Why Lobbyists for Competing Interest Groups Often Cooperate

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Abstract

Lobbyists not only try to pressure government lawmakers to enact policies their members desire, they also vigorously pressure each other. With over ten thousand interest groups all lobbying in Washington, D.C., bumping into each other is inevitable and has led to a fundamental change in how lobbyists go about the business of advocacy. Where they once could work quietly with a few lawmakers who shared their interests without interference, now they find themselves competing for attention from legislators with dozens of other advocates all working on the same issue. While this means each lobbyist tries to make the strongest case for serving his or her own members' interests with policy, they also negotiate and compromise with each other, making the trade-offs and building the consensus necessary to move legislation through a complicated political system. Yet compromise means giving up something their members want, sacrificing member interests to some degree. Why would an ethical lobbyist ever do it? As I explain in this chapter, some do it because getting something enacted is a whole lot better than going back to members empty handed, and some do it because lawmakers pressure them into it. And some do refuse to compromise, believing it is better to go down fighting than compromise principles members deeply care about. Whichever the outcome, what remains consistent is that lobbyists are doing what they believe is ultimately in the best interests of their members as well as in their own best interests.

It was the very strangeness of the bedfellows that turned heads on March 30, 2013. The AFL-CIO and the U.S. Chamber of Commerce, fierce antagonists and two of the nation's most powerful interest groups, struck a deal resolving their two major concerns on immigration reform legislation and were ready to lobby together for its enactment.[1] The Chamber's top concern was how many foreign workers needed by a variety of industries would be annually admitted to the United States. Labor's chief concern was how much these workers would be paid and what their working conditions would be. Both cared about each other's major issue as well, just not quite as much. This difference in priorities made it possible to strike a deal, though it also helped that both groups were under enormous pressure from Senator Charles Schumer (D-NY), who brokered the deal, to resolve their differences. While this deal between competing organizations grabbed headlines, such deal-making is not as unusual as many might think. Competing interest groups frequently work together. They often must.

Think about these numbers. There are over 7,000 interest groups in Washington, D.C. along with 6,500 corporations or other institutions with lobbying offices.[2] There are at least 19,000 people in and around the city practicing the profession of lobbying, even if they do not print the word on their business cards.[3] Roughly 63% of Americans are members of at least one organization that could be called an interest group.[4] While membership may amount to little more than writing checks or clicking on "donate now," realize that only about 62% of voters voted in the 2008 presidential election, and that was higher than in the previous elections.[5] It seems citizens may believe interest groups are the best form of representation. Yet there is something peculiar about so much lobbying by so many special interests.

To see why, consider that the number of lawmakers in Congress has not grown since Hawaii became a state in 1959, remaining at 535. That makes 36 lobbyists for every member of

Congress! With legislators spending only a few days a week at the capitol, contacts with lobbyists are largely handled by congressional staff, and while several thousand staffers can more easily meet with 19,000+ lobbyists, they too have other responsibilities, like serving constituents. In the executive branch, lobbyists focus their efforts at appointed officials at the top of the hierarchy, not the hundreds of thousands working in the agencies.[6] With so few people available for lobbying, how do all these lobbyists manage to get the job of representation done?

Political scientist Robert Salisbury took a look at all of this and concluded that lobbying in teams was the new norm, teams of lobbyists achieving what one lobbyist could not.[7] But that answer confuses more than it helps. Why would a lobbyist for any special interest want to work with another? Are they not all competitors, trying to win policy benefits *just* for their members or clients, those they represent? With more diverse interests making more demands on government, but limited public budgets and less willingness by lawmakers today to carelessly fund government programs, politics seems like it should be more zero-sum today in that benefits to one interest group's members must be taken from those of another. Why would lobbyists for all of these competing interests ever be willing to compromise member or client interests by working together? Or *are* they compromising those interests? In this chapter I try to untangle this confusion by providing some insights into what lobbyists are lobbying for, what it means for them to compete, and when it is okay to make peace with their opponents.

Competing Interests

Cooperating in a coalition means overcoming competing interests, but what does it mean for interest groups to compete? Look at Figure 1. The thick horizontal line is a policy outcome continuum, meaning it is a series of possible policies that lawmakers *could* enact as a solution to a question of how an issue on the government's agenda ought to be solved. While there are many potential policy solutions on this continuum, only one (if any) can become law.[8] Say the issue is how much of a bank's deposits must be held in reserve to keep it solvent rather than be leant out for profit. The continuum represents a series of possible policies answering the issue question of how great the reserve amount imposed by government bank regulators should be. Ten-percent? Twenty-percent? More? No reserve at all? All of these are possibilities in Figure 1, with smaller reserve requirements toward the right (it is less government regulation after all) and higher amounts to the left. Lawmakers, though, can only choose one policy position, assuming they choose to enact any at all.

---- Figure 1 ----

The American Bankers Association (ABA) is a large, and many would say powerful, interest group representing banks big and small. Bank officials, who are ABA's members, probably think about loan-to-reserve ratios every day, but have different ideas of what the ratio ought to be. That is, they have different *preferences* for policy outcomes on the continuum in Figure 1. Having said that, their reserve ratio preferences are probably not that far apart from each other, and ABA members collectively tend towards the less-regulatory side of the continuum. A plurality of members, possibly even a majority, may prefer the same policy position. That is, ABA has a *distribution* of member preferences on this issue, a distribution that may look like the hump on the right side of Figure 1.[9] So what position should ABA's lobbyist advocate for on the reserve requirement issue when she goes to Capitol Hill? Ethically and practically her best position is under the top of the distribution hump, position *ABA*. When your employment depends on keeping members happy, take the position pleasing most of them.

Another interest group, the U.S. Public Interest Research Group, usually just called PIRG, also cares about bank reserve requirements, though for different reasons. A better capitalized bank (one with greater reserves) is less likely to fail because it made careless loans or exploited poor homeowners with high interest mortgage loans. Like ABA, though, PIRG members are not united in their preferences for exactly what the reserve requirement ought to be. Hence the hump representing PIRG member preferences is on the left side of Figure 1, and is actually wider than ABA's, with PIRG's lobbyist supporting the plurality position at *PIRG*. Because position *PIRG* is not even close to *ABA*, the members of one group collectively prefer a policy outcome seen as threatening to the members of the other group. These groups are competing.

Both ABA and PIRG lobbyists have a little wiggle-room on what positions they can advocate for on this issue because most group members will tolerate a little deviation from their individually preferred positions, though how much they will tolerate depends on how intensely they feel about the bank reserve issue.[10] Furthermore, even if the lobbyists support points a little to the right or left of *ABA* and *PIRG*, both still have quite a few members who ideally prefer those alternative positions. Just how much wiggle-room each lobbyist has is shown by the distance between the vertical dashed lines under the humps in Figure 1, identified by the gray boxes. The amount of available wiggle-room (at the moment) is determined by how great a deviation from their individual preferences members will tolerate. If a lobbyist deviates too much, economist Albert Hirschman lays out two ways members will likely respond.[11] If the PIRG lobbyist publicly supports too low a reserve requirement, members will abandon the group, taking their dues with them. If the ABA lobbyist publicly supports to great a reserve, she will be fired. Neither outcome is particularly good for a lobbyist.

Coalition Conditions

So what does it take for lobbyists from two (or more) competing interest groups to work together? It comes down to two broad factors. First, though, it is worth emphasizing that it would be a rare circumstance indeed if all of the interest groups concerned with the same issues in a coalition were not competing with every other at least a little. If two (or more) groups' members collectively preferred the same policy position, these organizations would be providing exactly same representational service. One would be redundant. Why would any faction of citizens pay to support two organizations lobbying for the same thing? As political scientist McGee Young showed in the histories of small business and environmental groups, organizations trying to recruit the same potential members strive to distinguish themselves from each other, often by taking different positions on issues, even if the differences are small, to draw people to join their group instead of their rival.[12] They do not lobby for the same thing.

The magnitude of differences between what the collective memberships of two groups want (like positions *PIRG* and *ABA*) these position differences is one of the driving factors of coalition formation. Figure 2 helps explain this. The vertical axis on the left represents the distance between the collective positions of members on an issue they care about. Further down the axis means there are greater competitive differences between them, which makes it harder for their lobbyists to coalesce around a single position without making too many compromises.[13] And coalitions can only support one position. The closer group member positions are on the issues, the easier it is for their lobbyists to work together and thus more likely that they will.

---- Figure 2 ----

The horizontal axis on top of Figure 2 is the degree to which members of potential coalition groups vary in the strength of their feelings for *several* issues a coalition might lobby.

Interest groups are typically concerned with several issues connected by common themes, like banking policy or environmental policy, what are often called policy domains. If lobbyists' members have really strong feelings about many of the issues in the domain, it will be hard for them to work in coalitions on these issues, even if the collective positions preferred by the members of these groups are not that far about (upper right in Figure 2). If these lobbyists do manage to form a coalition, it will be tenuous and nearly any disruptive influence from lawmakers or other lobbyists may shatter it. Coalitions are nearly impossible to form when there is significant competition between would-be coalition partners *and* when members of these groups feel so strongly about the issues that compromise is just about impossible to achieve (lower right box in Figure 2). Instead competition erupts into conflict.

Long Term Coalitions

Small Differences

As Figure 2 suggests, interest group coalitions range from the short-term, ad hoc variety working only on specific issues to semi-permanent, long term coalitions lobbying on many issues for many years. Long term coalitions form when the positions supported by the members of the concerned interest groups are not that far apart on most issues in the policy domain (they are not competing much) *and* when there is significant variation in how strong members of the groups feel about these issues (upper left of Figure 2). In other words, the people represented by organizations in long term coalitions have very similar interests to begin with. They probably have the same general ideological outlook on politics and beliefs regarding the values society ought to prioritize. The difference between members of one group from those of others in the coalition is that they have different ideas regarding which issues are most important.

Environmental advocacy is a good example. While it makes sense to think that interest groups always try to expand their membership to include every person who shares the defining interest, something else appears to be happening in the environmental community.[14] There are hundreds of thousands of people in America for whom environmental preservation is an overriding issue, the tie that binds them together as a common interest. Yet they vary in just what aspects of environmentalism they care about the most. This has made it possible for many interest groups to establish themselves and thrive in the environmental interest "niche."[15] People who feel especially strong about clean water can join Environmental Defense Fund, while those primarily interested in roadless forests can join the Wilderness Society. People interested in limiting public and private land development can join the Nature Conservancy, while those wanting to preserve grey wolves can join Defenders of Wildlife. All of these people care about water, wolves, and wilderness; they just care about some issues more than others.

Because they can peacefully parcel-up the environmental interest niche, these organizations can reinforce each other in coalitions when lobbying issues rather than attack each other in a scramble for members. Because the members of one group care more about one issue than another, their interest group takes the lead for the coalition when that issue comes up. Then the organization steps back and supports another interest group when the environmental issue most important to that group's members arises. Since they all draw members from the same pool of environmentally conscience citizens, the differences in member, and therefore group, positions on issues is small enough that no interest group will have to demand its members hold their noses as it agrees to support a position staked out by a coalition partner. They are firmly in the upper left of Figure 2. Defenders of Wildlife can lead on Endangered Species Act issues with support, but little interference, from other environmental groups. In return, Defenders will back Wilderness Society in its efforts to designate more national forests as roadless wilderness. Deference and reciprocity make a long term, semi-permanent coalition of groups work and keep it alive.

Sure, not all environmental groups are great coalition partners. Those further out on the ideological left, such as EarthFirst!, Earthjustice, and to some extent Greenpeace, tend to be less accommodating of the positions of their more moderate cousins. These groups are trying to appeal to the more radical side of environmental community, people who feel very strongly about more issues (upper right of Figure 2) and are thus less inclined to defer to the less radical environmental groups on any issues. Also, interest groups without a membership base large enough to support them in the long run may feel they need to fight harder to give the appearance that they, and they alone, are the true representatives of a potential membership. This makes it hard for them to make compromises and share credit in a coalition.[16] Even if do join a coalition, this need to lead and unwillingness to compromise makes them untrustworthy partners.

Coalition Benefits

Degree of competitive differences and variation in member intensity regarding issues explains why it is possible for some interest groups to work together in long term coalitions, but not why they would want do. Political scientist Kevin Hula lays out the benefits of membership.[17] They include the sharing of information, contacts, credit, and financial resources. Start with information sharing. As mentioned earlier, the number of interest groups active in national politics has become enormous. And that is just the tip of the iceberg. Many ideologically-leaning think tanks, consulting firms, public relations agencies, and corporate lobbyists are also trying to push their issues and policies. As the networks of all of these advocates working on the same issues grow increasingly dense, learning who is advocating what position, how successful they are with lawmakers, where individual legislators stand on issues, and generally cutting through the fog of political warfare becomes *very* difficult. No single lobbyist can keep track of what is going on all of the time no matter how well connected they are. Coalitions help lobbyists manage this difficulty.

When lobbyists join stable, long term coalitions, enough trust is generated from their repeated experiences together for each lobbyist to be comfortable sharing what he or she knows.[18] They contribute to a common pool of knowledge regarding everything happening with an issue, what policies are coming up in the future addressing the issue, how lawmakers are likely to respond, and which competing interest groups are likely to wade into the fight. The result is that coalition members become collectively better informed.

They also share *who* they know. Gaining access to elected lawmakers usually requires some type of constituency connection. All interest group members are somebody's constituents, and people who care enough about public policy to join an interest group also tend to be informed voters and thus important to a legislator's re-election coalition. If group members are concentrated enough and politically active enough in a state or district, their elected officials will want to help them in return for electoral support and will welcome the members' lobbyists.[19] Lobbyists not representing people in the districts of important officials will have a much harder time gaining access and will be attracted to coalitions with stronger, better connected groups to alleviate this problem.[20] Groups in the coalition with access will presumably help their partners get some face-time with key legislators and staff. At the very least well-connected lobbyists will deliver messages to lawmakers on behalf of all coalition members. They have an incentive to do so. The bigger the coalition, the greater the perception on Capitol Hill that there is wide-spread public unity for or against a policy proposal in the constituencies that matter.

The direct benefit of financial resources is obvious. Working in coalitions means an interest group does not have to itself incur the enormous expense of waging a lobbying campaign to get lawmakers' attention and convince them to support a policy solution. If the lone interest group also lacks a clear constituency connection to the lawmakers who matter on an issue, then to have any influence at all they must undertake grassroots advocacy by pressing thousands of members and supporters to call the Capitol to convince lawmakers that there is an electoral reason for paying attention to its interest.[21] Such campaigns are enormously expensive and may not work.

There is also an indirect benefit from coalition cost sharing - it makes it easier for more interest groups to claim more credit for policy successes. Lobbyists must keep their members interested in the group. They have to keep looking impressive, convincing members that their concerns are being well represented in the political arena by the group's lobbyist across a whole array of related issues. Long term coalitions of groups with similar positions on multiple issues can tackle more issues than any group could realistically hope to by itself unless it was exceptionally large and wealthy. Since most are not exceptionally large and wealthy, coalitions provide the *appearance* of vigorously lobbying on many issues members and potential members care about. In reality the group's lobbyist spends most of his or her time lobbying only one or two issues, probably the ones the group's members care about most. He or she just claims some credit for success on all of the other issues. Unless members and potential members are especially savvy, they will be impressed with their apparently super-human lobbyist's ability to work so hard on so many issues at once. For members it suggests their dues are being wellspent. For potential members, it suggests the interest group soliciting them is more than worthy of their dues.

Coalition Costs

The costs of joining a long term coalition are suggested back in Figure 1. Remember that on an issue like loan-to-reserve ratios, a coalition can only support one policy position. All interest groups in the coalition must agree on that position, which probably requires significant negotiations. Membership means being willing to support positions on issues other than those ideally preferred by a majority or even a plurality of group members. If members do not feel all that strongly about an issue, then the group's lobbyist probably has little to worry about from some compromise. Unsurprisingly, this makes a lobbyist a popular coalition partner because he or she is not making things difficult for anybody else. But if group members do feel strongly about an issue, and especially if they are fairly united on the positions they want to see enacted into law, then almost any compromise their lobbyist makes to support other groups in the coalition will upset them. If the lobbyist cannot persuade coalition partners to back his or her members' ideal position on this issue, he or she may have to break from the coalition. If this happens too often, the lobbyist may be booted out entirely, his or her credibility with other lobbyists in tatters. If the lobbyist instead compromises member preferences, and members find out, they may dissert the group. Now the whole group's reputation is in tatters. Or they may just fire the lobbyist.

This gets back to the notion of wiggle-room on an issue identified in Figure 1, the flexibility a lobbyist really has for determining what policy outcome he or she can support on an issue to keep members happy and accommodate other interest groups. The benefits and costs the lobbyist must weigh against each other on each and every issue. Sometimes this means deciding who is really more important to serve, group members or coalition allies. I return to discuss that tension later.

Short Term Issue Coalitions

An arguably better demonstration of the complexities of interest group politics is why lobbyists form short term coalitions – coalitions only lasting the lifetime of an issue, and sometimes not even that. The alliance between AFL-CIO and the Chamber described earlier came late in the immigration issue's life, after years of conflict. While they carry many of the same benefits and costs, short term coalitions are very different from long term in that they are more likely temporary alliances between competitors, groups whose members prefer significantly different policies, but for a variety of political reasons support compromises. They fall in the lower left of Figure 2. How they sometimes find common ground provides insight into the real give and take of interest group competition and cooperation.

Return for a moment to Figure 1 where the American Bankers Association and PIRG are competing to shape policy regarding bank loan-to-reserve ratios. Recall that the dashed vertical lines under each distribution of group member preferences shows just how far each organization's lobbyist can deviate from positions *ABA* and *PIRG* without making members so mad that many will abandon the group. If the shaded areas, determined by member toleration, could extend far enough towards the center to intersect, then lobbyists for these competing groups might find one or more policy proposals both could support. Since the boxes do not intersect, cooperation between these competitors is not possible, and may not be as long as they are only concerned about bank reserve requirements. Fortunately, policy-making is more complex than this simple zero-sum trade-off.

Multi-Dimensional Trade-offs

In most political fights, one interest group tends to care more about one facet of an issue than others, making that issue multi-dimensional rather than just uni-dimensional as in Figure 1.[22] Although these issue's facets are often contained in the same bill or regulatory proposal, as long as members of one group feel more strongly about one part of the issue than another, and vice versa for the competitor group, compromise is easier to achieve because trade-offs are possible. One group more or less gets its way on its part of the issue, and in return gives way to its competitor on the facet of the issue most important to the competitor's members. Arguably this is just what happened with AFL-CIO and the Chamber with wages and number of workers on the immigration issue.

Expanding on the reserve requirement issue example should make this clearer. The policy continuum from Figure 1 is now the horizontal axis in Figure 3 as the amount of money banks must keep in reserve rather than lend out now becomes one piece of the larger issue of bank regulation. It remains the most important piece to the American Bankers Association. PIRG, however, cares more about how much money banks lend in poor communities, places many bankers tend to avoid for fear of high default rates. This becomes the second facet of the bank regulation issue and is the vertical continuum in Figure 3. Members of ABA care about low-income lending as well, just not as much as PIRG members. Because under-capitalized banks are more likely to fail and leave poor communities without any financial services, PIRG cares about loan-to-reserve ratios as well, just not as much as low-income lending. But because neither group prioritizes the same facet of this complex issue of bank regulation, a trade-off might be negotiated and a short term coalition formed to advocate for policy embodying that trade-off.

---- Figure 3 ----

How much would ABA and PIRG sacrifice on the pieces of the issue less important to their members to make gains on their more preferred policy outcome? Their willingness to trade defines the shapes of the curves winding their way through Figure 3. Think about these curves as a series of possible trade-offs both group might support. Bankers really want a low loan-to-reserve ratio and are willing to give a little on the low-income lending requirements to get it. Some bankers may even believe they *ought* to do some low-income lending out of a sense of social responsibility, though only up to a point. So the ABA trade-off curve initially curves steeply upward as it moves away from 0, indicating a willingness by bankers to agree to quite large increases in low-income lending requirements (starting from the baseline of 0 lending) for every unit decrease in their mandated reserve requirements, but only when the overall amounts of both are still quite low.

This changes when larger amounts of low-income lending and reserve requirements are considered. Since bankers do not want to be obligated to make too many risky loans in poor neighborhoods, they will only agree to more low-income lending in increasingly smaller increments to gain PIRG's support for further decreases in reserve requirements. ABA's trade-off curve therefore flattens into a horizontal line at the point where bankers still want lower reserves but are unwilling to agree to *any* more low-income lending to get it. The reverse is true of PIRG. Initially PIRG members are willing to support significant reductions in reserve requirements for set increases in low-income lending. Obviously a bank cannot lend in poor communities if all of its assets are locked-up in the vault. But as bankers demand even more free capital to lend, the more PIRG members insist that more slices of it be lent in poor neighborhoods. When PIRG members will agree to no more reductions in reserve requirements, even though they want more low-income lending, their trade-off curve becomes a vertical line.

All of the points on the curves are potential deals, and so are all of the points in the gray area between these curves. Only none of them will ever actually be a deal. Why would PIRG's lobbyist advocate for a deal at point *A* when he knows that the banker's lobbyist would support higher low-income lending for exactly the same reserve requirement, and vice versa for ABA? Both lobbyists know their competitor will agree to something better, so *A* is never considered. Neither lobbyist will get their members' ideal trade-offs either, which are points *ABA* and *PIRG*. As you can probably guess, the best possible, realizable deal is at point *B* where the curves intersect. This is the only point where neither lobbyist can get the other to agree to anything better.

Status Quo Sticking Points

A serious impediment to successful bargaining between competitors is an existing policy, a status quo position, already on the books. Bank reserve requirements have been in federal law since the passage of the Federal Reserve Act of 1913, and low-income lending requirements since enacting the Community Reinvestment Act of 1977. One or both interest groups might prefer the status quo to any deal their competitor would agree to. Say the status quo policy in Figure 3 is at point *SQ1*. The dotted line from *PIRG* to *SQ1* is shorter than from *PIRG* to *B*. This means current policy is closer to what PIRG members would ideally prefer than the bargain proposed with the bankers. If preserving the status quo *is* still a realistic possibility, then there will be no short term issue coalition because PIRG prefers the status quo, enacting no new policy, to any alternative the bankers would support. Bankers, on the other hand, prefer the bargain because *B* is closer to *ABA* than is *SQ1*, but they may have a harder time getting *B* because they must expend valuable resources fighting PIRG rather than enjoy the advantages of sharing resources and contacts in a coalition.

But if the status quo is at *SQ2*, then the deal at *B* makes both interest groups better off than current policy so both will lobby together for it in an issue coalition. They appear to be strange bedfellows to the casual observer – PIRG and ABA together? Somewhere pigs are flying! – but given the structure of this competitive scenario, it makes sense. Competitors become temporary allies, pooling resources, sharing information and contacts, combining their grassroots efforts, all of the benefits mentioned in the last section, and, of course, all of the costs too. Once their deal is enacted, PIRG and ABA can go back to fighting each other on the next banking issue.

Lawmakers and Lobbyists

Pressured to Cooperate

The immigration issue example at the beginning of the chapter also suggested that Senator Schumer pushed labor and the Chamber towards an alliance. Are lawmakers that influential? Can they pressure lobbyists into working together in support of policies their members might not like? Probably. Lobbyists and interest groups are not the same thing, even though they are frequently treated as such by scholars and journalists.[23] And what lawmakers want matters a great deal to lobbyists. Like most everyone, lobbyists are people who are first and foremost interested in pursuing their own interests, which in this case are their careers. What makes for a successful lobbying career? Who you know in Washington, D.C. matters. Lobbyists' abilities to represent member or client interests are only as good as the quality of the relationships they have with lawmakers. The ply their trade by building long term relationships, which means helping lawmakers advance *their* interests. Often lobbyists do this by connecting the needs of the people they represent to the needs of the lawmakers whose favor they hope to garner.

Lobbyists cannot directly influence the lawmaking process. They need government officials to act on their behalf if their group members or clients are to be aided. Contrary to popular belief, lobbyists can rarely threaten lawmakers into supporting or opposing policies against their will. Rather, lawmakers must be convinced that helping a lobbyist's members serves their own interests, that interest usually being re-election.[24] That is why having a lot of group members living in a lawmaker's district, creating a constituency connection, is such a valuable resource for a lobbyist, and why not having one entices lobbyists to join coalitions with groups that do. Helping group members achieve their policy desires helps lawmakers achieve theirs, so they want to help the lobbyist because it means they help themselves.[25] Happy group members are happy constituents and they will vote for legislators who aided their lobbyist, especially after the lobbyist tells them how helpful these legislators were!

But lobbyists' need for these strong relationships has an edge to it. Maintaining portfolios of relationships with powerful lawmakers is so important to lobbyists that when the desires of their allies in Congress do not align with the wishes of their members, and no amount of persuasion can change these lawmakers' minds, lobbyists may well choose to support their legislative allies' positions at the expense of their members' preferences.[26] Furthermore, getting legislation passed Congress requires the acquiescence of a majority of lawmakers in both House and Senate. This necessity might also convince a lobbyist to support a position further away from members' ideal policy preferences on an issue just because nothing else can get enacted (at least as long as the status quo is still the worse outcome). These two pressures also make it more likely that lobbyists will work together in short-term coalitions.

Look at Figure 4, a modification of Figure 1. The upper horizontal line is the exact same policy outcome continuum for bank reserve requirements as the lower line. The upside-down gray area under it represents the distribution of elected officials' preferences for loan-to-reserve ratios. Liberals are on the left and are lighter in color, while dark-colored conservatives are on the right. Because lawmakers can only enact policy at one position, for a variety of reasons, such as pressure from presidents and party leaders, they coalesce around position *B* on the lower line. Since there are more liberal than conservative lawmakers, *B* is a little left of center. The cone stretching down to the lower continuum does not come to a point at *B* because there is still some disagreement among lawmakers as to just what the bank reserve requirement should be within that narrow range. The dashed lines rising from *PIRG* and *ABA* symbolize the connections of these groups' lobbyists to a few lawmakers in Congress, lawmakers these lobbyists have built relationships with and have access to.

---- Figure 4 ----

Lobbyists may try to convince these allies that it is in their interests to persuade the rest of Congress to support a policy at *ABA* or *PIRG*, but these lawmakers might not want to change their positions to accommodate these interest groups. Perhaps they are convinced by presidents, party leaders, or other lobbyists that *B*, or some position near it, better reflects their personal interests than *ABA* or *PIRG*. Perhaps these legislators are unhappy with the status quo, but *B* is the only new position that the rest of Congress and the president will support. Having settled on

B, lawmakers expect their lobbyist allies to support the compromise as well rather than create trouble by riling-up their members, members who may be these lawmakers' constituents. That would end any lobbyist's relationship with a lawmaker quick. What group member-constituents do not know will not hurt lawmakers or lobbyists. Under such pressure, the range of positions ABA and PIRG lobbyists will support, shown by the gray boxes at the bottom of Figure 4, now shift toward the center and encompasses *B*, which both will support in a short-term coalition. Whatever member anger results from these lobbyists supporting the compromise at *B* is more than compensated by the continued goodwill of their legislative allies.

What is Really Important

By now it is clear that coalitions require lobbyists to make all kinds of trade-offs, but not all trade-offs are equally important. The ABA and PIRG lobbyists will support policy proposal *B* in a coalition because not doing so means they (not their interest groups) risk incurring the very serious cost of damaging the relationships they have built with congressional allies, the very relationships that makes lobbyists valuable in the Washington influence market. The relationship between lobbyists and lawmakers requires both to commit to helping the other achieve their interests and goals.[27] By refusing to support a policy that a legislator ally believes is in his or her interests, the lobbyist is saying that he or she is not going to be there when this ally needs help, even if it is just on one issue. That cracks the relationship, and even if it is only a very small crack it still means the relationship is no longer as dependable (for either party) as it once was. It will take time and work to recover the lost trust, so lobbyists will be very reluctant to ever damage it by defying their legislative patrons.

It is a lot easier for a lobbyist to go against the wishes of group members. Members often have no idea what is going on in Washington, and what they do know usually comes from their lobbyist.[28] This gives the lobbyist a significant advantage. ABA's lobbyist in Figure 4 might use her control of information to convince banker-members that it is in their interests to support higher reserve requirements at *B* rather than *ABA*. Perhaps because she convinces members the only realistic choice is between *B* and *PIRG*, with *B* the lesser of two evils. Or she might convince members that they should really *want* higher reserves. If the lobbyist's efforts at member persuasion, and some might say manipulation, is successful, ABA will support position *B*. If PIRG's lobbyist also agrees to *B*, both will combine forces in a short term coalition, enjoying all of its benefits with the added benefit of keeping their patron lawmakers, on whose goodwill they depend, happy.

If one or both lobbyists *cannot* persuade members of the compromise's value, and they cannot hide the compromise from their members, then they must choose whom to anger. If too many members will dissert ABA or PIRG should their lobbyist support *B*, that hurts the interest group and perhaps even the lobbyist's reputation as an honest representative. This is a very real rock and hard place for lobbyists. In 2011 lobbyist John Rother of AARP suggested that the super-powerful organization representing retired Americans might be open to the possibility of increasing the age of retirement, and therefore Social Security and Medicare benefits, from 65 to 67 under pressure from congressional Republicans. Rother explained, "You want to be perceived as being a strong advocate, but at the same time your long-term interest is in solving a problem. The art, if you will, is to make sure that you are operating and messaging in such a way as to get the best possible result for your members within the context of solving the problem."[29] AARP's 38 million members did not see it that way and Rother is no longer there.

Nor, by 2012, was AARP showing any willingness to support any changes to the age of retirement. Whichever way the lobbyist jumps, the deciding factor is what will benefit and hurt the *lobbyist* most. Whether or not lobbyists have read Shakespeare's *Hamlet*, their driving imperative is always "to thy ownself be true!"

Summary and Ethics

Coalitions are valuable to lobbyists. Working in coalitions helps them save their organization money because they can collect information, make contacts with more lawmakers, and claim credit for working on more issues more easily and more cheaply than they ever could on their own. Joining coalitions may also carry costs because lobbyists will likely be required to compromise the positions their members care about, making them angry. Long term coalitions work best when the collective memberships of the involved groups prefer similar policies, and when members do not have strong feelings about all of the issues the coalition lobbies on. Thus there are far fewer trade-offs for the lobbyists to balance and the coalition endures. Short term issue coalitions tend to form between interest groups that are competing over how to resolve an issue with policy, meaning that the policies each group's members would like to see enacted are quite different from each other. They form when an issue has many pieces and each group cares more about one piece than the others so that trade-offs are possible giving each side more of what they want. Lobbyists may also form coalitions under pressure from the very lawmakers they depend on for influence, and for having successful careers.

One final point. Coalition politics clearly brings up the sticky issue of ethics in lobbying, especially when it comes to short term coalitions between competing interest groups. While many people complain about interest groups and lobbying in terms of campaign contributions and the apparent ability of lobbyists to divert lawmakers from enacting legislation in the public interest, the right to form interest groups and lobby is protected by the First Amendment to the Constitution as “the right of the people peaceably to assemble, and to petition the government for a redress of grievances.” Thus they must be considered ethical in our system of government. What lobbyists do to help their peaceably assembled members petition for a redress of grievances, which is what lobbying is, is also ethical as long as lobbyists do not break the law and as long as *they represent the interests of their members before government*. Yet coalition formation often requires lobbyists to do something inherently unethical. They must compromise member interests to work together in coalitions and gain the favor of lawmakers. Furthermore, our system of government, so full of checks and balances and powers separated even more than the founders intended, makes it easy for one or a small number of interests to block the making of new law and preserve an antiquated status quo. Given that there are now so many interest groups in America, coalition formation, and therefore the compromising of the interests of dozens of groups of politically organized Americans, unethical lobbying behavior, is essential if lawmakers are to get anything done.

Figure 1: Interest Group Competition Over Bank Reserve Requirements

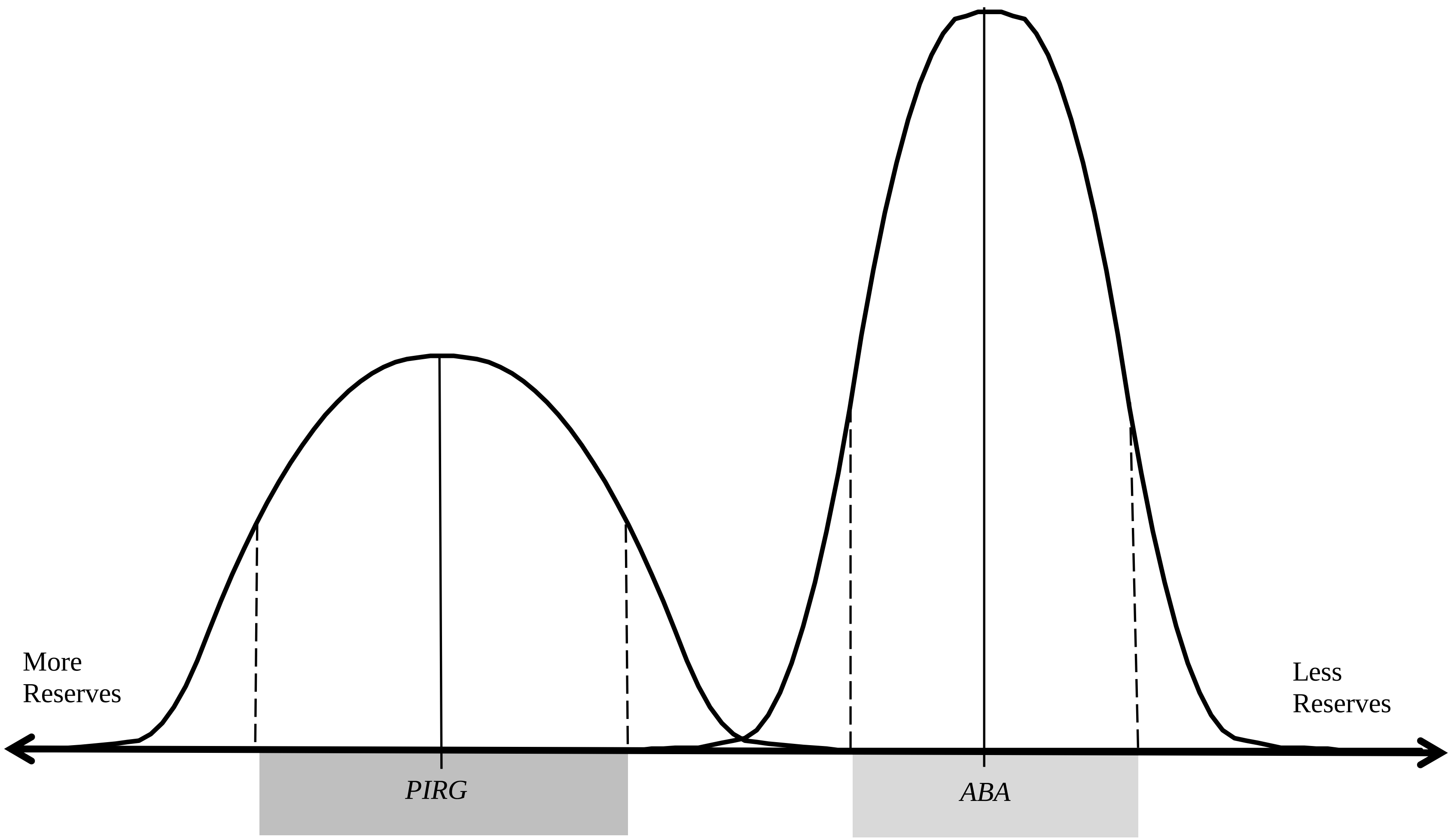


Figure 2

Coalition Formation Based on the How Strongly Group Members Collectively Feel About Issues

and the Similarity of Member Collective Positions on Issues

	Members feel strongly about only a few issues in the policy domain	Members feel strongly about most issues in the policy domain
Group members collectively have similar positions on issues	Long term coalitions enduring across many issues	Unstable coalitions across several issues, with high likelihood of defections
Group members collective have very different positions on issues	Short term, ad hoc issue specific coalitions based on policy trade-offs (probably formed under pressure from lawmakers)	Conflict between competing interest groups on issues

Figure 3

Bargaining Between the American Bankers Association and PIRG

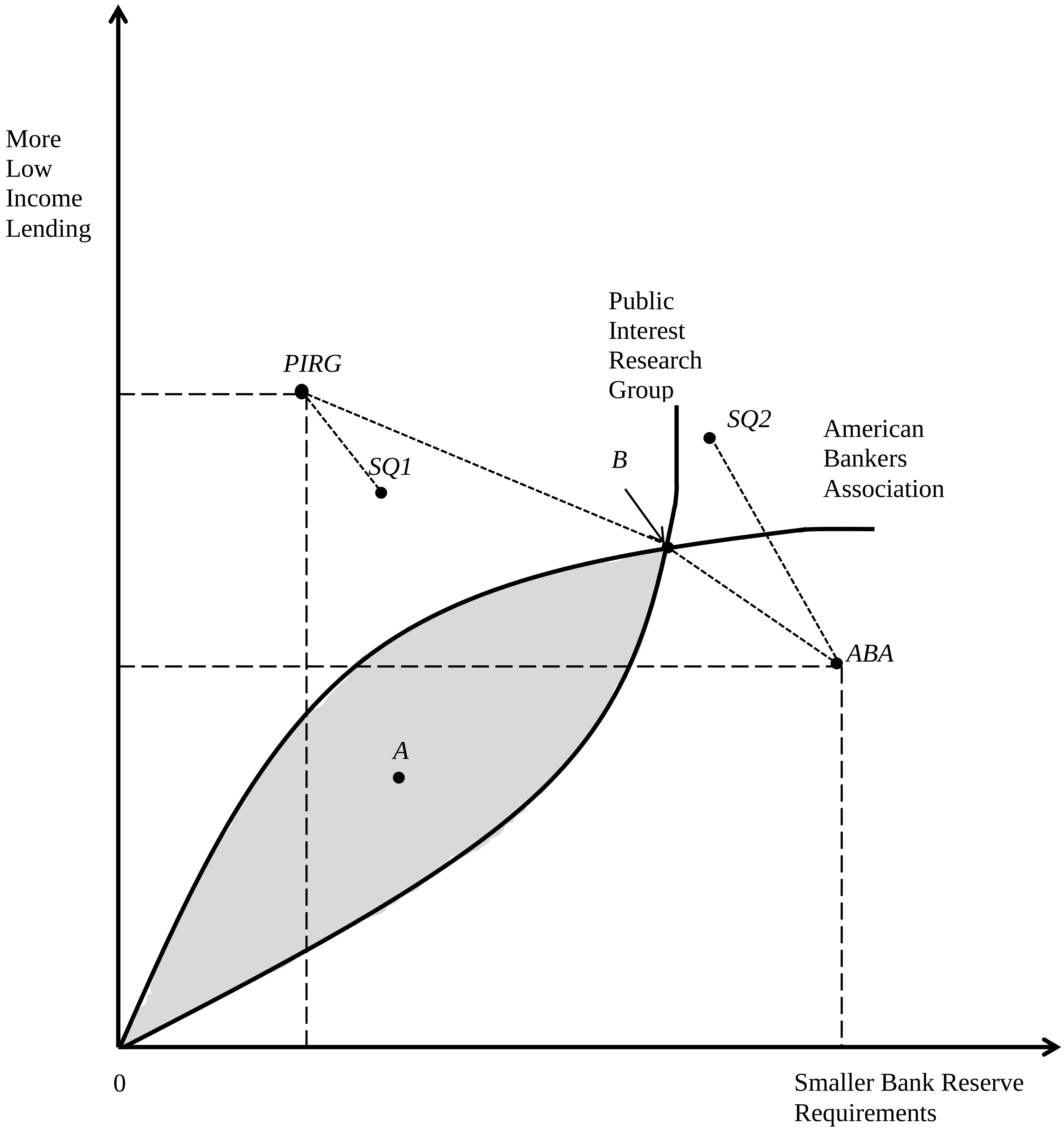
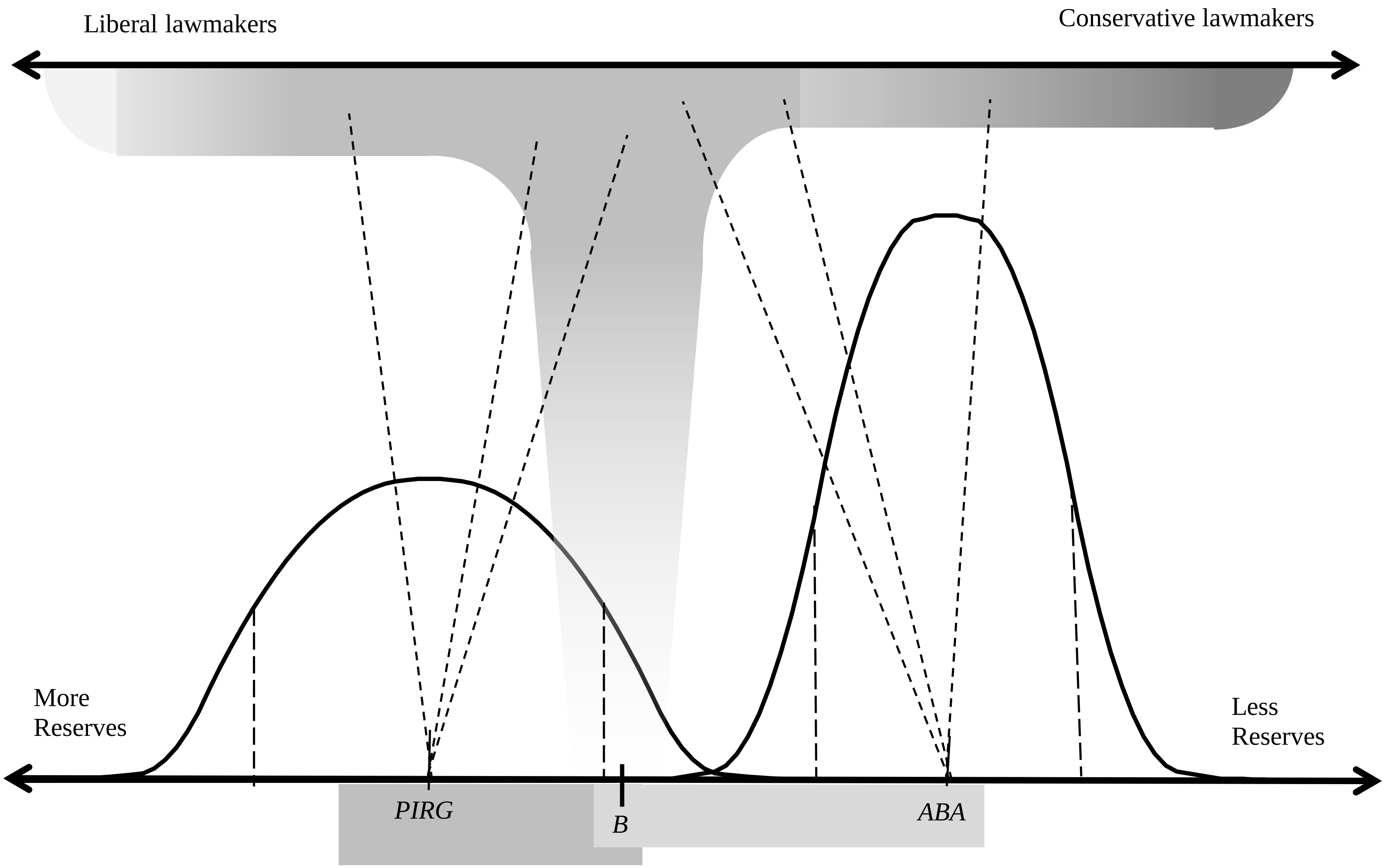


Figure 4: Coalition of Competing Interest Groups Created Under Lawmaker Pressure



[1] From "Immigration Reform: Business, Labor Get Deal on Worker Program, Source Says," by Erica Werner in the *Huffington Post*, March 30, 2013.

[2] Thomas T. Holyoke, *Interest Groups and Lobbying: Pursuing Group Interests in American Politics*, Boulder: Westview Press, 2013.

[3] From data obtained by the author from the database Lobbyists.info for 2011.

[4] From Holyoke 2013, the original data from a survey by Zogby of Americans in 2008.

[5] From Harold W. Stanley and Richard G. Niemi. *Vital Statistics on American Politics, 2011-2012*. Washington, D.C.: CQ Press, 2012.

[6] This point comes from interview I have done with agency staff.

[7] Robert H. Salisbury, "The Paradox of Interest Groups in Washington: More Groups, Less Clout." In *The New American Political System*, 2nd ed., ed. Anthony J. King, pp. 203-230. Washington, D.C.: American Enterprise Institute Press, 1990.

[8] This is the typical approach in spatial models of politics, see Melvin J. Hinich and Michael C. Munger. *Analytical Politics*. New York: Cambridge University Press, 1997.

[9] A nice description of variation in member preferences is in Terry M. Moe. *The Organization of Interests.* Chicago: University of Chicago Press, 1980.

[10] Developed from chapter 2 of Thomas T. Holyoke, *Competitive Interests: Competition and Compromise in American Interest Group Politics*. Washington, DC: Georgetown University Press, 2011.

[11] Albert O. Hirschman. *Exit, Voice, and Loyalty.* Cambridge: Harvard University Press, 1970.

[12] McGee Young, *Developing Interests: Organizational Change and the Politics of Advocacy*. Lawrence, University Press of Kansas, 2010.

[13] Thomas T. Holyoke. "Interest Group Competition and Coalition Formation." *American Journal of Political Science* 53(April, 2009): 360-375.

[14] See William P. Browne, "“Organized Interests and Their Issue Niches: A Search for Pluralism in a Policy Domain." *Journal of Politics* 52(May, 1990): 477-509.

[15] Christopher J. Bosso, "Rethinking the Concept of membership in Nature Advocacy Organizations." *Policy Studies Journal* 31(3, 2003): 397-411.

[16] Virginia Gray and David Lowery, "To Lobby Alone or in a Flock: Foraging Behavior Among Organized Interests." *American Politics Quarterly* 26(January, 1998): 5-34.

[17] Kevin W. Hula, *Lobbying Together: Interest Group Coalitions in Legislative Politics.* Washington, D.C.: Georgetown University Press, 1999.

[18] Marie Hojnacki, "Interest Groups' Decisions to Join Alliance or Work Alone." *American Journal of Political Science* 41(January, 1997): 61-87.

[19] John Mark Hansen, *Gaining Access: Congress and the Farm Lobby, 1919-1981*. Chicago: University of Chicago Press, 1991. Also John R. Wright, *Interest Groups and Congress.* Boston: Little, Brown, 1996.

[20] Michael T. Heaney, "Issue Networks, Information, and Interest Group Alliances: The Case of Wisconsin Welfare Politics, 1993-1999." *State Politics and Policy Quarterly* 4(Fall, 2004): 237-270.

[21] Ken Kollman, *Outside Lobbying: Public Opinion and Interest Group Strategies.* Princeton: Princeton University Press, 1998.

[22] Frank R. Baumgartner, Jeffrey M. Berry, Marie Hojnacki, David C. Kimball, and Beth L. Leech, *Lobbying and Policy Change*. Chicago: University of Chicago Press, 2009.

[23] Rogan Kersh, "Corporate Lobbyists as Political Actors: A View from the Field." In *Interest Group Politics*, eds. Allan J. Cigler and Burdett A. Loomis, 6th Edition, pp. 225-248. Washington, D.C.: Congressional Quarterly Press, 2002.

[24] See Wright 1996.

[25] Scott H. Ainsworth, "The Role of Legislators in the Determination of Interest Group Influence." *Legislative Studies Quarterly* 22(November, 1997): 517-533.

[26] See chapter 2 of Holyoke 2011.

[27] See Ainsworth 1997.

[28] Terry M. Moe, *The Organization of Interests*. Chicago: University of Chicago Press, 1980.

[29] Michael A. Fletcher and Zachary A. Goldfarb, "AARP Uses its Power to Oppose Social Security, Medicare Benefits Cuts for Retirees." *Washington Post*, 2012, November 17.