

## INTEREST GROUPS

Comprehending politics and political decisions is not just a matter of understanding government structure and electoral and party systems, but also the influence and pressure exercised by various groups with vested interests. Such groups rose to prominence with mass industrialisation and its attendant issues, and the shift in focus from institutions to social processes.

Interest groups are usually defined as organisations with membership that lobby government but with no electoral participation (Wilson 1990). However, this definition is insufficient as in some countries interest groups and their work is sharply defined, while in others their involvement is blurred. The concepts of *public* and *private* interest groups have been introduced to distinguish the type of organisation activity that is of interest to the public and that which may be deemed private. But this dichotomy too is considered contentious.

### Interest Associations in Theory

**Republican traditions** in general and theorists such as Rousseau saw interest groups as a threat to democracy. He feared that specific interests fronted by particular groups could supersede the will of the people. In fact, the unitarist ideal of the 'indivisible state' is still the prevalent republican sentiment as regards interest groups.

**Liberal traditions**, on the other hand, do not view interest groups as a threat to democracy. They conceive of them as a crucial source of liberty. As state power increased pluralists saw that individuals needed to band together to resist any despotic state tendencies. Based on a right to association, interest groups serve to safeguard growth of civic life. This view is contingent, however on two dubious presuppositions, that interest groups are uniformly spread across all political domains and all individuals have the same ability and will to associate.

In contrast to republicans, the **neo-corporatist tradition** maintains that specific interests and groups that associate around interests cannot be denied access to the political arena. In contrast to pluralists, neo-corporatists interrogate the concept of free competition between varying interests as the strongest would tend to prevail. As this would challenge governance, social justice, and the economic potential of democracies, neo-corporatists hold that while guaranteeing freedom of association, public policy should also make provision for balance of power between contrasting interest groups especially between those of capital and labour. In this scenario, policy-outcomes can demonstrate the best ideas and arguments and not merely be the result of power dynamics among interest groups.

## **Interest Associations in Practice**

### **Group Formation**

Selective incentives drive rational individuals to join interest groups (Olson 1965). The theory of rational choice states that only groups that supply private benefits will thrive, while ones that supply public goods, i.e. benefits given regardless of membership, will find it difficult to draw members. However, collective experiences and concerns regarding morals may also sway individuals to join a group. Additionally, the formation of interest groups in practice may depend as well on external sponsors and organisers.

### **Collective Action**

Business interest groups do not need to engage in collective action. As any given investment decision has a direct impact on the economy, the capitalists must be consulted regardless of the level of their organisation. This streamlines the job of business interest groups immensely. In contrast, for trade unions or other citizens' groups to have an impact, such as through a strike, collective organisation is absolutely necessary, as well as the willingness of individuals to act cooperatively.

### **Direct Lobbying**

This form of lobbying involves direct, private access to decision-makers. The power of interest groups is dependent upon their ability to exert influence on policymakers and achieve particular policy results. Unsurprisingly, whenever a group possesses great financial resources, legitimacy, and competence, the greater its ability to pressure decision-makers and in turn, create desirable policy outcomes. Accessibility of institutions and the nature of the issue also determine how effective lobbying can be.

### **Political Exchange**

This form of lobbying involves trade unions and business interest groups engaging with policymakers on the basis of exchanging information regarding the economic sphere. This is a rather broad definition that could even include corporate lobbying.

### **Contentious Politics**

This type of lobbying, also called outside lobbying, includes strikes and contentious forms of exercising pressure upon policymakers. Through contentious action, unions force institutions to a compromise.

## **Private Interest Government**

This is the case when the state has delegated decision-making to interest groups. It now passes as *regulatory governance* whereby with the objective of reducing the influence of interest groups, policy is handed to independent agencies. Regulatory agencies however do not operate in political or ideological vacuums and hence can have agendas that subvert why certain policy was handed to them.

As can be seen, interest groups perform an important role in the political architecture. A general consensus regarding whether they subvert or sustain democracy is, however, non-existent.

Adapted from Ronald Erne, 'Party systems' in Daniele Caramani (ed), *Comparative Politics* (OUP 2020)

## **Further Reading**

Allan J Cigler, Burdett A Loomis and Anthony J Nownes, *Interest Group Politics* (9th edn, Congressional Quarterly 2015)

David Harvey, *A Brief History of Neoliberalism* (OUP 2005)

Iain McMenamin, *If Money Talks, What Does it Say? Corruption and Business Financing of Political Parties* (OUP 2013)

Tom Widger, 'Visions of philanthronationalism: the (in)equities of corporate good governance in Sri Lanka' (2016) 24 *Contemporary South Asia* 400, 415

Tom Widger, 'Philanthronationalism: Junctures at the Business–Charity Nexus in Post-war Sri Lanka' (2016) 47 *Development and Change* 29, 50