outside their core issue areas, in order signal their alignment to legislators in the era of insecure majorities. Empirically, however, our tests have yet to establish that party competition—and not other, contemporaneous changes in American politics—is responsible for the sorting we observe. We thus move now to the group level, where we hypothesize that interest groups are deferentially subject to this pressure, according to the nature of their "core" issue area. In particular, we argue that as a group's core issue politicizes and becomes increasingly tied to one party platform, the group will more aggressively diversify their position-taking with partisan-consistent positions. Prior to the politicization of their issues, access more closely resembles iron triangles or tight issue networks (Heclo 1978; Gais, Peterson, and Walker 1984). Because the nonpoliticized areas are low salience, interest groups are able to develop dyadic relationships with legislators and regulators that work in their issue area. However, as issues polarized, their salience increases—making politicians less willing to be seen working with interest groups that are not good members of their party coalitions. Consequently, they pressure interest groups to signal partisan alignment by taking party-aligned positions on a broader range of issues outside of their traditional areas of focus. As this happens they are forced to prove that they are credible team members to partisan politicians.

In order to test this issue-specific temporal hypothesis, we apply Gentzkow, Shapiro, and Taddy's (2019) measure of politicization to issue specific congressional speeches from the *Congressional Record*. This process yields a unique time series measure of politicization for each of 21 Comparative Agendas Project major topic codes from 1973 to 2020. We use these data to test whether interest groups whose core issue areas politicize 1) increase their position-taking diversity by taking positions on issues for which they were not historically active, 2) reveal preferences that are increasingly aligned with a single party over time, 3) take positions that are strongly characterized by a single ideological dimension, and 4) exhibit campaign contribution strategies that are access-driven, and more primarily partisan, over time.

The Who and How of Group Polarization

Abstract Where issue polarization represents an external factor driving groups to become more partisan, there are internal factors that condition this process as well. Here, we focus on two. The first are group resources. A potential implication of our theory is that the strength of a group's partisan affiliation might serve as a substitute for other means of gaining access to partisan actors, such as making campaign contributions or spending more money on lobbying; thus, we would expect low-resource groups to be more inclined to engage in off-issue, party-consistent position-taking than high resource groups that can use those resources to pursue access and influence. However, alternative theoretical accounts, such as those grounded in a sociological perspective on lobbying, would produce the opposite prediction. Revolving door lobbyists by definition are professionally socialized in environments—namely, Congress—that encourage and select for hyperpartisanship in staff. Once these staffers "revolve" into lobbying, they bring those partisan habits with them—"polarizing" organizations for relatively non-strategic reasons. Consequently, since revolvers tend to be able to demand higher fees than nonrevolvers, the higher-resource groups able to afford those fees will be more likely to hire revolvers. In this case, higher resource groups might become partisan and polarized faster than low-resource groups as an incidental product of their hiring decisions. Here, join our data with organization spending data to adjudicate whether groups polarize strategically to compensate for resource constraints, in line with our theory, or whether they do so "accidentally" as a product of the lobbyists they hire.

In addition to resources, groups' audience can constrain their activities. That is, whether organizations have memberships, what types of members they have, and the character of those memberships each can influence the kinds of activities and public positions an organization can reasonably undertake. Our theory of interest polarization recognizes these differences and makes specific predictions about which types of organizations will exhibit the most partisan movement over time, changing the diversity and dimensionality of their position-taking most aggressively as partisan competition heightened. In particular, we posit that some organizations' *audiences*, whether they be customers, individual members, associated businesses, or other entities, will resist or accept issuebroadening more readily than others. We theorize and test predictions along two di-

mensions of audience characteristics. First, organizations differ in the traceability of their positions to their audiences. For example, we theorize that corporations will respond with greater resistance to issue diversification than will trade associations, since corporations justifiably worry more acutely about the reactions of customers to corporate ideological behavior than they do their association's behavior. Second, the shared "mission" of an organization and its membership lend some groups better to polarization than others. Occupational associations, for example, are often bound by a common mission or ethic, enabling them to expand their position-taking to any issue area that can be rationalized within that mission. Institutional associations, on the other hand, may be more conservative in their approach, concerned that sharply ideological behavior could harm the profitability or legitimacy of member institutions. In each case, we use these qualitative differences between groups, and our theory's specific predictions about each, to provide evidence in favor of our account of interest polarization relative to alternative accounts.

What Interest Group Polarization Does to American Politics

It's As Bad As It Seems: Madisonian Coalition-Building and Interest Group Teamsmanship

Abstract The notion that interest groups can be co-opted by political parties carries serious implications for the design of American democracy. In *Federalist* 10, James Madison argues that one virtue of representative democracy is the means by which it controls the "mischiefs of faction." Madison argues, in effect, that the design of the American political system enables the governance of an expansive society, the diversity of which ensures that no single set of like-minded actors can seize unchecked power. Underlying such an environment, however, are several key assumptions. Chief among them is the ability for individual societal interests to coalesce freely and episodically around individual causes. Operationally, this implies that when interests seek to partner with legislators in the policymaking process, they do so on a legislator-by-legislator basis, aligning themselves with other legislators and interests without consideration of a broader agenda, "vision," or worldview.

A key implication of the research presented in this book is that this sort of broader alignment is not only widely prevalent, but that it is tied to the very competitive nature of contemporary U.S. politics. These findings, we believe, are problematic for policy-making, as they prevent private interests from performing their traditional role of facilitating fluid legislative coalitions. In this way, our research lends insights to debates about the importance of earmarks in legislative politics, the character of political parties in a separation-of-powers system, and even the informativeness of policy endorsements by interest groups themselves. Indeed, if interest group position-taking now represents little more than quotidian partisan messaging, the informational value of support coalitions for legislation diminishes. Ironically for interest groups, their pursuit of legislative access in a hyperpartisan era may well have undercut the very reason for pursuing influence in the first place.

Or Perhaps Even Worse: Electoral Feedback Loops in Interest Group Partisanship

Abstract Our account of interest polarization aims to underscore the primacy of insecure majorities in Congress in the polarization of American interest groups. Insecure majorities focus politicians' energy on electoral pursuits, leading them to condition access on interest groups' performative co-partisan teamsmanship. While we have argued that this has profound implications for interest group advocacy and the policymaking process, we argue that it also furthers coalitions rigidity in electoral politics. As polarized electoral politics leads to polarized pluralism, interest groups are less effective at acting as moderating forces in the policy-making progress. More than the policymaking process, however, polarized interest groups provide fewer opportunities for common communications appeals by both parties. Previously highly regarded, bipartisan sources of information like scientific societies and universities, for example, are increasingly viewed with skepticism by politicians who perceive them as out-partisan. For their part, interest groups' party-consistent positions and donation patterns render them potentially less reliable signals of information about public opinion and salience. Moreover, as groups shift their donation strategies to signal party alignment over access driven concerns, they incentive more extreme and less pragmatic candidates, undermining the institutional power of committee chairs and other key figures. Ultimately, we argue, the forces of polarization among interest groups and electoral politics are mutually reinforcing phenomena.

...But What's the Alternative?

Abstract This book has endeavored to describe the role of partisanship in the American interest group system as it has developed since the 1970s. We have shown that, in the modern era of insecure majorities, American interest group partisanship has arisen in conjunction with that of other actors. We have shown that interest groups have changed their position-taking, lobbyist-hiring, membership-building and other strategies to signal the partisan teamsmanship required by the policymakers they seek to access and influence. Lastly, we have shown how this strategic adaptation has influenced lawmaking and campaigns, creating a mutually reinforcing negative feedback loop.

To conclude, we abstract from the analyses presented here to imagine what the party-interest group relations *could* be, were the forces described in this book relieved. In particular, we focus on the tendency of partisan conflict to collapse the preferences of interest groups and other actors into a single dimension. Applying cutting-edge developments in multidimensional scaling, we find a rich variety of latent conflict dimensions that are elided under the undimensionality imposed by strong partisan conflict. These dimensions inform some closing speculation about what a less constrained interest group politics, and American politics, could be.