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Interest Groups and Theories of Power in America

ANDREW S. McFARLAND*

Three models of interest groups, power and political process in America are contrasted: (1) the Truman–Dahl–Lindblom pluralism of the 1960s; (2) the unfinished plural elitism of the 1970s, a theory emphasizing special-interest capture of policy systems whose most influential exponent is Lowi; (3) the ‘triadic’ model of process set forth by Wilson in *The Politics of Regulation*. The triadic model assumes the normality in policy systems of organized economic producers being challenged by the countervailing power of other organized interests, while state agencies act autonomously. It is argued that the triadic model is the most advanced of the three, although it still needs development. Eighteen illustrative propositions are presented in terms of triadic power. These include relationships among interest groups and state autonomy, ‘high politics’ and routine politics, and types of coalitions in policy systems. Other propositions describe links to possible cycles between triadic power and plural elitism, to corporatist decision-making, and to the ‘resource mobilization’ theory of social movements.

A lengthy discussion of the pluralist theory of power and its downfall is not needed. It suffices to say that the work of Dahl, Truman, Lindblom and others provided a coherent and convincing theory of power in America. Dahl’s polyarchy and the implicit ‘economic theory of democracy’ provided a theory of elections.¹ Truman’s description of American institutions and politics as a complex texture of decentralized bargaining among a myriad of interest groups was readily assimilated into Dahl’s pluralist discussion of power.² Lindblom’s theory of incremental decision-making showed why policies emerging from decentralized bargaining within a polyarchy might be both more effective and representative than policies emerging from central government direction.³ A number of talented political scientists – such as Banfield, Wildavsky and Polsby – applied this pluralist perspective to many institutions and arenas of power, such as urban politics, Congress and the federal budgeting process.⁴

The achievements of the pluralist school may have been much greater than it is the current fashion to recognize. But the credibility of the pluralist argument was destroyed for many by common experiences in the politics of the late 1960s and early 1970s. It did not seem to have much to do with either how we got into,

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¹ Robert A. Dahl, *Preface to Democratic Theory* (Chicago: University of Chicago Press, 1956), and *Who Governs?* (New Haven: Yale University Press, 1961).

² David B. Truman, *The Governmental Process* (New York: Knopf, 1951).

³ David Braybrooke and Charles E. Lindblom, *A Strategy of Decision* (New York: The Free Press, 1963).

⁴ Edward C. Banfield, *Political Influence* (New York: The Free Press, 1961); Nelson W. Polsby, *Congress and the Presidency* (Englewood Cliffs, NJ: Prentice-Hall, 1964); Aaron B. Wildavsky, *The Politics of the Budgetary Process*, 1st edn (Boston: Little, Brown, 1964).

or got out of, Vietnam. More than one political scientist lectured his class on pluralism, wondering whether he could finish without being forcibly disrupted by the protagonists or antagonists of the latest social movement on campus. Pluralism did not illuminate why from the ground some sections of our older cities resemble photographs of bombed-out Germany in 1945, while from the air some of our newer cities can be seen only indistinctly due to the permeation of the skies by chemical trash.

In this situation, many younger political scientists turned to Marxism, now a much more attractive theoretical option because of the reinterpretations of orthodoxy by such writers as Gramsci, Miliband, and Poulantzas.⁵ When writing about interest groups and power in America, others in the discipline cited with great frequency such anti-pluralist, non-Marxist writers as Lowi, Olson, Schattschneider, and McConnell.⁶ By the late 1970s, anti-pluralist Lowi had replaced pluralist Dahl, in the opinion of many, as the most influential person in the discipline.⁷

At present the discussion of power in America is quite confused. One suspects that pluralism is very much with us – in freshmen textbooks, local colleges, high school civics classes, and in uncritical political-economic discussions of politics in terms of working political markets. Professor Lowi writes thought-provoking essays about the co-optation of the state by status-quo interest groups, but he has not set forth an alternative theory of power and the state, rigorously distinguished from the pluralists, the Marxists and Lindblom's view of corporate dominance.⁸ Thus political science is hindered by the lack of any rigorous statement of an apparently widely accepted view: power in America is largely a matter of co-optation of specific public-policy areas by elites, serving their own private interests. Such a theory of power is termed by Prewitt and Stone 'multiple elitism', although here I prefer to use the term 'plural elitism'.⁹

PLURAL ELITES: THE THEORY THAT WILL NOT BE

Specific authors in this vein are among the most widely cited in the discipline, yet there is no general statement of this point of view which synthesizes various writers and their hypotheses. There is not even an accepted term for this theory of power, which I call 'plural elitism'.

⁵ Antonio Gramsci, *Prison Notebooks* (New York: International Publishers, 1971); Ralph Miliband, *The State in Capitalist Society* (New York: Basic Books, 1968); Nicos Poulantzas, *Political Power and Social Classes* (London: New Left Books and Sheed and Ward, 1973).

⁶ Theodore M. Lowi, Jr., *The End of Liberalism*, rev. edn (New York: Norton, 1979), original edition pub. in 1969; Mancur Olson, Jr., *The Logic of Collective Action* (Cambridge, Mass.: Harvard University Press, 1965); E. E. Schattschneider, *The Semisovereign People* (New York: Holt, Rinehart & Winston, 1960); Grant McConnell, *Private Power and American Democracy* (New York: Knopf, 1966).

⁷ Walter B. Roettger, 'Strata and Stability: Reputations of American Political Scientists', *PS*, 11 (Winter 1978), p. 9.

⁸ Charles E. Lindblom, *Politics and Markets* (New York: Basic Books, 1977).

⁹ Kenneth Prewitt and Alan Stone, *The Ruling Elites* (New York: Harper & Row, 1973), p. 124.

It is striking that no one has put forth a general and synthetic statement of the theory of plural elites and applied it to the American process. As indicated in the list of propositions below, it would seem quite possible to do so. This list is intended to demonstrate the nature of such a theory and to show that it might be persuasive and have a broad range of empirical applications.

The propositions below indicate convergences among various plural elitist writers. Probably no single writer would agree with every proposition. Certainly the writers disagree among themselves about the proper prescription for special-interest rule (responsible political parties versus juridical democracy versus strengthening the Presidency, and so forth).¹⁰ But the diagnoses of special-interest rule seem generally congruent with one another.¹¹

Proposition 1: Organizational Costs (Olson)

Presuming economic, cost-benefit reasoning, widely shared interests will not be organized because it is not to the benefit of any individual to incur the time and money costs of organizing the group.

Proposition 2: The Free-Rider Problem (Olson)

When an interest group produces public goods (collective benefits), members lose the incentive to contribute to the maintenance of the interest group, because they will receive the benefit anyway. This is particularly true of large groups. Because of this free-rider problem, an interest group will lose influence and may cease to exist.

Proposition 3: The Few Defeat the Many (Olson)

The interests of a few are less prone to high organizational costs and to the free-rider problem. The organization of very widespread interests, on the other hand, is very susceptible to these problems. Therefore, within a particular policy system, the few tend to be better organized.

¹⁰ Responsible political parties is a theme in *The Semisovereign People* and other works by Schattschneider; juridical democracy is the prescription to enhance governing by general rules put forth by Lowi in *The End of Liberalism*; while at the end of *Private Power and American Democracy* McConnell calls for an active presidency and Supreme Court and for strong political parties at the national level of government.

¹¹ See Lowi, *The End of Liberalism*; Olson, *The Logic of Collective Action*; Schattschneider, *The Semisovereign People*; and McConnell, *Private Power and American Democracy*, as cited above. Also see Murray Edelman, *The Symbolic Uses of Politics* (Urbana, Ill.: University of Illinois Press, 1964), Marver Bernstein, *Regulating Business by Independent Commission* (Princeton, NJ: Princeton University Press, 1955), and Morris P. Fiorina, *Congress: Keystone of the Washington Establishment* (New Haven: Yale University Press, 1977). Proposition 10 is derived from Theodore M. Lowi, Jr., 'American Business, Public Policy, Case Studies and Political Theory', *World Politics*, xvi (1964), 677-715. Proposition 11 is derived from Grant McConnell, *The Decline of Agrarian Democracy* (Berkeley: University of California Press, 1953); McConnell, *Private Power and American Democracy*; Lowi, *The End of Liberalism*; and Douglass Cater, *Power in Washington* (New York: Random House, 1964). Bernstein, *Regulating Business*; Edelman, *The Symbolic Uses*; McConnell, *Private Power*; and Theodore M. Lowi, Jr., *At the Pleasure of the Mayor* (New York: The Free Press, 1964) are sources for Proposition 12.

Proposition 4: Symbols in Politics; the Few Defeat the Many (Edelman)

Very widespread but unorganized publics are prone to irrational perceptions of political reality. Such publics confuse symbol with substance – that is, elites manipulate public opinion by creating political forms which give the impression that some problem is being solved, or some policy is being followed, when this is not the case. On the other hand, political groups consisting of a few corporations do not usually confuse symbol with substance. Such small groups, following rational political strategies, will frequently defeat the interests of very large publics, confused by political symbols and following irrational political strategies.

Proposition 5: Restricting the Scope of Conflict (Schattschneider)

Manipulation of the scope of conflict is a basic political strategy. Therefore, well-organized special interests will manipulate the context of political conflict to prevent 'public interests' from manifesting themselves in the conflict.

Proposition 6: The Structure of American Political Institutions (McConnell)

The decentralized and fragmented nature of American political institutions frequently helps the few defeat the many. Public interests are best represented by the Presidency, the Supreme Court, and within general policy debates in Washington. On the other hand, special interests tend to be more powerful in state and local politics, and within fragmented administrative policy systems, which are not subject to public control by the President or by the federal courts. Americans share an ideology of the virtue of political decentralization, but this ideology in fact helps special interests defeat public interests.

Proposition 7: Congress Creates Unneeded Bureaucracy (Fiorina)

During the 1970s, members of Congress have learned to increase their probability of re-election by legislating a new federal bureaucracy, which creates a myriad of new regulations. Members of Congress then help their constituents with problems resulting from such regulations, which increases the popularity of incumbent members. The result is a special-interest coalition: a Washington establishment.

Proposition 8: Ambiguous Statutes (Lowi)

In enacting general interest legislation, American legislators write ambiguous statutes. Such vaguely written laws provide opportunities for special interests to redirect the implementation of such laws to their own benefit.

Proposition 9: Government Subsidies for Established Interest Groups (Lowi)

Beginning in the 1960s, the federal government instituted vast programs of subsidies (especially through subsidized loans) for established interest groups. This tends to freeze the political system in the status quo, retard policy innovation, and lessen the influence of newly emerging interests.

Proposition 10: Power Structure Varies by Issue-Area (Lowi)

While some policy areas are characterized by pluralism, other areas are characterized by elite dominance – an area-specific elite controls policy without effec-

tive political competition. In addition, class conflict may ensue if the existing distribution of property is at issue.

Proposition 11: Sub-governments (many writers)

In American public administration, the few defeat the many through the mechanism of the sub-government. This is a coalition of interest groups, public administrators, and members of Congress serving on the relevant committees that control the administration of public policy for the benefit of those within the sub-government. Such policies usually benefit established economic interests. A sub-government will try to destroy executive agencies, operating within the same policy area but outside the sub-governmental coalition. Such agencies, which compete with sub-governments, include a disproportionate number of those that represent general interests or the poor. The political patterns described in the other propositions are manifest in the politics of sub-governments.

Proposition 12: Reform Cycles (Lowi, McConnell, Edelman, Bernstein)

American politics is subject to reform cycles in specific areas of policy. At times general-interest coalitions defeat the sub-governmental coalitions and enact reform legislation in specific areas of public policy. But at a later time, public attention to a policy area wanes, and the sub-government re-establishes its control.

Proposition 13: Interest-Group Liberalism (Lowi)

Since the New Deal, an ideology, 'interest-group liberalism', has been prevalent among political scientists, moderate and liberal politicians and civil servants, and intellectuals. This ideology is the phenomenological equivalent to academic pluralist theory. Interest-group liberalism implies that people know their own interests, are able to express these interests in political organizations, and are then able to gain access to policy-makers. The resultant policy outcomes are seen as fair, because interest groups balance one another. It is believed that significant social change can be achieved within the present structure of group organization. However, this ideology distorts the perception of American political reality, which is primarily characterized by a decline of democracy.

It is noteworthy that these propositions can be added together to form a general argument. Essentially this argument states that (1) many widely shared interests cannot be effectively organized within the political process; (2) politics tends to be fragmented into decision-making in various specific policy areas, which are normally controlled by special-interest coalitions; (3) there are a variety of specific processes whereby plural elitist rule is maintained; (4) a widespread ideology conceals this truth about American politics.

WHY THERE IS NO GENERAL THEORY OF PLURAL ELITES

An important reason why no general, synthetic theory exists is that Theodore Lowi's review article of *American Business and Public Policy* combined with *The End of Liberalism* formed a perspective that satisfied many political scientists

holding a plural elitist point of view.¹² The article established the tripartite terminology of regulatory, distributive and redistributive politics among political scientists. Lowi argued that pluralism tends to be found in policy areas in which benefits (such as government regulations) are not divisible, while interested groups are well organized, thereby yielding a group politics like that described by Truman. On the other hand, plural elitism tends to be found in areas in which benefits are divisible, such as government construction projects, grants, tax subsidies, special immigration rules, etc. This leads to a politics of particular elites controlling their own turf, and trading the divisible benefits among themselves to maintain the power base of each. Finally, policy areas in which government threatens to take benefits from one group (high income taxpayers) and redistribute them to another (the poor) produce a group politics that may resemble class conflict, as seems to have happened in the years 1935–37. It is often noted that the categories frequently overlap (is the Wagner Act regulatory or redistributive?) but yet these categories have had a continuing appeal to political scientists in making general statements about power and policy-making.

In 1969, Lowi extended these ideas in *The End of Liberalism*, a book which was expanded and revised ten years later. The volume became the most widely read statement of plural elitism. Although seldom referring to his earlier article, Lowi essentially argues that a distributive politics has become the dominant political mode in American government. Paradoxically, this has occurred because political decision-makers and political theorists alike have believed that pluralism is the dominant mode. This belief has led to a pattern of legislating that involves vague legal standards, on the grounds that discretion can be delegated to administrative decision-makers who then share authority with groups organized to represent all significant interests; and this constitutes a reasonably representative and effective mode of policy-making. But Lowi argues that such delegation of authority has merely turned over a wide range of decisions to 'iron triangles' or sub-governments. Government has thus become a giant pork barrel; even more so when one considers the magnitude of the hundreds of billions in loans and credits administered by the federal government. Not only are pluralism and regulatory politics overthrown; cases of redistributive politics also have become rare. Under the guise of pluralism, Lowi argues, redistributive programs are delegated to local poverty councils and other groups purporting to represent the disadvantaged. Such pluralistic administration simultaneously undermines the social movements of the disadvantaged by dividing their leadership and leads to ineffective implementation of redistributive programs, which are transformed into still further instances of pork-barrel politics in the distributive state.

Taken together, Lowi's two works form an approach to a general plural-elitist theory. There is wide agreement that different policy areas may be characterized by pluralism, plural elitism (sub-governments), or redistributive conflict along the general lines indicated by Lowi. Yet few political scientists accept the entire

¹² Lowi, 'American Business, Public Policy'.

body of evocative, controversial propositions outlined by Lowi. Instead, individuals privately subtract portions of Lowi's work they consider inaccurate, while adding other ideas from various sources. Lowi's work has a peculiar quality of plasticity; it can be remoulded to suit individual outlooks, while other plural elitist works can be readily melded to Lowi's conceptual structure. Olson's work, for instance, can be viewed as an explanation of why most policy arenas are not pluralistic, lacking competing groups. Lowi, in fact, adopts an argument similar to Schattschneider by proposing that general issues be debated and settled in Congress, thereby expanding the arena of conflict from the normal, unrepresentative, sub-governmental system of decision-making. Lowi is influenced by McConnell, and makes McConnell's basic argument: delegation of decision-making authority to local administrative units tends to create sub-governmental cliques, which further the policy status quo and serve as the building blocks of the distributive state. Lowi admits that Truman's group theory is a correct description of some situations, agrees with Dahl and Polsby that power-elite theories are usually misleading, and agrees with Lindblom that incrementalism is frequently a good description of policy decision-making (although Lowi regrets this).¹³

Lowi's work is useful as a perspective, but it should not be regarded as the endpoint in the theoretical discussion of power and political process which emphasizes interest groups. His concepts of distributive, redistributive and regulatory politics are general, and it is frequently difficult to agree on their meaning and application in specific situations. Further, Lowi does not incorporate in explicit fashion the work of Olson and most other plural elite theorists. In addition, Lowi needs a more explicit theory of how policy sub-systems become captured by 'little governments'.¹⁴ After all, specific standards in legislative language do not necessarily limit the influence of sub-governmental coalitions, which often press for specific language (as in tax codes) to benefit quite specific interests.¹⁵

A difficulty with Lowi is that his work does not embrace two types of important research findings after 1975. The first of these is the realization that since the 1960s the number of political groups lobbying the national government has dramatically increased, well beyond the expectations of Olson or the earlier 'capture theorists'. The increased number of lobbies includes more lobbying by individual corporations, an increased organization of obscure trade associations and industries, an expansion of lobbying activity by professions predominantly serving in government or in the non-profit sector, environmentalist and other 'public-interest' groups of the left and the right, groups created by social movements such as the women's movement, organizational efforts by non-profit

¹³ Lowi, 'American Business, Public Policy'. On incrementalism, see Lowi, *The End of Liberalism*, pp. 211, 236.

¹⁴ Lowi, *The End of Liberalism*, Chap. 4.

¹⁵ See Bruce A. Ackerman and William T. Hassler, *Clean Coal/Dirty Air* (New Haven: Yale University Press, 1981); James Q. Wilson, *The Politics of Regulation* (New York: Basic Books, 1980), pp. 386-7.

institutions such as colleges, hospitals, and churches, and assorted 'cause groups' ranging from anti-abortion to save-the-whales.¹⁶

A second research finding since 1975 is a new emphasis on the possibility of American executive institutions acting independently of group pressures. This point is made in contrast to 'group' theorists' emphasis on clash and power-balance and to the 'capture' theorists' sub-governmental emphasis on ways in which congress, groups and an executive bureau work together for the same special interest.¹⁷ Skowronek argues that some policy areas became institutionalized, leaving bureaucratic professionals with a major role in formulating policy.¹⁸ James Q. Wilson does the same, indicating that the new proliferation of groups may cancel one another out, leaving agency professionals with a clear field to make policy.¹⁹ Hugh Hecló underscores the importance of issue networks, communications systems among professionals permanently concerned about some policy area, some of whom may as individuals choose to invent and circulate innovative policy proposals to government decision-makers.²⁰

An obvious conclusion is the desirability of constructing a theory which would incorporate the various views of the plural elitists (especially Lowi), have a relatively explicit character, and take into account the recent research findings about the growing number of political groups and the frequency of autonomous action by government agencies. Such a theory could be linked to the discussion of power, groups and policy process, which was described twenty years ago as 'pluralism'. Let us analyse some of those pluralist writings for the beginnings of such a theory.

THE PLURALISTS: AGENCY AUTONOMY AND VARIED INTEREST GROUPS

Henceforward the pluralism of the early 1960s is conceived as a theoretical mix of the group theory of Truman and Bentley, Dahl's power analysis and Lindblom's incremental theory of the political process. Some current writers have imagined that the pluralist viewpoint assumed the state (or government agencies and actors) to be epiphenomenal. But this is a correct description only of the

¹⁶ Kay Lehman Schlozman and John T. Tierney, *Organized Interests and American Democracy* (New York: Harper & Row, 1985), pp. 74–82; Jack L. Walker, 'The Origins and Maintenance of Interest Groups in America', *American Political Science Review*, LXXVII (1983), 390–406; Thomas L. Gais, Mark A. Peterson, and Jack L. Walker, 'Interest Groups, Iron Triangles, and Representative Institutions in American National Government', *British Journal of Political Science*, xiv (1984), 161–85.

¹⁷ See Eric A. Nordlinger, *On the Autonomy of the Democratic State* (Cambridge Mass.: Harvard University Press, 1981); Stephen D. Krasner, 'Approaches to the State: Alternative Conceptions and Historical Dynamics', *Comparative Politics*, xvi (1984), 223–46.

¹⁸ Stephen Skowronek, *Building a New American State* (Cambridge: Cambridge University Press, 1982).

¹⁹ Wilson, *The Politics of Regulation*, Chap. 10.

²⁰ Hugh Hecló, 'Issue Networks and the Executive Establishment', in Anthony King, ed., *The New American Political System* (Washington, DC: American Enterprise Institute, 1978), 87–124.

group theory portion of pluralism; it does not apply to Dahl's theory of power or to Lindblom's incrementalism. These writers and their students were quite aware of the possibility of independent action by the state. Such views provide background for the theoretical trend to be developed below.

In Dahl's *Who Governs?*, the city government of New Haven in the 1950s is described as an independently acting entity. Only a non-reader of the book could believe that government policy is portrayed as the product of interest group pressures. Dahl specifically says in the first chapter that group theory is one of the approaches he finds to be inadequate in ascertaining who governs America. In fact, like current writers on the left, he describes the interest-group paradigm with a certain restrained sarcasm.²¹

Others promptly reduced the political party to little more than a collection of interest 'groups,' or sets of individuals with some values, purposes, and demands in common. If the parties were the political molecules, the interest groups were the atoms. And everything could be explained simply by studying the atoms ... Thus some theorists would answer our question by replying that interest groups govern; most of the actions of government can be explained, they would say, simply as the result of struggles among groups of individuals with differing interests and varying resources of influence.

On the next page Dahl comments: 'One difficulty with all of these explanations [of who governs] was that they left little room for the politician.'²² As Krasner noted, this is where Dahl departs from present-day writers on the theory of the state.²³ In *Who Governs?* the state is identified with individual political leaders, especially the mayor, rather than with an institutionalized administrative structure. This individualization of the state results from Dahl's fascination with economics and with the behavioural movement, both rooted in methodological individualism.

Nevertheless, Dahl continues to describe New Haven in the 1950s as a sort of micro-corporate state. One is reminded of Katzenstein's current writings on corporatism as Dahl describes the extraordinary efforts of Mayor Richard Lee to establish a corporatist negotiating body of businessmen, industrialists, union leaders, and Yale University representatives to restore commercial prosperity and find new industry for a declining industrial city under the pressure of economic competition. Mayor Lee is described as dominating the corporatist negotiating body; the interest group leaders do not dominate him.²⁴ *Who Governs?*, then, narrates an important case of government acting autonomously within the context of numerous organized interest groups.

Lindblom's theory of incremental decision-making and political process fits well with Dahl's analysis of power in terms of individuals, political parties,

²¹ Dahl, *Who Governs?*, p. 5.

²² Dahl, *Who Governs?*, p. 6.

²³ Krasner, 'Approaches to the State,' pp. 227–8.

²⁴ Dahl, *Who Governs?*, Chaps. 10, 15–17. Cf. Peter J. Katzenstein, *Small States in World Markets* (Ithaca, NY: Cornell University Press, 1985), Chap. 3.

interest groups and case studies.²⁵ Lindblom's work before 1970 also tends to take the individual decision-maker as the unit of analysis.²⁶ Incrementalism is essentially a decision-making theory, and tends to portray interacting administrative agencies and interest groups as individual decision-makers. Lindblom advises such individuals that they need not consider the full range of possible alternatives conceivably open to them, but do best to restrict their attention to those alternatives not blocked by other interest groups or agencies of the state. Policy thence unfolds in a process of 'partisan mutual adjustment', in which state agencies and interest groups adjust their behaviour to one another's intentions and power, forming coalitions to push policy in one direction rather than another.

Incrementalism is not a statist theory, nor a structural theory. Government agencies are seen as interacting with various interest groups and individuals in an unfolding political process. But there is some qualitative difference; the state is not just another interest group. Government agencies, pictured as individual decision-makers, are not viewed as *tabula rasa*. Government decision-makers enter politics with their own preferences, which they then promote, except that many such preferences cannot be pursued due to political vetoes by interest groups and other political actors. Lindblom implies that, more often than not, it is government decision-makers who start a policy process. Interest groups *react* to governmental measures, but do not *control* government policy-making, which is continually redefined by policy-makers, and perhaps taken in new directions in response to the group reactions. The state, then, has some steering capacity, and may try to move policy in some general direction, while continually re-defining the specifics of policy to satisfy interest groups

Aaron Wildavsky's *The Politics of the Budgetary Process* is the most important application of Lindblom's incrementalist theory.²⁷ Wildavsky fleshes out Lindblom's theory, including those aspects just described. In the first edition of his book, Wildavsky describes government agencies as each pushing for the expansion of its program, a goal each agency brings to the budgetary process. The goal of agency expansion is derived within the agency itself; it is not some aggregate of interest group pressures. In the budgetary process, agencies interact with a plethora of interest groups, the OMB, Appropriations Committees, etc., in a type of political theatre. Agencies adjust their goals to a range set by politics – the views of OMB, interest group pressure, surges of national opinion. The overall result tends to be annual incremental increases for each agency.

Indeed, the process of partisan mutual adjustment in Wildavsky's budgetary

²⁵ See Braybrooke and Lindblom, *A Strategy of Decision*; also see Lindblom, 'The Science of "Muddling Through"', *Public Administration Review*, XIX (1959), 79–88; *The Intelligence of Democracy* (New York: Macmillan, 1965).

²⁶ This, of course, is no longer true in Lindblom's later book, *Politics and Markets*.

²⁷ Wildavsky, *The Politics of the Budgetary Process*. By now this book has appeared in four editions, each edition distinguished from its predecessor by a revision of the introduction and by a new chapter at the end of the book. This is significant, because later editions of this book reflect a much more pessimistic appraisal of the effectiveness of the American budgetary process than was stated in the first edition.

process includes the interaction of three types of state structures, each initiating policy on its own. The voracious appetites of the agency budgeteers are curbed by the discipline of the OMB, which tries to restrain the aggregate level of the President's budget. Even more important in the first addition of Wildavsky's book, which describes the Eisenhower years, was the role of the pinch-penny House Appropriations Committee (HAC), a group largely independent of political pressures, and orientated to the norm of 'guarding the Treasury'. The House Appropriations Committee as it existed before the middle 1970s was a true state structure: a group culture defined a set of roles which stayed constant even though committee membership changed. Both Fenno and Wildavsky describe this committee as a structure of roles, not as a set of individuals.²⁸

With the congressional reforms of the early 1970s, the HAC became permeated with liberal Democrats, who rejected the previous committee norms of reluctance to increase spending. The character of this state structure thereby changed, leading Wildavsky to become concerned about the need for some new structure to balance the continual spending requests of the agencies and their clients. Accordingly Wildavsky advocated a Constitutional amendment to limit the spending of the federal government.²⁹

This sketch indicates that a major direction of pluralist theory was its description of the actions of autonomous government agencies limited by a multitude of organized pressure groups seeking to influence policy. Writing in the early 1960s, the pluralists erred in assuming that all important interests would be organized and attain access to the political process. But succeeding research has shown that more interests are organized and have access to decision-makers than one would expect from the writing of plural elitists. Consequently, the older pluralist outlook of the 1960s might provide some basis for a model of power, groups, and process for the 1980s.

WILSON'S 'THE POLITICS OF REGULATION'

The pluralists of the 1960s rejected the earlier view of the group theorists that government policy was simply the sum of interest group pressures. Autonomous government agencies were frequently part of pluralist descriptions of politics. But the pluralists had no clear attitude towards the latter finding. Should government agencies be portrayed in terms of individual agency leaders? How often could such agencies evade influence from the elected head of government? There was no clear attitude to such questions, and with the decline of pluralist theory after 1965, no one for a while addressed such questions.

It remained for James Q. Wilson to take up this line of theoretical develop-

²⁸ Wildavsky, *The Politics of the Budgetary Process*, pp. 47–62; Richard F. Fenno, Jr., 'The House Appropriations Committee as a Political System: The Problem of Integration', *American Political Science Review*, LVI (1962), 310–24.

²⁹ Aaron Wildavsky, *How to Limit Government Spending* (Berkeley: University of California Press, 1980).

ment in *The Politics of Regulation*. Writing in 1979, the political scientist oriented to power, interest groups, and policy-making, with an interest in the politics of regulation, would be aware of a number of ideas. Firstly, no one seriously argued that government policy is ordinarily the simple resultant of interest group pressures. This idea could be ignored. Secondly, by 1979 Mancur Olson had convinced everyone that all interests cannot normally be sufficiently organized to affect government policy in an area. Thirdly, plural elitism had become a widely shared perspective. In addition, a conservative version – coming from such writers as Stigler, Niskanen and Wildavsky – had some adherents.³⁰ Fourthly, paradoxically, not only did many lobbies exist that Olson implied should not exist, but clearly the number of such lobbying organizations had greatly increased, including lobbies for widely shared, diffuse interests. Fifthly, a group of young scholars had rallied around the slogan ‘bringing the state back in’, not only in terms of Gramsci’s and Miliband’s Marxist theory of the state, but also in a way that was hard to categorize, focusing on the importance of ‘state structures’, and influenced by such scholars as Samuel Huntington and Barrington Moore.³¹ Sixthly, in the early 1970s social reform lobbies and entrepreneurial politicians created ‘the new regulation’, the panoply of environmental, civil rights and women’s rights, health and safety, consumer protection and clean election laws, which created new agencies that represented a significant expansion of state power.

The case studies of regulatory politics by Wilson’s students provided empirical evidence that (1) the old group theory model was not useful, but (2) the agencies studied were not captured in the manner of Lowi or Stigler.³² Moreover, the case studies indicated that in the same area of policy *both* dominant economic producer interests *and* countervailing interests were influential in the passage and implementation of regulatory legislation. In turning to Olson, then, Wilson could argue that he had found many groups affecting regulatory policy, including countervailing groups representing widely dispersed interests. Wilson’s argument here was stated in his widely known formulation:³³ are the *benefits* of a proposed policy change widely or narrowly shared? Are the *costs* of the change widely or narrowly shared? Olson implies that in a situation of narrowly shared costs and widely shared benefits, the situation of the new regulation of the 1970s, the producers would successfully lobby to block the proposed policy change. But according to Wilson, an ‘entrepreneurial politics’ had occurred, in which Nader and others had organized public interest lobbies, while some legislators furthered their popularity by representing the widely dispersed beneficiaries of

³⁰ George J. Stigler, *The Citizen and the State: Essays on Regulation* (Chicago: University of Chicago Press, 1975); Wildavsky, *How to Limit Government Spending*; William A. Niskanen, *Bureaucracy and Representative Government* (Chicago: Aldine-Atherton, 1971).

³¹ Barrington Moore, Jr., *Social Origins of Dictatorship and Democracy* (Boston: Beacon, 1967); Samuel P. Huntington, *Political Order in Changing Societies* (New Haven, Conn.: Yale University Press, 1968).

³² Wilson, *The Politics of Regulation*, Chaps. 1–9.

³³ Wilson, *The Politics of Regulation*, pp. 364–72.

proposed regulation. This idea is not developed very far, probably indicating some uncertainty on Wilson's part, leaving the implicit conclusions that since countervailing groups are frequently observed to be influential, we need not wait until Olson's paradoxes of collective action are solved before positing the frequent existence of countervailing group power.

Wilson thus joins the existence of numerous influential groups to 'bringing the state back in', as he describes relatively high agency autonomy in administering the new regulation of the 1970s. This viewpoint then deals with the six trends just mentioned, while it parallels the work of the 1960s pluralists who unself-consciously treated the state and interest groups together.

Wilson even finds a causal relationship, although he avoids diagrams with arrows. Countervailing group power was an important contributory cause to the passage of the new regulatory legislation. Furthermore, countervailing group power prevents the capture of regulatory agencies, thereby serving as an important source of agency autonomy. In turn, the existence of such autonomy enables professional value systems to affect policy, a widely remembered conclusion of the book. Because the character of an agency itself matters, power relationships between economists and lawyers in the FTC affect policy, or the nature of professional training of industrial safety engineers in the Occupational Safety and Health Administration (OSHA) affects policy, and so forth.³⁴

Let us restate that basic formulation of Wilson in *The Politics of Regulation* as the *power triad*.³⁵ The core idea is:

- (1) the government policy process may be viewed in terms of specific areas of policies;
- (2) economic producer groups (abbreviated below as *P*) normally organize to lobby government agency policy-makers in the area of production;
- (3) but countervailing groups (abbreviated below as *CV*) will also be normally organized to oppose some of the interests of *P*;
- (4) state agencies are normally assumed to have a significant degree of autonomy (abbreviated as *AA*) in making policy, even if they are constrained by *P* or by *CV*;
- (5) this power triad is assumed to be a basic analytical unit, which is then complicated by adding such factors as legislators, presidential policy-makers, and the judiciary.

A THEORY OF TRIADIC POWER

A. *The Politics of Regulation*

Drawing on ideas from Wilson, some of the bases of this theory of power and policy in the interest group perspective are spelled out in eighteen propositions

³⁴ Wilson, *The Politics of Regulation*, Chaps. 5, 7.

³⁵ See also Andrew S. McFarland, 'Groups Without Government: The Politics of Mediation', in Allan J. Cigler and Burdett A. Loomis, eds, *Interest Group Politics*, 2nd edn (Washington, DC: Congressional Quarterly Press, 1986), pp. 289–302.

below.³⁶ Firstly, let us consider four ideas directly from *The Politics of Regulation*.

Proposition 1: Power Triads Occur Frequently (Wilson)

Power triads may be found just as frequently in the American administrative process as the classic 'iron triangle' or sub-government. This should not be confused with the assertion that all interests are equally or somehow justly represented. The triad may exist but some interests may not be organized.

Proposition 2: Countervailing Power Enhances Agency Autonomy (Wilson)

That is to say, *CV* limits *P* enhancing *AA*. The claim is not made that countervailing power is a necessary condition of agency autonomy, although this may usually be the case. Furthermore, some instances of countervailing power occur when two economic interests oppose one another, e.g., a recreation industry versus lumbering.

Proposition 3: Professionalism in Agencies (Wilson, Peterson)

Professional value systems substantially affect agency policy if *CV*, and thus *AA*. In some instances, especially in local administration, no interest groups are organized, thereby enhancing *AA* and the effects of professionalism.

Proposition 4: Legality in Administration

The impartial enforcement of general standards is enhanced if there is *CV*, leading to *AA* and professionalism.

This would parallel Wilson's point about professionalism. It is counter to Lowi, of course, who argues that the normal situation is plural elitism, which undermines legality. Herbert Kaufman, in *The Forest Ranger*, described a rule-oriented, legalistic administrative unit, but he admitted that the character of the Forest Service was related to a balance of power between 'conservationists' and economic producer interests.³⁷

³⁶ Propositions 1, 2 and 3 are derived from Wilson, *The Politics of Regulation*, Chap. 10. For Proposition 3, see also Paul E. Peterson, Barry G. Rabe, and Kenneth K. Wong, *When Federalism Works* (Washington, DC: The Brookings Institution, 1986). For Proposition 5, see Philip Selznick, *Leadership in Administration* (New York: Harper & Row, 1957) and Emmette S. Redford, *Democracy in the Administrative State* (New York: Oxford University Press, 1969), Chap. 5; Randall B. Ripley and Grace A. Franklin, *Congress, the Bureaucracy, and Public Policy*, 3rd edn (Homewood, Ill.: Dorsey Press, 1984), Chap. 1. Proposition 8: Terry M. Moe, 'Control and Feedback in Economic Regulation: The Case of the NLRB', *American Political Science Review*, LXXIX (1985), 1094–116; Proposition 10: Martha Derthick and Paul J. Quirk, *The Politics of Deregulation* (Washington, DC: The Brookings Institution, 1985); Proposition 13: John D. McCarthy and Mayer N. Zald, 'Resource Mobilization and Social Movements', *American Journal of Sociology*, LXXXII (1977), 1212–41; Proposition 14: Hecló, 'Issue Networks and the Executive Establishment'; Proposition 16: Philippe C. Schmitter, 'Still the Century of Corporatism?' *Review of Politics*, xxxvi (1974), 85–131; Katzenstein, *Small States in World Markets*; Proposition 18: Walker, 'The Origins and Maintenance of Interest Groups in America'; Francis E. Rourke, *Bureaucracy, Politics and Public Policy*, 3rd edn (Boston, Mass.: Little, Brown, 1984), pp. 48–66.

³⁷ Herbert Kaufman, *The Forest Ranger* (Baltimore: Johns Hopkins Press, 1960), p. 226.

B. 'High Politics' v. 'Routine Politics'

Added to the above four propositions from Wilson, eight more emphasize the idea of 'high politics' versus 'routine politics' and subsystem cycles from one to the other.

Proposition 5: Routine Versus High Politics (Redford, Selznick, Ripley and Franklin)

'Routine politics' is defined as normal, day-to-day decision-making and administration in a policy area. 'High politics' is defined as the politics of making general decisions which would have a major effect in changing policies or the structure of participation in a policy area. Congressional committee or sub-committee members are frequent participants in routine decisions and are then added to the structure of the triad. High politics involves one or more of the following participants: presidential policy-makers, major sectors of Congress in addition to routine participants, federal appeals courts or the Supreme Court.

Proposition 6: High Politics Coalitions

During high politics, presidential policy-makers (most commonly) but also Congress or the courts may significantly reduce agency autonomy. Presidential policy-makers may side with either *P* or *CV*. During high politics, then, the President in coalition with *P* or *CV* will attempt to restructure policy and participation.

Wilson argued that ordinarily the President is not part of the politics of regulation.³⁸ This accurately described the 1970s, but not President Reagan's effective intervention into policy-making by the Environmental Protection Agency (EPA), Occupational Safety and Health Administration (OSHA), Federal Trade Commission (FTC), Equal Employment Opportunity Commission (EEOC), etc. One hallmark of Reagan's Administration is the conversion of routine regulation and administration into high politics. Congress may be the initiator of high politics within some particular policy area when it takes the initiative to pass legislation, as was frequently the case in the early 1970s. The federal courts also have the capacity to initiate high politics in a policy area, e.g., by abolishing agencies for the unconstitutional abridgment of separation of powers, by limiting affirmative action policies in the civil rights area, and so on.

Proposition 7: Split High Politics Coalitions

Split coalitions may form, e.g., Congress with *CV* opposes the President and *P*.

This sometimes happened during Reagan's first term.

Proposition 8: Routine Shifts with Administration (Moe)

The National Labor Relations Board and perhaps other agencies shift the balance of their decisions to reflect the policy preference of the President. This is termed a 'routine shift' since routine decision-making is changed, but the policy area is not restructured, and may shift back with a new President.

³⁸ Wilson, *The Politics of Deregulation*, pp. 389–90.

High politics frequently involves conflict over the extent of the activity of the state within a sub-system.

Proposition 9: Cycles of Statism

Future pro-regulation Presidents will side with *CV* to shift away from Reagan's changes. Future victories of such coalitions will cause a reaction of Presidents siding with *P* to undo regulation. Such cycles will increase the proportion of high politics and reduce the degree of *AA*.

Proposition 10: Economic Deregulation as High Politics (Derthick and Quirk)

A coalition of successive Presidents, dominant Congressional factions, and the federal judiciary supports deregulation in certain economic areas, i.e., the elimination of the agency component of sub-governments. In achieving economic deregulation, an *AA, CV* coalition against *P* has been an important factor. The occurrence of deregulation within a sub-system is the occurrence of a form of high politics.

Derthick and Quirk apparently believe that certain areas of deregulation will not undergo the cycles of statism due to 'the power of ideas' (i.e., the inherent persuasiveness of the theory of economic deregulation).

Proposition 11: Triad to Subgovernment Cycles

A space may be defined between triadic and sub-governmental power. The position of policy areas in this space changes with time. As *CV* and/or *AA* diminishes, the policy area approaches the sub-governmental model; as they increase, policy approaches the triadic model. High politics may intervene to move policy through the definitional space.

For instance, Fritschler's *Smoking and Politics* shows some movement in this policy area away from capture and towards triadic power.³⁹ As the Reagan Administration attacks the autonomy of such agencies as EPA, OSHA or the Civil Rights Commission, there is some movement away from triadic power, towards the model of capture by business. Culhane found movement away from the capture model in the Bureau of Land Management policy in the 1970s, but this does not preclude movement back towards the capture model in the 1980s.⁴⁰ Policy need not be described as fully captured, or fully triadic; obviously there are gradations. Similarly, it is a mistake to assume that policy always remains at the same point; high politics may intervene to restructure the policy.

³⁹ A. Lee Fritschler, *Smoking and Politics*, 3rd edn (Englewood Cliffs, NJ: Prentice-Hall, 1983).

⁴⁰ Paul J. Culhane, *Public Lands Politics* (Baltimore: Johns Hopkins Press, 1981); Jeanne Nienaber Clarke and Daniel McCool, *Staking Out the Terrain: Power Differentials Among Natural Resource Management Agencies* (Albany, NY: State University of New York Press, 1985), 107-22; Tjm R. Miller, 'Changes in the Utility of the Subsystem Model for Public Policy Analysis: The Status of Water Policy Making in the US', prepared for delivery at the 1985 annual meeting of the American Political Science Association; Charles Davis and Sandra Davis, 'Analyzing the Public Lands Subsystem', prepared for delivery at the 1986 annual meeting of the American Political Science Association.

Proposition 12: Reform Cycles

The reform cycle of plural elitist theory can be described as the movement of a policy area from sub-government to triad and then back to sub-government. Reform cycles are frequent, but not absolute; usually *AA* and *CV* remain present to a lesser degree as the policy area moves back to the sub-governmental pole.

Reform frequently moves at the rate of three steps forward, then two steps backward. The professionalization and institutionalization of government agencies fluctuates, but on average increases in the long run.⁴¹

C. The Source of Countervailing Power

Three more ideas explain the source of countervailing power to producer groups. They are important because countervailing power is normally present during periods of high politics; its fluctuations are the major cause of sub-system cycles from capture to triadic power.

One source of countervailing power is social movements. Accordingly, the theory of triadic power needs to provide for the effects of social movements in America, something that both traditional pluralism and plural elitism neglect.⁴² Triadic power can be joined to the resource mobilization theory of social movements.⁴³ Resource mobilization is a combination of interest group theory with the sociologists' interest in mass behaviour. This theory posits a supply of 'movement entrepreneurs', eager to gain influence and social position through the management of social movement organizations (SMOs) to further some cause or other. Many of these SMOs become lobbies, and are thus a fertile source of *CV*. A variation of this theory stresses the role of general rules of government in initiating social movements, as the Supreme Court's integration decisions provided a major impetus for the black civil rights movement of the 1950s.⁴⁴ In resource mobilization theory, politicians or 'political entrepreneurs' advance social movements, in the sense of endorsing the goals of popular movements to gain votes. In the 1980s, right-wing social movements – such as the taxpayers' revolt or religious fundamentalism – have rapidly become entwined with the new conservatism, as right-wing politicians have advocated the new movements' goals.

Proposition 13: Social Movements (McCarthy and Zald)

The purview of the triadic theory can be expanded with the addition of ideas from the resource mobilization theory of social movements, especially when government rules are seen as having an autonomous effect. Social movements

⁴¹ Skowronek, *Building a New American State*.

⁴² Andrew S. McFarland, 'Public Interest Lobbies Versus Minority Faction', in Allan J. Cigler and Burdett A. Loomis, eds, *Interest Group Politics*, 1st edn (Washington, DC: Congressional Quarterly Press, 1983), pp. 324–53.

⁴³ McCarthy and Zald, 'Resource Mobilization and Social Movements'.

⁴⁴ Doug McAdam, *Political Process and the Development of Black Insurgency, 1939–1970* (Chicago: University of Chicago Press, 1982); Ethel Klein, *Gender Politics* (Cambridge, Mass.: Harvard University Press, 1984).

sometimes strengthen *CV*; right-wing movements frequently provide *CV* to challenge *AA*, rather than *P*. Social movements may disrupt routine politics, and provide an occasion for the high politics of congressional or presidential intervention into a policy area. Social movements are often subject to reform cycles.

The second source of countervailing power is issue networks. Following Hugh Heclo, an *issue network* may be defined as a communications network of those interested in policy in some area, including government authorities, legislators, businessmen, lobbyists, and even academics and journalists. Obviously an issue network is not the same as an 'iron triangle'. A lively issue network constantly communicates criticisms of policy and generates ideas for new policy initiatives. Heclo admits that iron triangles do sometimes exist, indicating that sometimes the criticisms and initiatives circulating in an issue network do not influence decision-makers, especially sub-governmental decision-makers.⁴⁵

Proposition 14: Issue Networks (Heclo)

An active and diverse issue network tends to undermine sub-governmental control, but is not a sufficient condition for doing so. Such an issue network tends to maintain triadic power in the reform cycle, because critical and innovative ideas are communicated to *CV* and *AA*.

The third source of countervailing power results from the public recognition that elite control of a sub-system has got out of hand, which in American political vocabulary is called 'special interest power'. The author has termed this 'the civic balance' belief system in which citizens believe that special interests have too much power, and need to be balanced by politicians and pressure groups working to achieve 'the public interest'. Such beliefs were common among middle-class Progressive reformers, as well as among the public-interest movement of the last fifteen years.⁴⁶ Economists offer a scientific version of such beliefs by arguing that government regulation produces market inefficiencies due to entry barriers, price-fixing and other effects of collusion between producers and governmental regulators.

Proposition 15: Recognition of Sub-governmental Power

The civic-balance belief system is widespread among the public, and these ideas help persuade people to contribute to public-interest lobbies. Similarly, criticism by market economists of economic sub-governments as inefficient is very persuasive and advances deregulation policies in such areas as transport and communications.

D. Government Stance Towards Interest Groups

Other aspects of the triadic theory of power pertain to the government's stance towards interest groups in general, or in some area in particular. One must recognize the significance of corporatist theory and political practice, which

⁴⁵ Heclo, 'Issue Networks and the Executive Establishment', p. 105.

⁴⁶ Andrew S. McFarland, *Public Interest Lobbies: Decision Making on Energy* (Washington, DC: American Enterprise Institute, 1976), pp. 6–12, and *Common Cause* (Chatham, NJ: Chatham House, 1984), pp. 40–3.

stresses the fundamental importance of the state taking the lead in limiting particular interests for the general good. Some corporatist theory and practice has been authoritarian, but democratic corporatism – in which elected politicians take the lead in establishing among interest-group leaders regular negotiations about critical state policies – is widespread. A key element in the rise and maintenance of democratic corporatism is the recognition by elites that the resource imbalances and inefficiencies produced by plural elitism must be controlled in the interests of national survival in competitive international markets.

While the United States is not a corporatist society, ‘microcorporatism’ can develop at the level of the individual city (as in New Haven) or by government intervention within a single sub-system to enhance its efficiency to compete in international trade.

Proposition 16: Corporatism (Schmitter, Katzenstein)

Corporatism can be defined as joint decision-making by *AA*, *P* and *CV*. Certain societies make major economic decisions this way, normally with *AA* providing the policy initiatives, and *P* and *CV* constituting hierarchical, inclusive national organizations of business and labour. The United States is not a corporatist society. This does not preclude ‘micro-corporatism’ in America, either in single policy areas or in local government.

Proposition 17: Micro-Corporatism in the United States

This phenomenon may be expected to increase due to competitive pressures of world trade and to competition among states and cities for economic development. In the United States microcorporatism may include representation of environmental groups.

By now virtually everyone realises that not only do interest groups affect government, but that government affects groups in turn. In the United States, government subsidizes the organization and maintenance of groups through the provision of low postal rates for the direct-mail solicitations of non-profit groups, tax write-offs for corporations in contributing to trade association lobbying, regulations mandating the legality of organizing trade unions in various circumstances, etc.⁴⁷

Proposition 18: Reciprocity of Organization (Walker, Rourke)

Government subsidizes *P* and *CV* lobbying in some circumstances. General rules posit a number of subsidies to lobbying organizations. Sub-governments can be expected to find ways of aiding producer trade associations. *AA* may aid *CV* through regulations establishing associations of clients, subsidizing programs of *CV*, and providing funds for policy research.

In conclusion, the power triad is a simple concept. But it has the special capacity to link together a variety of theories of the policy process: traditional pluralism, plural elitism, state autonomy, corporatism, social movements and the role of traditional institutions. One hopes that theorizing will move in this direction.

⁴⁷ Walker, ‘The Origins and Maintenance of Interest Groups in America’.