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Interest Groups and Their Grip on the Legislative Process

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Abstract

Interest groups spend billions of dollars on campaign contributions to members of Congress in each election cycle. Why do interest groups make campaign contributions to some legislators and not others? I argue that interest groups are strategic in how they disperse their resources. That is, they will give money to those legislators who will help them advance "friendly" legislation most: their ideological allies and members who sit on relevant committees. In order to test these claims, I ran a series of statistical models on contribution data of the League of Conservation Voters, an environmental interest group, in the 115th Congress. The results strongly supported my hypotheses and shed light on the strategies of special interest groups.

1. Introduction

In the 2018 election cycle interest groups contributed $1,540,603,273 to U.S. House of Representative candidates. This is a very large amount of money being pumped into our electoral process every two years. Campaign finance has been a topic of hot debate in recent years, especially in the aftermath of Citizens United v. FEC. However, contributions by special interest groups are nothing new in American politics.

Despite this, the role of money in the political process and how interest groups influence politicians is poorly understood. Money in politics raises normative concerns about transparency, representation, and accountability. But to pinpoint the problem, we must first understand it. How do interest groups influence Congress? In particular, why do interest groups make contributions to some legislators and not others? Assuming this question is the necessary first step to addressing how and whether money matters in terms of the operation of the political system

I argue that interest groups make strategic campaign contributions to ideologically friendly legislators in order to buy access to lawmakers, rather than trying to buy their votes. Interest groups are constrained in their resources and they must be strategic in their allocation. Their dollar goes further in attempting to curry access than the harder route of buying a legislator's vote. I also argue that interest groups make campaign contributions to legislators who sit on relevant committees of their desired policy area as a way to ensure committees push forward legislation friendly to the group's agenda.

To test these arguments, I rely on campaign contributions to members of Congress from the League of Conservation Voters, an environmental interest group, during the 115th Congress. Consistent with my expectations, I find that the League is more likely to make campaign contributions to legislators who share their ideology and legislators who sit on committees with environmental policy jurisdiction.

In what follows, I review the existing literature on interest group strategy and, building from it, advance a theoretical argument about the targets of interest groups money. I then evaluate these arguments in a series of statistical tests. I conclude with a discussion of the results, and of the implications of this work, for understanding the role of money in politics.

2. Literature Review

There is consensus in the literature that interest groups are strategic in how they disperse their resources.[1] However, there is a disagreement over what interest groups are trying to accomplish when they give campaign contributions to legislators. Some argue that interest groups are trying to buy votes, while others argue they are trying to buy access. Importantly, these competing theories produce different expectations about to whom interest groups will make campaign contributions.

The conventional wisdom was that interest groups donate money to influence how legislators vote on particular bills. As such, groups would be most likely to target undecided or swayable legislators.[2] Further, some have argued that groups may contribute money to their opponents to try and change their votes.[3] The evidence for "the vote buying theory" has been mixed.

More recently scholars have focused on the "access buying theory." The access buying theory proposes that interest groups make strategic contributions to legislators in order to have a seat at the table. If a contribution is made by an interest group, they hope the legislator will grant the group access to themselves and their staffs. Access to the staff gives the interest group behind the scenes contact with those who have a close relationship with a legislator. The legislator will seek out certain policy information from the interest group, using them as experts.[4] Specifically, they will often make contributions to legislators who hold some form of power, including legislators who are members of relevant committees.[5] Committees are powerful in so far as they act as gatekeepers for legislation. Committees are often charged with crafting legislation and deciding whether or not the bill makes it to the larger Congressional body. Another important aspect of the legislator/interest group relationship relates to the shared ideology by both sides. In order to get access to a given legislator, an interest group will make contributions to legislators who share their goals and ideology.[6] Groups will often target legislators whose constituency's interests align with their own. In fact, a group is two times more likely to lobby legislators with strong local ties to their interests.[7]

This literature shows that interest groups are intelligent and strategic in how they disperse their resources. Their aim is to gain access, and then, therefore, have the ability to influence the legislative outcome on desired bills. While the vote buying method has carried some weight in previous studies, I am going to focus on the model of access buying.

3. Theory

I assume that interest groups are policy motivated and that they also have an ideological bias. Interest groups' goals are to have certain policies passed that are favorable to their ideological predisposition. Interest groups are strategic in how they distribute their resources to elected officials. They have limited resources, and they must make contribution decisions wisely to reap the benefits of their influence.

Additionally, I assume an interest group's main goal is to buy access to legislators and subsidize their legislative behavior, consistent with the more recent literature. According to the access buying arguments, interest groups seek out ideologically like-minded legislators. They do not seek out opposing legislators in order to try and sway their votes, as it is an incredibly hard thing to do. Also, it is not likely they can be purchased within the legal limits of campaign contributions. The motivation behind seeking out like-minded politicians opens various doors for interest groups. Once a group makes a contribution they are more likely to gain access to a legislator's staff for lobbying purposes. The staff is tasked with gathering policy-relevant information, and interest groups can provide that information.

When legislators and interest groups share an ideological bias, the legislator will be more entrusting of the group's information and recommendations. From there, the interest group hopes a friendly legislator will take action on a bill by introducing the legislation and using their information to sway other legislators to support the bill. In doing so, interest groups relieve pressure on a legislator's time, as well as that of their staff, while serving their own interests. As such, I expect:

H1: Interest groups are more likely to give contributions to their ideological allies in Congress.

In addition to targeting friendly legislators, I also argue groups will want to make contributions to legislators who have disproportionate influence over the policy process, especially in areas the group cares about. Members of committees, in particular, have disproportionate leverage over legislation that falls in their jurisdiction.

Committees are often the first step in the legislative process. This stage is where policies are often crafted and hammered out. Committees have the first look at all legislation in their policy domain, and committees have the power

to kill, pass, and change legislation. This is often referred to as "gatekeeping authority". All of these decisions are made before the legislation is available to the rest of Congress. Committees are also charged with evaluating the policies referred to them and often invite experts to give testimony on bills they are considering. Interest groups certainly want to be on a legislator's radar during this process. If they are on the radar, they can be invited in as the "expert." Interest groups very much want a seat at the table for testimony and legislative hearings. It is a high-profile opportunity to share information on a bill and to push forward their preferred policy solutions. Campaign contributions are more likely to get them in the door to influence the decisions committee members make. Hence, I expect:

H2: Interest groups are more likely to give contributions to members of Congress who sit on relevant committees.

4. Research Design

4.1 Measurement and Data

To test my theory, I am going to focus on the contributions of the League of Conservation Voters. The League's primary focus is to emphasize the importance of environmental advocacy and environmental concerns. While I am only focusing on one interest group for the purposes of my study, I believe this research is generalizable to interest groups across the board. I chose the League because they contribute regularly during election cycles and are a successful, but resource-constrained group. I believe this is representative of other active interest groups as well.

For my unit of analysis, I am going to test my arguments at the level of individual members of Congress. For the purposes of my study, I am looking at House members of the 115th Congress from January 2017 to October of 2018. My dependent variable is campaign contributions made by the League of Conservation Voters to members of the 115th Congress. To measure this, I have collected information on all contributions made by the League, from opensecrets.com. Open Secrets' mission is to have a more responsive and open political system. Interest groups make campaign contributions to curry favor with policy makers. They list members of the House and the Senate and the campaign contributions they receive each election cycle. This data is also public record via the Federal Elections Commission. The agency was created in the mid-1970s in response to the public's distrust in government following Watergate. I received a full list of members of the 115th Congress off of the U.S. House of Representatives website.

For the 115th Congress, the League's mean campaign contribution was $4,919. The group spent a total of $644,469 on the 115th House of Representatives. The figure below shows the range of Contributions from the League of Conservation Voters in the 115th Congress.

4.2 . Descriptive Statistics

As shown in Figure 1, the majority of contributions made by the League ranged between $293 and $10,707. The Democrat to receive the highest contribution, according to Open Secrets, is Ami Bera of California's 7th Congressional District. During the 2016 election cycle, the League of Conservation Voters made a single contribution to a House Republican, Frank LoBiondo of New Jersey's 2nd Congressional District. The League did not make a contribution to 302 members of the 115th Congress.

The independent variable for Hypothesis 1 is whether a Congressman's ideology is friendly to that of the group. For the purposes of my research, I am going to measure a given member's ideology on how liberal or conservative they are. The League is a liberally affiliated group, as depicted on their own website and on opensecrets.com. As such, I argue the more liberal a Congressman's ideology is, the higher the campaign contribution from the League will be. I'm going to measure a legislator's ideology based on the DW-NOMINATE score. This method for measuring a legislator's ideology was created in the 1980s by the political scientists Keith T. Poole and Howard Rosenthal. The measure is created by scaling legislators based on the similarity of their voting records. The scale is roughly on a 1 to –1 scale. The closer to 1 a legislator is, the more conservative they are, while the closer to –1 they are, the more liberal a legislator will be. I collected this data from www.voteview.com. The dispersion if ideology for the 115th Congress is shown in Figure 2. As you can see, it is bimodal, representing the polarization in Congress.

My second independent variable, for Hypothesis 2 is whether individual members hold positions of power. An interest group's primary goal is to buy access in order to have influence over policy. One power structure interest groups target is that of relevant committee members who have jurisdiction over the desired policy goal a group seeks. I focus on the Committee of Science, Space, and Technology, the Subcommittee on the Environment, and the

Subcommittee of Natural Resources, as these are the bodies with jurisdiction over environmental policy. This variable is coded as a 1 if a legislator sits on any of the relevant committees and a 0 otherwise. The Committee of Science, Space, and Technology has a total of 39 members: 22 Republicans and 17 Democrats. The Subcommittee on the Environment has a total of 17 members, with 10 Republicans and 7 Democrats. The Committee on Natural Resources has a total of 43 members, 25 Republican members, and 18 Democratic members.

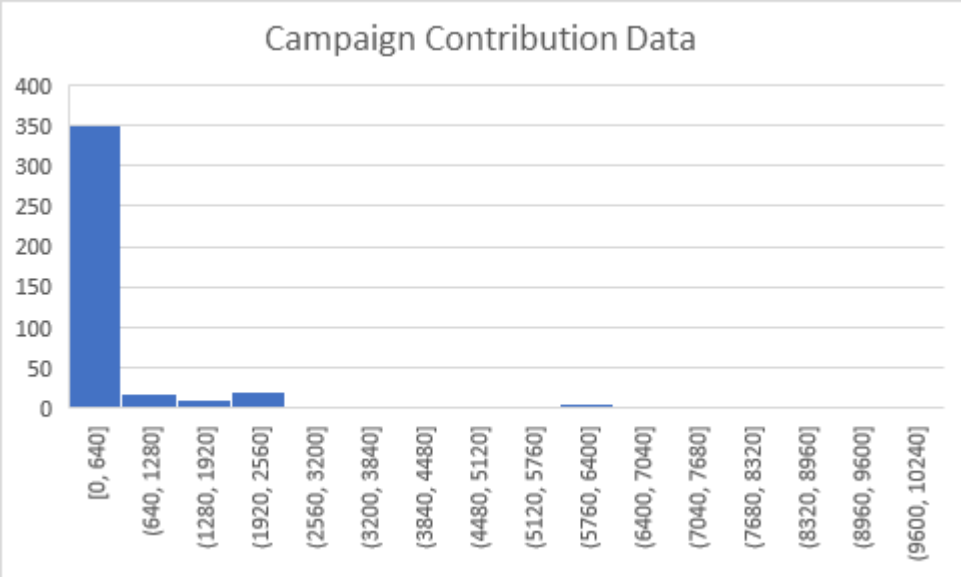

Figure 1. Illustrates the LCV's contributions in the 115th Congress, excluding the 5 observations over $10,000. The y-axis shows the number of members. The x axis is the amount of contributions. Most members received less than $10,000.

Next, regarding figure two, the first control variable that I am accounting for is whether a legislator represents a state that has a state-affiliated chapters of the League of Conservation Voters. The League has a total of 30 state-affiliated chapters. I am assuming legislators from states where the League has an established and active state chapter, are more likely to receive contributions than legislators from states where there is not a chapter. State chapters mean that there may be grassroots effects, and the group might have more leverage over a legislator hailing from a state with a local chapter. The Representatives living in states with affiliated chapters are coded as a 1, and 0 otherwise.

A second control variable that I am going to account for is party leadership. I assume that leaders of the political parties are more likely to receive contributions from interest groups because they hold positions of power. The party leadership consists of the Speaker of the House, Majority Leader, Majority Whip, Majority Conference Chairman, Majority Policy Committee Chairman, Minority Leader, Assistant Minority Leader, Minority Whip, and the Minority Caucus Chairman. Party leadership is powerful because they are charged with overseeing proposed legislation and lining up the votes for their parties on a piece of legislation. Leaders also have an elevated platform with national recognition such as the Speaker. There are a total of nine legislators included in Party leadership. Leaders are coded as 1 and all others are coded as 0's.

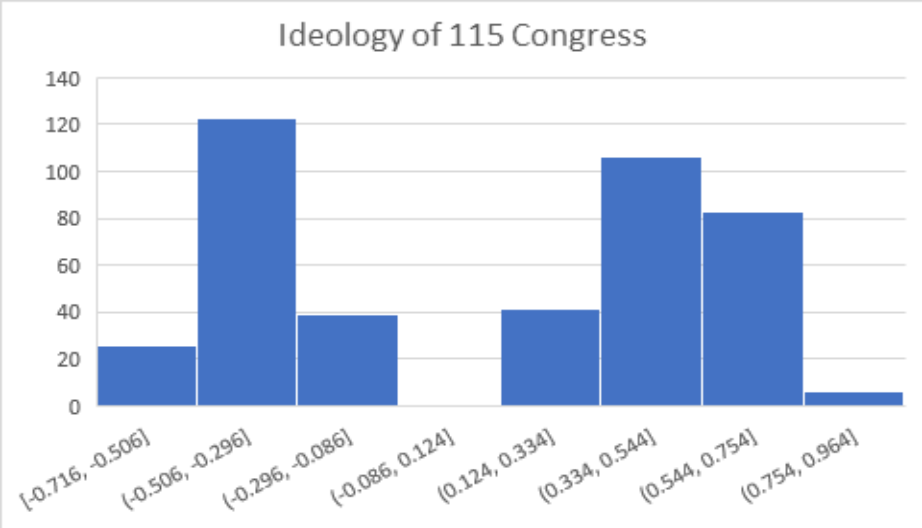

Figure 2. Shows a histogram of ideology in the 115th Congress. The y-axis represents the number of legislators and x-axis represents their DW nominate score. The distribution is bimodal, showing the party division in Congress.

5. Analysis

I estimated a bivariate regression between campaign contributions and legislator ideology to evaluate Hypothesis 1; the results are shown in table 1. The Y-Intercept shown in Table 1 is 1,100.8, which is the expected campaign contribution when the ideology indicator is equal to zero. The coefficient on ideology is –1,762.56. This is consistent with my hypothesis that liberal candidates should get more campaign contributions. This means when ideology increases one unit (gets more conservative), legislators can expect a $1,762 decrease in contributions. This is a substantial effect on the number of contributions a legislator may receive. The confidence interval is between $585 and $1,615 which does not contain zero. This means that in 95% of samples the interval will contain the true population mean. The P-value is 0.0018, which is less than 0.05, meaning that these findings are statistically significant.

Table 1. Bivariate of Legislator Ideology.

Variables	Coefficients	Standard Error	P-Value
Intercept	1100.8	262.007	<.05
Ideology	-1762.56	561.25	0.0018

Table 1. Gives a bivariate regression of a legislator's ideology using the DW nominate scale. The findings were consistent with my hypothesis. As legislators get more conservative, they receive less campaign contributions from the LCV.

Table 2. Bivariate of Committee Member Legislators

Variables	Coefficients	Standard Error	P-Value
Intercept	643.28	281.10	.0226
Committee	1748.81	696.83	.012

Table 2. Shows bivariate regression results of legislators based on Committee membership. The findings were consistent with my hypothesis, that legislators in relevant committees receive more campaign contributions from the LC.

Additionally, I estimated a bivariate regression between campaign contributions and committee membership to evaluate Hypothesis 2, as seen in Table 2. The Y-intercept shown in Table 2 is 643.28, which is the expected campaign contribution when committee membership is zero. The coefficient on the committee variable indicates that if a legislator is on a relevant committee, they can expect a $1,748.81 increase in campaign contributions. This is a positive number, which is consistent with my hypothesis that legislators who sit on relevant committees will have increased campaign contributions. The 95% confidence intervals do not contain 0, meaning that in 95% of samples, the true parameter would be in this interval. The P-value is less than 0.05 meaning the effect is statistically significant.

Table 3. Multivariate. Regression Analysis.

Variables	Coefficients	Standard Error	P-Value
Intercept	426.36	674.22	0.527
Ideology	-1769.54	562.96	0.001
Committee	1836.88	692.17	0.008
State	424.36	713.07	0.552
Leadership	795.25	1772.16	0.653

Table 3. Shows a multivariate representation with 4 variables. The results strongly support both hypotheses

I also estimated a multiple regression to account for other factors that can influence campaign contributions; Table 3 presents the results. The Y intercept is $426.36 which is the expected campaign contribution when all independent variables equal zero. For every one unit increase in ideology (toward conservatism), a legislator can expect a decrease in campaign contributions by $1,769.54, which is consistent with Hypothesis 1. The 95% confidence interval is between –2,876 and –662, which notably does not contain zero. The P-value is less than 0.05 which means this finding is statistically significant. The coefficient for the committee is $1,836.88, meaning when a legislator joins a relevant jurisdiction committee, they can expect an increase in campaign contributions by $1,836.88, which is consistent with Hypothesis 2. This is a substantial increase in campaign contributions. The 95% confidence interval lies between 476 and 3,197 which does not contain zero, meaning 95% of all confidence intervals contain the true population parameter. The P value is less than 0.05 meaning it is statistically significant.

In terms of control variables, for the state chapter variable, the coefficient is 424.36. This means that when a legislator represents a state with an affiliated chapter, they can expect an increase in campaign contributions by $424.36, which is consistent with my expectations. However, the 95% confidence interval is between –977 and 1,826 which does contain zero; therefore, I cannot reject the null hypothesis. The P-value is more than 0.05 meaning it is not statistically significant. The leadership variable has a coefficient of 795.25, meaning when a legislator serves in a leadership position they can expect an increase in campaign contributions from the League by $795.25. This is in a positive direction consistent with my expectations. The 95% confidence interval between –2,688 and 4,278 does contain zero; therefore, I cannot reject the null hypothesis. The P-value is greater than 0.05 meaning it is not statistically significant.

5.1 Robustness Checks

Table 4 Robustness Checks. With Party as an indicator of ideological friendliness

Variables	Coefficients	Standard Error	P-Value
Intercept	-569.33	674.32	0.398
Party	2054.24	513.60	<.05
Committee	1750.89	686.89	0.011
State	336.37	708.50	0.635
Leadership	783.60	1759.6	0.656

Table 4. Illustrates a robustness check using alternative specifications to test the same hypothesis. Many findings were consistent with my hypothesis. The results of interest remain significant.

In addition to the primary tests of my hypothesis, I also ran a series of robustness checks to further evaluate my claims. In Table 4, I show the results of a regression that uses party affiliation as an indicator of ideological "friendliness" instead of ideology. This is because party affiliation and ideology are so closely affiliated. This measure may be a strong predictor of LCV campaign activity, as they contributed to 132 of 193 Democrats in the 115th Congress and only 1 of the 235 Republicans. The sole Republican to receive a contribution was Rep. Frank LoBiondo of New Jersey.

LoBiondo has taken positions friendly to the group, such as opposition to offshore drilling. The coefficient is a positive number which is consistent with my hypothesis that Democrats should receive higher contributions; they can expect an increase in contributions by $2,054.24. This is a large increase in campaign contributions, meaning this is a large effect. The 95% confidence interval lies between 1044 and 3063 which do not contain zero. This means that in 95% of samples, this interval will contain the true parameter. The committee variable is a positive number which is consistent with my hypothesis that when a legislator makes a one unit change from a non-committee to a committee they can expect an increase in campaign contributions by $1,750.89. This is a large increase in campaign contributions, meaning this variable has a large effect. The 95% confidence interval lies between 400 and 3101 which does not contain zero. This means in 95% of all samples, this interval will contain the true parameter. The P-value is statistically significant. The State Chapter variable has a positive coefficient which is consistent with my expectations. When a legislator makes a one unit change from a state with a non-affiliated chapter to a state with an affiliated chapter, they can expect an increase in campaign contributions by $336.37. The 95% confidence is between –1,056 and 1,729 which does contain zero 0. Therefore, I cannot reject the null hypothesis. The P-value is greater than 0.05 meaning this result is not statistically significant. The leadership coefficient is a positive number which is consistent with my hypothesis. When a legislator makes a one unit change from a non-leadership position to a leadership position, they can expect an increase in campaign contributions by $783.60. The 95% confidence interval is between –2,675 and 4,242 which does contain zero. Therefore, I fail to reject the null hypothesis. The P-value is greater than 0.05; therefore, the variable is not statistically significant. It is also important to note that there were statistical outliers in my original data set. To ensure those outliers are not driving my results, I excluded all those who received over $10,000 in contributions from my analysis, and estimated my regressions without them.

Table 5: Robustness Check without outliers.

Variables	Coefficients	Standard Error	P-Value
Intercept	306.20	163.73	0.621
Ideology	-1118.52	136.05	<.05
Committee	423.37	168.81	0.012
State Chapter	271.97	172.94	0.116
Leadership	974.05	426.50	0.022

Table 5. Illustrates multivariate results with statistical outliers removed. The findings were largely consistent with my hypothesis.

These results are in Table 5. The Y intercept is 306.20 which is the expected campaign contributions when all independent variables equal zero. The coefficient for ideology is a negative number, which is consistent with Hypothesis 1. For every one unit change toward conservative ideology, a legislator can expect a decrease in campaign contributions from the League by $1,118.52. This is a large decrease in campaign contributions. The 95% confidence intervals do not contain zero meaning that in 95% of samples, the interval will contain the true population parameter. The P-value is within a range making the finding statistically significant. The coefficient of committee is a positive number, which is consistent with my second hypothesis. When a legislator makes a move from a non-relevant committee position to a relevant committee position they can expect an increase in $423.37 in campaign contributions. This is a substantial increase in campaign contributions in comparison with legislators who did not sit on relevant committees. The P-value is less than 0.05 making the finding statistically significant. The 95% confidence intervals do not contain zero, meaning 95% of all intervals contain the true population parameter. The coefficient for State Chapter is a positive number, which is consistent with my expectations. When a legislator makes a one unit change from a state without an affiliated chapter, to one that does, they can expect a $271.97 increase in campaign contributions. The 95% confidence intervals are –0.04 and 0.13, which contains zero, therefore I fail to reject the null hypothesis. The P-value is greater than 0.05 making the result not statistically significant. The coefficient for Leadership is a positive number which is consistent with my hypothesis. With the outliers removed, party leadership becomes statistically significant where it was not statistically significant with outliers included. When a legislator makes a change to a leadership position from a non leadership position they can expect a $974.05 increase in campaign contributions. This is a sizable increase in campaign contributions. The 95% confidence interval does not contain zero

meaning 95% of all intervals contain the true population parameter. The P-value is less than 0.05 meaning the finding is statistically significant. The results shown in table 5 show that outliers did not drive my result. The only change was that leadership became statistically significant with outliers removed.

6. Conclusion

The results presented strongly support the hypotheses advanced. The League contributed to legislators who were ideologically "friendly." My results also showed the League contributed to ideologically relevant committees. The implications of the results show that interest groups do play a role in the legislative process. Interest groups hope to garner favorable policy outcomes by making strategic campaign contributions to ideologically friendly legislators. The results also show that interest groups make contributions to relevant committee members. These are important things to know in order to better understand the legislative process and the effect of money in politics.

My research was limited in focus to one Congress (115^{th}) and one interest group (League of Conservation Voters.) While I believe my research is applicable to other interest groups, and other Congresses, it is limited in its scope of analysis. In one of my robustness checks, I accounted for the similarity between ideology and party affiliation. The similar nature of these two variables proved to be somewhat of a pitfall. In future research, I would account for multiple Congresses, and I would focus on both the House of Representatives and the Senate, to see if my expectations are truly applicable across different variables. I also think additional research could be done to focus on this phenomenon at the state level to see if this is applicable to state legislatures.

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