

UNIVERSITY OF ROCHESTER

Pol. Sci. 513
Professor Rothenberg

Spring 2017

INTEREST GROUP POLITICS

Purpose: This course principally introduces students to the political science and political economy literatures on interest groups. This will include developing an understanding of the makeup of the group system, the contribution decision, the internal politics of organizations, and the role that groups play with respect to political institutions. As the study of organized groups cuts across many subdisciplines in political science and political economy (one of the reasons that groups are often viewed as understudied is because there are very few scholars interested in groups in and of themselves), and includes certain elements of finance, this course might have a wide appeal.

Requirements: Course requirements include research presentations and a longer final paper—either original research, a detailed literature review, or a research proposal (roughly 15 pages will suffice).

Office Hours. I am located in Room 108 at Harkness (Department of Political Science/Wallis Institute of Political Economy). You can come by any time and I will see you barring extenuating circumstances. My phone number is x3-4903 and my e-mail is lrot@mail.rochester.edu.

Availability of Readings. Articles will be made available through Dropbox. There are several standard books that I would be happy to reference if students would like.

Grading. Grading will reflect your class participation and your final paper (weighted approximately 1/2, 1/2).

Weekly Assignments

Week I: Introduction. (Sept. 6th)

Week II: Macro-Perspectives (Sept. 13th).

Beth L. Leech, Frank R. Baumgartner, Timothy M. LaPira, and Nicholas A. Semanko. 2005. "Drawing Lobbyists to Washington: Government Activity and the Demand for Advocacy," *Political Research Quarterly* 58 (1): 19-30.

Frederick J. Boehmke, and Daniel C. Bowen. 2010. "Direct Democracy and Individual Interest Group Membership," *Journal of Politics* 72 (3): 659-671.

Gregory M. Randolph and Michael T. Tasto. 2012. "Special Interest Group Formation in the United States: Do Special Interest Groups Mirror the Success of their Spatial Neighbors," *Economics & Politics* 24 (2): 119-134.

Lee Drutman, Matt Grossmann, and Tim LaPira. 2014. "The Interest Group Top Tier: More Groups, Concentrated Clout," working paper
https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2453733.

David Lowery, and Virginia Gray. 2016. "On the Political Origins of Bias in the Heavenly Chorus," *Interest Groups & Advocacy* 5 (1): 25-56.

Week III. Micro-Foundations (Sept. 20th).

Jack Walker. 1991. *Mobilizing Interest Groups in America*. Chapter 5.

Robert C. Lowry. 1999. "Foundation Patronage toward Citizen Groups and Think Tanks: Who Gets Grants?" *Journal of Politics* 61 (3): 758-776.

Joan Esteban and Debraj Ray. 2001. "Collective Action and the Group Size Paradox," *American Political Science Review* 95 (3): 663-672.

Paul Pecorino and Akram Temimi. 2008. "The Group Size Paradox Revisited," *Journal of Public Economic Theory* 10 (5): 785-799.

Alexander V. Hirsch. 2016. "Experimentation and Persuasion in Political Organizations," *American Political Science Review* 110 (1): 68-84.

Note: Please be familiar with the basic logic of collective action at least to the level of Olson (1965); if not, review Mancur Olson. *The Logic of Collective Action*, Chs. 1, 2, and 6. There are also a variety of other works in this tradition as well to which I would be happy to provide citations. Here are three recent reviews of collective action theory:

Luis Medina. 2013. "The Analytical Foundations of Collective Action Theory: A Survey of Some Recent Developments," *Annual Review of Political Science* 16: 259-283.

Paul Pecorino. 2015. "Olson's *Logic of Collective Action* at Fifty," *Public Choice* 162 (3-4): 243-262.

Todd Sandler. 2015. "Collective Action: Fifty Years Later," *Public Choice* 164 (3-4): 195-216.

Week IV. Lobbying: Who Lobbies—Part I (Sept. 27th).

Wendy Hansen, Neil J. Mitchell, and Jeffrey M. Drope. 2005. “The Logic of Private and Collective Action,” *American Journal of Political Science* 49 (1): 150-167.

Matilde Bombardini. 2008. “Firm Heterogeneity and Lobbying Participation,” *Journal of International Economics* 75 (2): 329–348.

William R. Kerr, William F. Lincoln, and Prachi Mishra. 2014. “The Dynamics of Firm Lobbying,” *American Economic Journal: Economic Policy* 6 (4): 343-379.

Alexander Fourinaies, and Andrew B. Hall. 2016. “The Exposure Theory of Access: Why Some Firms Seek More Access to Incumbents than Others,”
http://www.andrewbenjaminhall.com/Fourinaies_Hall_Regulation.pdf

In Song Kim. 2017. “Political Cleavages within Industry: Firm level Lobbying for Trade Liberalization,” *American Political Science Review* 111 (1): 1-20.

Note: On measures of group ideology, see:

Adam Bonica. 2013. “Ideology and Interests in the Political Marketplace,” *American Journal of Political Science* 57 (2): 294-311.

Kevin M. Esterling. 2016. “Placing Lobbyists in Legislative Ideological Space,”
https://www.researchgate.net/profile/Kevin_Esterling/publication/306464174_Placing_Lobbyists_and_Legislators_in_Common_Ideological_Space/links/57be394a08aed246b0f72fea/Placing-Lobbyists-and-Legislators-in-Common-Ideological-Space.pdf

For a broad modeling exercise, see:

David P. Baron. 2016. “Lobbying Dynamics,” available in Dropbox.

Week V. Lobbying: Purpose and Strategies (Oct. 4th)

Richard L. Hall, and Alan V. Deardorff. 2006. "Lobbying as Legislative Subsidy," *American Political Science Review* 100 (1): 69-84.

Richard L. Hall, and Molly E. Reynolds. 2012. "Targeted Issue Advertising and Legislative Strategy: The Inside Ends of Outside Lobbying," *Journal of Politics* 74 (3): 888-902.

Hye Young You. 2017. "Ex Post Lobbying," *Journal of Politics* (forthcoming)
<http://www.journals.uchicago.edu/doi/pdfplus/10.1086/692473>

Keith E. Schnakenberg. 2017. "Informational Lobbying and Legislative Voting," *American Journal of Political Science* 61 (1): 129-145.

Karam Kang and Hye Young You. 2017. "The Value of Connections in Lobbying,"
http://www.contrib.andrew.cmu.edu/~kangk/files/kang_you_access.pdf

Week VI: Lobbying—Coalitions and Venue Selections (Oct. 11th)

Daniel P. Carpenter, Kevin M. Esterling, and David M. J. Lazer. 2004. "Friends, Brokers, and Transitivity: Who Informs Whom in Washington Politics?" *Journal of Politics* 66: 224-246.

Frederick J. Boehmke, Sean Gailmard, and John Wiggis Patty. 2006. "Whose Ear to Bend? Information Sources and Venue Choice in Policy-Making," *Quarterly Journal of Political Science* 1 (2): 139-169.

Thomas Holyoke. 2009. "Interest Group Competition and Coalition Formation," *American Journal of Political Science* 53 (2): 360-375.

Matilde Bombardini, and Francesco Trebbi. 2012. "Competition and Political Organization: Together or Alone in Lobbying for Trade Policy?" *Journal of International Economics* 87 (1): 18-26.

Frederick J. Boehmke, Sean Gailmard, and John Wiggis Patty. 2013. "Business as Usual: Interest Group Access and Representation across Policy-Making Venues," *Journal of Public Policy* 33 (1): 3-33.

Christine Mahoney, and Frank R. Baumgartner. 2015. "Partners in Advocacy: Lobbyists and Government Officials in Washington," *Journal of Politics* 77 (1): 202-215.

Week VII: Impacts of Lobbying (Oct. 18th)

Brian Kelleher Richter, Krislert Samphantharak, and Jeffrey F. Timmons. 2009. "Lobbying and Taxes," *American Journal of Political Science* 53 (4): 893-909.

Daniel E. Bergan. 2009. "Does Grassroots Lobbying Work?: A Field Experiment Measuring the Effects of an e-Mail Lobbying Campaign on Legislative Behavior," *American Politics Research* 37 (2): 327-352.

Matt Grossmann, and Kurt Pyle. 2013. "Lobbying and Congressional Bill Advancement," *Interest Groups & Advocacy* 2 (1): 91-111

Deniz Igan and Prachi Mishra. 2014. "Wall Street, Capitol Hill, and K Street: Political Influence and Financial Regulation," *Journal of Law and Economics*: Vol. 57: No. 5, Article 7.

Karam Kang. 2016. Policy Influence and Private Returns from Lobbying in the Energy Sector," *Review of Economic Studies* 83 (1): 269-305.

Stephane Wolton. 2017. "Lobbying, Inside and Out: How Special Interest Groups Influence Policy Choices," working paper.
https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2190685

Week VIII. Personnel: The Revolving Door (Oct. 25th)

Jordi Blanes i Vidal, Mirko Draca, and Christian Fons-Rosen. 2012. "Revolving Door Lobbyists." *American Economic Review*, 102 (7): 3731-48.

Ed deHaan, Kevin Koh, Simi Kedia, and Shivaram Rajgopal. 2014. "The Revolving Door and the SEC's Enforcement Outcomes? Initial Evidence from Civil Litigation," *Journal of Accounting and Economics* 60 (2-3): 65-96.

Simon Luechinger, and Christoph Moser. 2014. "The Value of the Revolving Door: Political Appointees and the Stock Market," *Journal of Public Economics* 119 (November): 93-107.

David Lucca, Amit Seru, and Francesco Trebbi. 2014. "The Revolving Door and Worker Flows in Banking Regulation," *Journal of Monetary Economics* 65 (July): 17-32, and Comment by Edward J. Kane, 33-35.

Ada, C. Pritchard and Stephen J. Choi. 2017. "SEC Enforcement Attorneys: Should I Stay or Should I Go?," working paper, http://repository.law.umich.edu/law_econ_current/127/

Week IX. *Political Contributions—Motivations for Giving* (Nov. 1st)

Gene Grossman and Elhanan Helpman. 1994. "Protection for Sale," *American Economic Review* 84 (4): 833-50.

Sanford Gordon, Catherine Hafer, and Dimitri Landa. 2007. "On the Motivations for Political Giving," *Journal of Politics* 69 (4): 1057-1072.

Matilde Bombardini and Francesco Trebbi. 2011. "Votes or Money? Theory and Evidence from the US Congress," *Journal of Public* 95 (7-8): 587-611.

Kishore Gawande and Christopher Magee. 2012. "Free Riding and Protection for Sale," *International Studies Quarterly* 56 (4): 735-747.

Michael Barber. 2016. "Donation Motivations: Testing Theories of Access and Ideology," *Political Research Quarterly* 69 (1): 148-159.

Alexander Fournaies, and Andrew B. Hall. 2017. "How Do Interest Groups Seek Access to Committees," *American Journal of Political Science*, forthcoming
<http://onlinelibrary.wiley.com/doi/10.1111/ajps.12323/epdf>

Week X. *Political Contributions—Impacts* (Nov. 8th)

Michael J. Cooper, Huseyin Gulen, and Alexei V. Ovtchinnkov. 2010. "Corporate Political Contributions and Stock Returns," *Journal of Finance* 65 (2): 687-724.

Justin Fox and Lawrence Rothenberg. 2011. "Influence without Bribes: A Non-Contracting Model of Campaign Giving and Policymaking," *Political Analysis* 19 (6): 325-341.
[Note is an available supplemental appendix]

Alexei V. Ovtchinnikov, and Eva Pantaleoni. 2012. "Individual Political Contributions and Firm Performance," *Journal of Financial Economics* 105 (2): 367-392.

Rajesh K. Aggarwal, Felix Meschke, and Tracy Yue Wang. 2012. "Corporate Political Donations: Investment or Agency?" *Business and Politics* 14 (1): Article 3.

Adam Bonica. 2016. "Avenues of Influence: On the Political Expenditures of Corporations and their Directors and Executives," *Business and Politics* 18 (4): 367-394.

Weeks XI-XII. Lobbying the Courts and Bureaucracy. (Nov. 15th – 29th).

Ernest del Bo and Rafael Di Tella. 2003. "Capture by Threat," *Journal of Political Economy* 111 (5): 1123-1154.

Daniel P. Carpenter. 2004. "Protection without Capture: Product Approval by a Politically Responsive, Learning Regulator," *American Political Science Review* 98 (4): 613-631.

Sanford Gordon and Catherine Hafer. 2005. "Flexing Muscle: Corporate Political Expenditures as Signals to the Bureaucracy," *American Political Science Review* 99 (2): 245-261.

Sanford C. Gordon, and Catherine Hafer. 2007. "Corporate Influence and the Regulatory Mandate," *Journal of Politics* 69 (2): 300-319.

Amy McKay and Susan Webb Yackee. 2007. "Interest Group Competition on Federal Agency Rules," *American Politics Research* 35 (3): 336-357.

Richard L. Hall and Kristina C. Miler. 2008. "What Happens After the Alarm? Interest Group Subsidies to Legislative Overseers," *Journal of Politics* 70 (4): 990-1005.

Janet Box-Steffensmeier, Dino P. Christenson, and Matthew P. Hitt. 2013. "Quality Over Quantity: Amici Influence and Judicial Decision Making," *American Political Science Review* 107 (3): 446-460.

Paul M. Collins, Jr., and Wendy L. Martinek. 2015. "Judges and Friends: The Influence of Amici Curiae on U.S. Court of Appeals Judges," *American Politics Research* 43 (2): 255-282.

Simon Haeder, and Susan Webb Yackee. 2015. "Influence and the Administrative Process: Lobbying the U.S. President's Office of Management and Budget," *American Political Science Review* 109 (3): 507-522.

Nolan McCarty. 2017. "The Regulation and Self-Regulation of a Complex Industry," *Journal of Politics* (forthcoming) <http://www.journals.uchicago.edu/doi/pdfplus/10.1086/692474>.

No Class December 6th

Week XIII. *Private Politics and Student Presentations* (Dec. 13th).

David P. Baron. 2012. "The Industrial Organization of Private Politics," *Quarterly Journal of Political Science* 7 (2): 135-174.

Thomas Lyon and John Maxwell. 2004. "Astroturf: Interest Group Lobbying and Corporate Strategy," *Journal of Economics & Management Strategy* 13 (4): 561-597.

Craig Volden and Alan E. Wiseman. 2009. "A Theory of Government Regulation and Self-Regulation with the Specter of Nonmarket Threats,"
<http://citeseerx.ist.psu.edu/viewdoc/download;jsessionid=A64DC213C0A82AECC550CA030F6E7DFD?doi=10.1.1.158.3045&rep=rep1&type=pdf>

Brian Kelleher Richter. 2016. "'Good' and 'Evil': The Relationship between Corporate Social Responsibility and Corporate Political Activity," <http://capitalism.wfu.edu/wp-content/uploads/2016/03/Richter-paper.pdf>

Gregory Egorov, and Bård Harstad. 2017. "Private Politics and Public Regulation," *Review of Economic Studies* <https://academic.oup.com/restud/article/3058808/Private-Politics-and-Public-Regulation>.

Geeyoung Min and Hye Young You. 2017. "Corporate Political Spending and Shareholder Activism." https://hyeyoungyou.files.wordpress.com/2015/08/cpa_activism1.pdf

Some Overview Pieces on Interest Groups (for your files):

Marie Hojnacki, David C. Kimball, Frank R. Baumgartner, Jeffrey M. Berry, and Beth L. Leech. 2012. "Studying Organizational Advocacy and Influence: Reexamining Interest Group Research," *Annual Review of Political Science* 15 (3): 79-99.

John M. de Figueiredo and Brian Kelleher Richter. 2014. "Advancing the Empirical Research on Lobbying," *Annual Review of Political Science* 17: 163-185.

Martin Gregor. 2017. "Lobbying Mechanisms," in *State, Institutions, and Democracy*, Norman Schofield and Gonzalo Caballero eds., 17-52.