

City Policies, City Interests:  
An Alternative Theory of Interest Group Systems

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**Abstract:** To understand the extent to which interest groups are active in politics—and *which* groups are active, under what conditions—I argue that we should start by focusing on the policies governments make. I use such an approach, which Hacker and Pierson (2014) call a “policy-focused approach,” to develop hypotheses about how the amount of interest group involvement in city politics varies with city characteristics, as well as hypotheses about how the kinds of interest groups that are active depends on group- and city-level factors. I test these hypotheses using data from a survey of elected officials in over 500 U.S. municipal governments, providing the first-ever bird’s-eye view of interest group activity in a diverse set of American cities. My findings reveal that the size and composition of city interest group systems vary in ways consistent with my hypotheses, demonstrating the promise of this theoretical approach.

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How well does American government represent its citizens? This question motivates a vast research agenda in political science and has fueled some of the most rigorous and insightful work in the discipline. For decades, however, research on representation has tended to neglect the role of interest groups in shaping politics and policy, and it has also paid little attention to America's 90,000 local governments—governments that collectively spend \$1.6 trillion every year and make policies on a host of important issues. As a result, the existing literature provides only a partial assessment of political representation in the United States: it offers a rich body of knowledge about *voters* and *elected officials* in *national* politics (e.g., Layman and Carsey 2002, Bartels 2008), but it has far less to say about other political actors or other levels of government.

Very recently, this has begun to change. In the last few years, there has been a resurgence of scholarly concern about interest groups in American politics (e.g., Hacker and Pierson 2010, Bawn et al. 2012, Moe 2015, Gilens and Page 2014, Anzia and Moe 2015a). There have also been several pioneering studies of local government (e.g., Trounstein 2008, Hajnal 2010, Oliver 2012; Tausanovich and Warshaw 2014). Up to this point, however, the renewed attention to interest groups has been confined to the study of national politics, while the small literature on local politics has mostly ignored interest groups—concentrating instead on voters, elected officials, and their linkages through elections.

What do we know about the role of interest groups in local politics? The answer, in short, is very little. Even the basics remain unexplored. Consider the most common form of general-purpose government in the United States: municipal government. Are there interest groups in municipal government? How many? What kinds? The existing literature does not provide answers to these questions. The dominant theoretical expectation in the local politics literature is simply that cities should have fewer interest groups than the national government

(Peterson 1981, Fischel 2001, Oliver 2012); no one has attempted to explain the factors that shape local interest group activity or the conditions under which particular interest groups get involved. Nor is the literature on interest group systems very helpful on this score. Research on the interest group system in Washington, DC, is mostly normative and descriptive (e.g., Schlozman and Tierney 1986, Walker 1991), whereas Gray and Lowery's (1996) population ecology approach, which focuses on the states, generates expectations about the number of groups of a particular type (e.g., environmental groups) in a government—not expectations about how many interest groups there are overall or what kinds of interest groups are active.

My goal in this paper is to shed light on this virtually unstudied area of American politics. I set out to answer two broad questions: First, what conditions shape the overall amount of interest group activity in a city? Second, *which* groups are active in city politics—and under what conditions? I argue that to answer these questions, we should start by focusing on the policies governments make. I use such an approach, which Hacker and Pierson (2014) call a “policy-focused approach,” to develop hypotheses about how the amount of interest group involvement in city politics varies with city characteristics, as well as hypotheses about how the kinds of interest groups that are active depends on group- and city-level factors. I test these hypotheses using data from a survey of elected officials in over 500 U.S. municipal governments. The data offer the first-ever bird's-eye view of interest group activity in a large, diverse set of American municipal governments, and the findings reveal that the size and composition of city interest group systems vary in ways consistent with my hypotheses.

These findings constitute a big step forward for the literature on local representation—and lay the foundation for a whole new research program. Given that interest groups are politically active in many cities, studies of local political representation cannot safely ignore

them. To understand local politics and policy, we must learn a great deal more about what interest groups do and whether (and how) they exert influence.

This paper also highlights the promise of a new way of thinking about interest group systems more generally—not just in local government but also in state and national government. Unlike the dominant political science theory of interest group systems—population ecology theory, which regards interest groups as organizations competing with one another for survival (Gray and Lowery 1996)—I conceive of interest groups as entities seeking *policies* (Bawn et al. 2012, Hacker and Pierson 2014), and interest group systems as growing out of the policies governments make. My analysis of interest groups in municipal governments strongly supports the expectations I derive using this approach, and as a result, it suggests that this is a promising lens with which to study interest group systems at all levels of government.

### **Literature**

Political science research on local politics is scarce today, but that was not always the case. Fifty years ago, scholars such as Dahl (1961), Banfield and Wilson (1963), and Sayre and Kaufman (1960) carried out detailed studies of particular American cities and, in so doing, described the activity of a variety of interest groups, including citizen groups, businesses, organized labor, public employees, and other local governments. As rich as these studies were, however, they focused almost exclusively on the largest American cities—cities that are unusual in many respects, and that may well be the local governments with the most interest groups.

In a path-breaking book, Peterson (1981) takes a very different approach to city politics—one that highlights fundamental differences between city governments and the national government. He explains that unlike national government, which makes policy on a virtually limitless set of issues, local governments are highly constrained in their policymaking ability.

The main reason, he argues, is that city officials are under intense pressure to maintain their tax base, and with so many local governments to choose from, it is relatively easy for businesses and taxpaying residents to leave the city. As a result, cities cannot easily venture into certain policy areas, such as redistributive policy. And because city governments are so limited in the policies they can pursue, they cannot affect the types of policies that most interest groups care about—and so we should expect to find fewer interest groups in city politics than in national politics.<sup>1</sup>

While Peterson offers several insights about why interest groups get active in politics (or not), he is ultimately comparing city governments to the national government, and so his prediction about interest group activity in cities is not very specific. After all, there are thousands of interest groups active in Washington, DC (Schlozman, Verba, and Brady 2012). To say that there are fewer interest groups in city politics does not tell us whether there are none, a few, some, or many—or how the amount of interest group activity varies across cities.

In a recent book, Oliver (2012) focuses squarely on variation in municipal governments across the United States, seeking to explain why electoral politics looks different from one city to the next. According to Oliver's theoretical framework, electoral politics in any government will depend on its size (the number of constituents), its scope (its power or capacity for action), and its bias (how unevenly it distributes resources among its constituents). While Oliver's emphasis is not on interest groups, he does use his theoretical framework to set out some basic expectations about them, specifically that they are more likely to arise in governments large in size and high in bias (*ibid*, 18, 21, 41). However, turning his attention to electoral politics in municipal governments with fewer than 100,000 people—the focus of his research—he, like

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<sup>1</sup> Peterson (1981) also proposes that interest group activity should increase with the likelihood that an interest group can influence policy. He argues that the relative lack of transparency in local government makes it more difficult for interest groups to be successful, which further dampens their political activity. Berry (2010), however, makes the opposite argument, emphasizing that the barriers to entry are lower in local politics than national politics—and thus that it is relatively easy for interest groups to be influential in city affairs.

Peterson, simply notes that such governments should feature far fewer interest groups than the national government (ibid, 46).

Beyond the local politics literature, there is a substantial literature on interest groups, which would seem to be a good place to look for theories and data on city interest groups. But the interest group literature focuses almost exclusively on national politics (see Hojnacki et al. 2012). And while there are many studies documenting the number of interest groups in Washington, DC (e.g., Schlozman and Tierney 1986, Baumgartner et al. 2009, Schlozman et al. 2012), it is difficult to build or test a theory of interest group systems using only one system.<sup>2</sup>

It is unsurprising, then, that the dominant theory of interest group systems was developed with an eye toward U.S. state governments. To understand the size of interest group systems, Gray and Lowery (1996, see also Lowery and Gray 1995) turn to population ecology theory from biology. The idea underlying their theory is that an interest organization is akin to a species: its main objective is to survive, and it competes for scarce resources with other interest organizations (species) that live off of the same resources in the same environment. Applying population ecology's "Energy-Stability-Area" (ESA) model to interest organizations in the states, Gray and Lowery develop two main hypotheses about how resource availability shapes the number of organizations. First, they propose that "area," meaning the size of interest organizations' latent constituencies, will have a positive and diminishing association with the number of interest organizations. The second has to do with "energy," or the resources a lobbying organization needs to survive: they hypothesize that the number of organizations will be positively associated with the amount of governmental benefits that are available to lobby for.

What, then, does population ecology theory imply for the overall size of interest group systems in U.S. cities? Closer inspection reveals that the answer is not clear. The core notion of

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<sup>2</sup> For an excellent discussion of this, see Gray and Lowery (1996, chapter 2, also page 66).

Gray and Lowery's theory is that the proliferation (or curtailment) of interest organizations is influenced by the abundance (or scarcity) of "area" and "energy"—because organizations have to compete for them to survive. But as Gray and Lowery point out (1996, 65, 164), many interest organizations active in the same state do not actually compete with each other for these things. Thus, the *total* amount of "area" and "energy" in a government—even if they could be measured—cannot be expected to explain the total number of interest groups.<sup>3</sup> What Gray and Lowery's model does do is generate hypotheses about how "area" and "energy" affect the number of organizations *within a guild*—where guilds are defined as collections of interest organizations in the same functional area (for example, the number of farming organizations in a state).<sup>4</sup> But to predict the *total* number of interest groups, one would first have to identify all of the guilds—then apply the ESA model to each one (with the expectation that the coefficients would vary across guilds).<sup>5</sup> Therein lies the problem: their theory does not tell us *which guilds* we should expect to find in a city—or in any government.<sup>6</sup>

There is good reason, moreover, to think that understanding which guilds are active—or which *types* of interest groups—is more important than explaining the exact number of groups within a particular guild. In the study of political representation, it may not actually matter much whether there are one, two, or ten organizations of a particular type (such as chambers of commerce) active in politics. After all, some interest groups are enormous; others are tiny.

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<sup>3</sup> Again, see the discussion by Gray and Lowery (1996, 65, 70-71, 138). While they do model the total number of interest groups in a state, they have difficulty identifying appropriate measures of total "area" and "energy," precisely because so many interest groups do not have overlapping constituencies or policy goals. See the discussion on pages 139-142.

<sup>4</sup> They also sometimes define guilds according to their internal structure, meaning whether they are associations, membership groups, or institutions (Gray and Lowery 1996, 61-63).

<sup>5</sup> They explain, for example, that "each sector... will have a unique space [area] coefficient reflecting the number of interest organizations that can survive relative to its number of latent constituents" (Gray and Lowery 1996, 71). See also page 138.

<sup>6</sup> Note that the guilds they do analyze in their tests of the ESA model only comprise about one-third of all interest organizations in the states (Gray and Lowery 1996, 138, 174).

Some are extremely active; others only occasionally dabble in politics. By just looking at numbers of groups, we do not actually learn much about how powerful certain interests are—or how likely it is that they will be heard in the policymaking process. Thus, while for cities it is important to get a rough sense of how many interest groups are active—because we know so little about city interest group systems—there is no reason to be overly concerned with the exact number of groups. It is far more important to learn about what *kinds* of interest groups are present, and how active they are.<sup>7</sup>

The interest group literature does, of course, touch on the composition and diversity of interest group systems in state and national government. For example, Gray and Lowery (1996) describe the diversity of interest group systems in the states, and Schlozman et al. (2012) conduct an analysis of the composition and activities of the lobbying community in Washington, DC. But again, analyses of diversity usually rely heavily on counts of different kinds of interest groups, without regard to how large, active, or influential different groups are. Moreover, this literature does not put forward a general theory of which interest groups should be present and how active they will be. While Schlozman et al. (2012, 345-346) do suggest that groups with more material resources (such as business groups) are more likely to be active, Gray and Lowery (1996, 74, 162, 174-175) explain that their theoretical model does not directly generate expectations about interest group system diversity.

The local politics literature is no different—meaning that it does not offer a general theory of how interest group systems are comprised—but it does contain a large volume of case studies, analyses of specialized sets of municipalities, and studies of particular local policies.

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<sup>7</sup> The literature's focus on counts of groups probably has a great deal to do with data availability, because at the state and national levels, lists of registered lobbying organizations are readily accessible. And as Cigler (1994, 29) notes about the interest group literature more broadly, "In large measure, data availability has been the major determinant of the interest group politics research agenda, framing both the questions we explore, and the topics we avoid."



When the findings of this body of work are woven together, a picture of local interest group activity begins to emerge. There is general agreement, for instance, that business interests are critical to local governance (Peterson 1981, Stone 1989), particularly local chambers of commerce and businesses that profit from growth and development (Logan and Molotch 1987). The literature on local sustainability policy also shows that environmental groups are often engaged in city politics (e.g., Feiock et al. 2014, Portney and Berry 2015). Neighborhood associations appear to be highly active in some cities as well (Berry 2010, Logan and Rabrenovic 1990, Cooper, Knownes, and Roberts 2005). Still others have begun to study the political activities of public sector unions, such as teacher unions (Moe 2005, 2006) and police and firefighter unions (Anzia 2014, Anzia and Moe 2015a). But how common are these groups? Under what conditions are they politically engaged? The local politics literature does not provide a theoretical framework for answering these questions. And while these scholars do bring data to bear on their respective questions, they ultimately focus on a single policy area, a single type of interest group, a single city, or only large cities. As a collective whole, the existing empirical evidence is too fragmented to provide a comprehensive picture of city interest group systems.

In sum, then, local politics theories predict that there will be fewer interest groups in local government than in national government, but they do not specify how big or small city interest group systems will be. Population ecology theory proposes an explanation for why there are larger or smaller numbers of interest organizations of a particular type in a government, but it does not provide a way of thinking about what types of groups will be involved. As for the composition of interest group systems, research on state and national government offers rich descriptions, and the local politics literature highlights the importance of particular interest

groups in particular governments. But as it stands, we lack a general theoretical framework for thinking about how interest group system size and composition vary across cities.

### **A Policy-Focused Approach to Interest Group Systems**

I propose that the most productive first step toward answering questions about interest group activity in any government is to adopt what Hacker and Pierson (2014, 648) call a “policy-focused approach”—one that, as they write, “starts...with *what government actually does* and works forward (policy as terrain) and backward (policy as prize).” When governments create policies, those policies generate incentives for interest groups that benefit from them to try to keep them in place (Campbell 2003, Moe 2015). And when governments are capable of making policies, interest groups that care about those policies try to influence the decision-makers in hopes of steering policy in the direction they favor.<sup>8</sup> In a policy-focused approach, then, the starting point for thinking about interest groups is policy. This, I argue, is the key to understanding interest group systems: If we want to know how active interest groups will be in a government, and which interest groups will be active, we should start by considering the policies the government makes.

This theoretical approach, it should be noted, is explicit about the likely endogeneity of interest groups and policies: the policies governments make should inspire interest groups to become active in politics, but interest groups can also try to persuade government officials to engage in certain policy areas or to increase their involvement in others. In local politics, the latter effect is probably less relevant than it is for state and national politics, precisely because

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<sup>8</sup> What Hacker and Pierson refer to as a “policy-focused approach” is hardly new to political science. It dates back (at least) to the work of Truman (1951), Schattschneider (1961), McConnell (1966), and Lowi (1969), and is also the general framework employed by Wilson (1995), Arnold (1992), and Walker (1991). It has also been put to use in more recent work on the politics of public policy (e.g., Mettler 2005, Patashnik 2008, Anzia and Moe 2015b, Flavin and Hartney 2015). But it is not currently the mainstream approach within American politics research, which tends to emphasize political processes and outcomes net of policy content. See Hacker and Pierson (2014) for an excellent discussion of this.

local governments' policymaking authority is relatively limited (Peterson 1981). But even recognizing the possibility of remaining endogeneity,<sup>9</sup> it would be a mistake to *begin* with the causal inference question of whether policies cause interest groups or interest groups cause policies. Given that I am proposing a new way of thinking about interest group systems—one that is a departure from existing theories, and one that has not been tested—it is far more useful to start with the lay of the land, asking whether this theoretical approach can account for features of that landscape that existing theories cannot. In what follows, then, I use the policy-focused approach to develop and test two sets of hypotheses about interest group systems, the first having to do with their overall size, and the second having to do with their composition.

#### *Interest Group System Size*

Applied to the question of how large or small city interest group systems will be, the policy-focused approach leads to a few very simple hypotheses. The first is that the size of an interest group system will be positively associated with the range of issues on which a government makes decisions. As Oliver (2012, 45) explains, municipal governments vary dramatically in scope. Some of them make policy on a large number of issues, while others are limited to zoning, land use, police protection, and other municipal essentials. I expect the amount of interest group activity to vary accordingly. Governments that make decisions on a wide range of issues will tend to attract many interest groups, while governments that make decisions in only a few policy areas will tend to attract few interest groups.

Second, I expect city size to matter above and beyond the number of policy functions. It is well established in the literature that large costs and benefits are more likely to motivate political activity than small costs and benefits (Arnold 1992, Wilson 1995, Campbell 2003), and

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<sup>9</sup> The potential for endogeneity likely varies across policy issues and interest groups, as well as across cities and states. I return to this point below.

the policy stakes in a city that serves 100,000 people are almost certainly greater than in a city with 1,000 people—even if those two cities perform exactly the same functions. City size may matter for another reason as well. Compared to small cities, candidates in large cities may rely more on interest groups for endorsements and mobilization (see Oliver 2012, 14-16), and once elected, policymakers in large cities may depend more on interest groups for information. For both reasons, I expect interest group system size to increase with the size of the city.

Cities also vary in the extent to which citizens and interest groups disagree about city policy, and I expect the level of policy disagreement to be positively associated with interest group system size. In cities with high levels of policy disagreement, there are not only more cleavages over which distinct interest groups can form (e.g., Truman 1951), but there is also greater incentive for interest groups to be politically active: in a competitive environment, interest groups cannot safely assume that their preferred policies will be adopted. I therefore expect cities with greater policy disagreement to feature greater interest group activity.<sup>10</sup>

These three hypotheses about city scope, size, and policy disagreement all flow from a policy-focused approach to thinking about interest group system size—and, as it happens, they also align nicely with Oliver’s (2012) theory of local electoral politics.<sup>11</sup> As for other factors that might explain the overall amount of interest group activity, two sets of variables are worth considering. The first is city affluence. As I discussed earlier, research on the interest group system in Washington, DC, emphasizes the importance of material resources in explaining interest group activity (e.g., Schlozman et al. 2012), and so it is possible that interest groups are more common in more affluent cities—where, presumably, the average group has more material

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<sup>10</sup> In a related discussion, Gray and Lowery (1996, 72) consider “interest certainty” to be a form of “energy” in their population ecology model.

<sup>11</sup> My third hypothesis is about policy disagreement, which is not the same as Oliver’s concept of “bias,” but Oliver does note that population heterogeneity is strongly correlated with city size, scope, and bias (see Oliver 2012, chapter 1).

resources. The second consideration is city political institutions. For at least one political institution—nonpartisan elections—there is reason to expect an association with interest group system size: interest groups might be substitutes for political parties in organizing elections (Bridges 1997), and so perhaps we should find more interest groups in cities with nonpartisan elections. For other political institutions, such as strong-mayor governments, off-cycle elections, and district (versus at-large) elections, the theoretical link to interest group system size is less clear, but given that they are a major focus of the modern local politics literature (e.g., Trounstein and Valdini 2008, Anzia 2014), it is worth exploring whether they shape the overall amount of interest group activity in a city.

### Data and Empirical Analysis

These hypotheses are very basic, but they are entirely new—and they have not been tested empirically. In fact, as I explained earlier, the political science literature offers no empirical research on how interest group systems vary across cities; all existing work uses data from state and national politics. And yet, municipal governments are an excellent test bed for theories of interest group systems: not only are there almost 20,000 of them (not including townships), but they also vary dramatically in ways that might shape the amount of interest group activity. Why, then, has there been so little empirical research on city interest groups?

The answer, it turns out, is simple: there are no existing datasets of the interest groups active in cities. While all scholars studying interest groups confront a number of challenges—consider, for example, the difficulties inherent in testing whether interest groups have influence (e.g., Leech 2010)—those studying state and national interest groups have considerable advantage over those studying local interest groups, because at the state and national levels, there

are databases of registered lobbying groups and their campaign donations.<sup>12</sup> Such databases do not exist for local governments. In fact, aside from a few large cities that track lobbying activity, and the occasional city that puts campaign finance forms on its website, there aren't any data on interest groups in municipal government. Even if such data were available, we do not know whether formal lobbying and campaign giving are even important forms of interest group activity in local politics.

Testing my theoretical expectations therefore required me to collect data on city interest group activity, which I did by fielding a survey of city councilmembers and mayors. It was not clear, from the outset, whether local elected officials would even be willing to answer questions about interest groups. Nor was it obvious what I should ask them: Given how little we know about city interest groups, it would be fruitful to learn about many things, such as the forms interest group activity takes, the political activity and influence of particular groups, how interest group activity and influence vary by policy issue, and much more. At the same time, I wanted to limit the length of the survey to encourage city officials to respond. Therefore, for this initial investigation, I opted for breadth rather than depth. I designed a questionnaire that asked city officials about the overall amount of interest group activity in their cities, the intensity of activity by several categories of interest groups, the activity of those interest groups on two common local issues, and characteristics of the cities. The resulting questionnaire was simple—but focused on fundamentals that are currently unknown.

I began with a sample of 1,004 municipal governments across the United States, stratified by size, and then collected the individual email addresses of their city councilmembers and

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<sup>12</sup> For details on these databases, see e.g., Baumgartner et al. (2009) and Gray and Lowery (1996).

(where applicable) mayors.<sup>13</sup> This was straightforward for most cities: 74% listed all of the individual email addresses on their websites. Most of the remaining cities provided a web form or the email address of a staff person, in which case I requested the individual emails.<sup>14</sup> In the end, I was unable to obtain any individual email addresses for elected officials in 173 cities. For 48 of those, I still invited elected officials to complete the survey: I sent personalized survey invitations through staff contacts, asking that they be routed to the appropriate official. The remaining 125 cities were dropped from the sample.<sup>15</sup> In late February 2015, I sent out a total of 6,086 invitations with a link to the questionnaire, following up with three reminders to individuals who had not responded.<sup>16</sup>

In total, 902 elected officials responded to the survey, yielding a 15% individual response rate—comparable to that of other elite surveys (e.g., Fisher and Herrick 2013). It is notable, however, that 515 cities—59% of those in my sample—had at least one respondent. (Table 1 provides the response rates by city size.) That does not mean, of course, that the cities in the dataset are representative of all cities; as I show in Table 2, cities in the dataset tend to have a larger percentage of white residents as well as higher per capita income than similarly-sized cities that are not in the dataset. Even so, the creation of this dataset is a major advance: it offers the first-ever picture of interest group activity in large, diverse set of American municipal governments, and it includes variation on the city characteristics relevant to my hypotheses.

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<sup>13</sup> Because I had to limit the length of the survey, yet also wanted to have a large number of variables for the analysis, I decided to leverage the rich data on city institutions that already exist: the data from the International City/County Management Association's (ICMA) Municipal Form of Government (FOG) Survey. I therefore selected my initial sample in the following way: I included all U.S. cities with more than 250,000 people (78 cities) as well as all 326 cities with between 50,000 and 250,000 people that responded to the 2011 ICMA FOG Survey. (The overall response rate to that survey was 41%.) For the smallest cities—those with fewer than 50,000 people—I selected a random sample of 600 cities, stratified by size, from among those in the ICMA dataset.

<sup>14</sup> Specifically, I used web forms to request individual email addresses in 77 cities and received at least some emails from 26 of them. I also obtained email addresses in 30 cities by requesting them from a staff person.

<sup>15</sup> 4 percent of the cities did not provide any way to communicate electronically with city officials. The remaining cities that were dropped did not respond to my web-form requests for individual email addresses.

<sup>16</sup> I used Qualtrics to administer the survey. The project was approved as “exempt” by the Office for the Protection of Human Subjects at the University of California, Berkeley (February 24, 2015).

As a starting point, I measured the overall amount of interest group activity in each city with the following question: “In some cities, there are many interest groups that try to influence city politics. In other cities, there are no interest groups that try to influence city politics. What about in your city? Using the 10-point scale below, how would you rate the number of interest groups that try to influence politics in your city?” Respondents selected a point on a scale from 1 (labeled “There are no interest groups”) to 10 (labeled “There are many interest groups”).<sup>17</sup>

Figure 1 shows the distribution of responses. Fewer than 5% of the respondents indicated that there are “no interest groups” active in their cities. However, the two most common responses were at the low end of the spectrum, suggesting that there are many cities in which elected officials perceive there to be few interest groups active in politics. Still, 14% of the respondents chose the maximum option, and 42% of the respondents placed their city on the upper half of the scale. Thus, almost all respondents perceive there to be at least some interest groups active in their cities, and a sizeable proportion indicate that there are many.

To test my hypotheses, I average these responses by city and combine them with additional data on city characteristics. For the measure of government scope, I identified 24 categories of spending in the 2012 Census of Governments’ city finance reports and created an index equal to the number of categories in which a city had positive direct expenditures.<sup>18</sup> City

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<sup>17</sup> A few of my decisions are worth noting here. First, while this question asks about the “number” of interest groups in a city, it does not ask respondents to pick an exact number (which, I have argued, is not especially important). Instead, my goal with this question is to elicit officials’ perceptions of overall interest group system size. Second, I intentionally left the form of interest group activity vague rather than ask about specific forms of activity (such as the number of lobbying appointments the official had in the last month). Third, while some political scientists argue that the term “interest group” is misleading (because it is usually meant to include entities that are not membership organizations, see Schlozman et al. (2012), 319; Gray and Lowery (1996), 12), I opted to use it anyway, because I suspected that survey respondents would be more familiar with it than alternative terms.

<sup>18</sup> The spending categories are: air transportation, corrections, elementary and secondary education, higher education, fire protection, police protection, health, hospitals, highways, housing and community development, libraries, natural resources, parking facilities, parks and recreation, protective inspection and regulation, public welfare, sewers, solid waste, sea and inland port facilities, liquor stores, water supply utilities, electric supply utilities, gas supply utilities, and transit system utilities. One shortcoming of this measure is that it captures the number of functions on which cities spend money—and some of the functions of city governments do not



size is simply the log of city population from the 2010 U.S. Census, and the measure of city affluence is the 2009-2013 estimate of log per capita income from the American Community Survey. My main measure of policy disagreement comes from the following survey question, averaged by city: “In some cities, the various stakeholders (including residents and interest groups) tend to agree on what the city government should do. In other cities, the various stakeholders tend to disagree about what the city government should do. How about in your city?” (Responses were on a ten-point scale, with higher values indicating higher disagreement.) While this measure captures the amount of perceived policy disagreement in the city, elected officials’ perceptions of conflict might be enhanced by greater interest group activity. I therefore also test my hypothesis using a measure of population heterogeneity: the percentage of the city’s residents who are African American or Latino. Finally, most of the data on political institutions come from the International City/County Management Association’s (ICMA) 2011 Municipal Form of Government Survey, with the exception of the election timing variable, which I collected as part of the survey.<sup>19</sup>

The lowest plots in Figure 2 provide a first look at the relationships between perceived interest group system size and the five continuous variables. With the exception of log per capita income—which has no clear relationship with interest group system size—I find clear, positive relationships. The plot in the top left-hand corner shows a strong association between the scope of government and the size of the interest group system, as expected. I also find a positive slope for city size and both measures of policy disagreement, in support of my hypotheses. The municipalities with the smallest populations, however, are an exception: for them, the slope of

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necessarily involve expenditures. I therefore constructed an alternative index using data from the survey: Specifically, I asked respondents to indicate whether their city makes policy on 18 issues, including land-use planning, zoning, and economic development. When I use the alternative index, the results are substantively the same as those I present below.

<sup>19</sup> For any cities missing values of the political institutions variables, I collected the data from cities’ websites.

log population is flat or even negative.<sup>20</sup> While there are too few municipalities of this size in my dataset to draw firm conclusions, this may suggest that below a certain threshold, variation in population size does not matter: whether there are 100 residents or 2000 residents, interest groups are rare.

I next use OLS to model interest group system size using city scope, size, policy disagreement, and income as explanatory variables. The results are set out in Table 3. In column 1, I use the survey measure of policy disagreement, and in column 2, I replace that variable with percent minority. In both models, I also include the square of city size to account for the relationship between population and interest group activity in the smallest cities. I cluster the standard errors by state.

In both columns 1 and 2, I estimate a positive, statistically significant effect of government scope on perceived size of the city interest group system. In column 2, the effect is 0.158, which implies that shifting from a city that has six functions (the 5<sup>th</sup> percentile) to one that has 15 functions (the 95<sup>th</sup> percentile) is associated with a shift up the interest group scale by 1.5 units—more than half a standard deviation. Thus, cities that make policy in a larger number of areas tend to have more interest groups.

I also find support for my hypotheses about city size and policy disagreement. Population size has a strong, positive relationship with interest group activity, with the exception of very small towns. Up to about 5,000 in population, increases in size have no significant effect on perceived interest group system size. Beyond 5,000 in population, however, I find a clear pattern in support of my second hypothesis: that city officials from larger cities tend to report more interest groups than officials from smaller cities. The estimates in column 1 also show that

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<sup>20</sup> The negative slope for the smallest cities is heavily influenced by two very small cities whose officials reported that there are many interest groups active in their cities.

when city officials report a great deal of policy disagreement among stakeholders, they are also more likely to report large interest group systems. Likewise, in column 2, the coefficient on percent minority is positive and statistically significant. In both models, however, the coefficient on log per capita income is statistically indistinguishable from zero. Thus, it does not appear that variation in the average citizen's material resources is a significant predictor of overall interest group system size.

In columns 3 and 4 of Table 3, I add state fixed effects to the models. Local governments are creatures of the states, and the states set different bounds on their local governments—including rules about the kinds of policies municipal governments can pursue. States and regions also have different political cultures, which may shape the overall amount of interest group activity in cities. By including state fixed effects, I partial out the effects of any such variables that are constant within states. In columns 3 and 4, however, I still find positive, significant coefficients on city size and scope. The coefficient on per capita income remains statistically insignificant, and in column 4, the alternative measure of policy disagreement (percent minority) is no longer significant. However, my primary measure of policy disagreement is statistically significant: in column 3, I find that within states, higher perceived policy disagreement is associated with more interest group activity.

In columns 5 and 6, I test the effects of the four city political institutions, excluding the state fixed effects (because so many of the institutions are constant within states).<sup>21</sup> Neither district elections nor off-cycle elections are significantly associated with interest group system size. Thus, while these electoral institutions might shape the influence of various groups (e.g., Anzia 2014), there is no sign that more or fewer interest groups get active in the first place.

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<sup>21</sup> The measure of district elections is a binary indicator equal to one if the city elects any city councilmembers by district. The indicator of off-cycle elections equals one if the city holds elections at a time other than state and national general elections.

However, I do find that nonpartisan elections are associated with more interest groups, in support of the idea that interest groups get more involved when political parties are weak. I also find that cities with strong mayor systems—specifically, those with mayor-council systems in which the mayor has a veto—tend to have significantly fewer interest groups. One reason for this might be that executives are less responsive to interest groups than legislators (e.g., Moe and Howell 1999). However, in cities with mayors, the dependent variable sometimes includes mayors' responses, and it could just be that mayors rate interest groups as less active than city councilmembers—which would lower the overall average for cities with mayors.<sup>22</sup> On the whole, though, I find mixed results for the political institutions variables. Nonpartisan elections and strong mayor systems are significantly associated with interest group system size, but district and off-cycle elections are not.

Together, these findings dramatically enhance our understanding of interest group activity in American cities, documenting strong relationships between interest group system size and city scope, size, policy disagreement, and certain political institutions. In showing these patterns, moreover, my analysis suggests that Oliver's (2012) theory—which focuses on government size, scope, and bias as predictors of electoral politics—is a powerful framework for explaining variation in local governments. Again, Oliver's theory is not explicitly about interest group systems. But by conceiving of interest groups as entities seeking policies, and then considering the implications of that perspective for city interest group system size, I generated expectations that point to roughly the same three city characteristics that Oliver identifies. It appears, therefore, that his theoretical framework is relevant for phenomena beyond voting behavior and candidate emergence—that it yields insights about politics more broadly, including

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<sup>22</sup> Unfortunately, I cannot test for this, because in order to ensure anonymity to respondents, I only pulled the name of the city into the dataset of responses, not the office held by the respondent (which would have made mayors individually identifiable). I therefore cannot tell which responses are from executives.

interest group systems. Thus, not only is the policy-focused approach to interest group systems supported by my data analysis so far, but it also turns out to be a useful complement to existing theories of local politics.

### *Interest Group System Composition*

In their studies of interest group systems, scholars not only focus on system size but also composition or diversity—an important step if one hopes to eventually draw conclusions about the effects of interest group activity on politics and policy. As I explained earlier, though, the existing literature does not provide a general theory of system composition that can be used to develop hypotheses about cities. What is more, even the literature’s descriptive studies may not actually tell us much about the most important contours of interest group systems, because their inferences about system diversity rely heavily on raw counts of interest groups in certain categories—regardless of how large, small, active, or inactive the component groups are.

In what follows, I take a theoretical approach to the composition of interest group systems, continuing with the policy-focused logic outlined earlier. I start by laying out some general conditions that, I argue, shape the extent to which a potential interest group is active in politics. I then develop and test two sets of hypotheses. The first relates to the average political activity levels of different kinds of interest groups in city politics. Then, in the second section, I focus on some of the most common interest groups, attempting to explain how their political activity varies across municipalities. In my tests of these hypotheses, I take the emphasis off of counts of groups, instead attempting to characterize—with a broad brush—the relative political activity of different kinds of interest groups in city politics.

## General Conditions that Shape Interest Group Activity

How should we think about which interest groups are likely to be politically active in a government, particularly in municipal government? Again, I propose that policy is the best starting point. The important questions to ask are: Which interest groups have an interest in the policies a government makes? What kinds of policy interests are most likely to motivate political activity? And which groups have alternative ways of pursuing those interests?

On the question of the kinds of interests that are more or less likely to result in political activity, the existing literature offers several insights. First, individuals and groups that stand to reap large benefits and costs from a policy are more likely to be politically engaged than those confronting smaller benefits and costs (Olson 1965, Arnold 1992, Wilson 1995, Campbell 2003). Also, in general, economic interests are more likely to motivate political activity than noneconomic interests (Schattschneider 1961, Moe 2006, 2015). And the directness of a benefit or cost matters as well: citizens who are directly affected by a government policy are more likely to be politically attentive than citizens who are indirectly affected (Arnold 1992, Moe 2015). While there are almost certainly other characteristics of interests that also affect political activity levels, these three provide a useful starting point for thinking about interest group systems. The interest groups that should be most active in a particular government or on a particular policy are those with large, direct, economic interests.

There is one other consideration worth highlighting, given that my focus is on local government. That is, even if interest groups have a large, direct, economic interest in government policy, groups vary in their dependence on politics for pursuing those interests. For example, the idea that citizens and businesses can “vote with their feet” is central to the local political economy literature (e.g., Peterson 1981). Most famously, in Tiebout’s (1956) model of

local governance, it is the competition among governments for mobile, taxpaying citizens that induces government responsiveness—not political activity. In reality, of course, the transaction costs to moving can be substantial, and when they are, political activity (or “voice”) becomes an attractive option (Hirschman 1970). This general insight potentially has far-reaching implications for interest groups’ political activity: interest groups that have alternatives to political action for pursuing their interests should be less engaged in politics than interest groups with weaker alternatives.

### What Kinds of Interest Groups Are Active in City Politics?

Applying these ideas to municipal government, my first expectation is that the most active interest groups will be those with a large, direct, economic interest in the policies municipal governments most commonly make. As I said earlier, some cities have numerous functions, but almost all cities have a few core responsibilities: most importantly, land-use policy and public safety provision (see Oliver 2012, 25, 106). And two types of interest groups stand out as having a large, direct, economic interest in those policies: businesses that profit from development, and unions of public safety workers.

Consider first the special relationship between development-oriented businesses and city land-use policy. There are a number of businesses whose profits depend on what the city allows to be built: developers, contractors, construction firms, realtors, and more. Urban politics scholars are justified in focusing on these interests (e.g., Logan and Molotch 1987), because no other type of interest group has such a consistently large, direct, economic stake in city land-use policy. Building trade unions (such as carpenters and electricians) may come close—they could stand to get the work if a city allows a large development—but such unions only exist in certain parts of the U.S., whereas business is ubiquitous. Environmental groups and affordable housing

groups also have an interest in city land-use policy, but their interests are mostly noneconomic. And while retail businesses' profits do depend on city decisions on matters such as public safety, sanitation, traffic and parking management, and taxes, the effects of these policies on retail businesses are less direct than land-use policy is for developers. Across cities, then, I expect development-oriented businesses to be more politically active than all of the following groups: building trade unions, environmental groups, affordable housing groups, and retail businesses.

Which interest groups have a large, direct, economic interest in public safety provision? Again, we should look to the interest groups representing people whose jobs, salaries, and benefits depend on it: organizations of public safety workers. In most cities, police officers and firefighters are well organized into unions, and, like development firms, they have a tremendous stake in city decision-making. As a result, I expect them to be very active in city politics. It is important to underscore, however, that what makes public safety unions special in the case of municipal governments is that municipal governments are usually the providers of their members' jobs. Teacher unions have also been found to be highly active in politics (Moe 2011), but teachers are typically not employed by cities—they are usually employed by independent school districts. I therefore expect police and firefighter unions to be far more active in city politics than teacher unions.

As for other groups that stand to have a large, direct, economic stake in municipal public safety policy, ethnic and racial minority organizations are one possibility: In cities where minority communities are greatly and economically affected by police activity, such organizations might be quite active (although, see Lerman and Weaver 2014). However, only a small proportion of municipalities in the U.S. have sizeable minority communities—which are



presumably needed for such groups to form. Thus, on average, I expect police and firefighter unions to be more politically active than minority organizations.

My approach also suggests that certain interest groups that are very active in national politics should *not* be active in city politics. For example, we should see little to no activity by pro-choice or pro-life groups, simply because municipal governments rarely make policy on abortion rights. National and multinational corporations should also be less active than other kinds of businesses (such as local retail businesses) because most of them have alternatives: they can more easily leave the city.<sup>23</sup> As a general rule, then, we should not expect to see much political activity by such groups in city politics.

To test these hypotheses, I asked municipal elected officials to rate the political activity of all the aforementioned interest groups, as well as two others that some urban politics scholars have described as politically engaged (e.g., Berry 2010): first, chambers of commerce and general business associations, and second, neighborhood or homeowners' associations. Respondents placed each group on a five-point scale ranging from "Not at all active" to "Extremely active."<sup>24</sup> Because my earlier analysis showed that overall interest group activity increases with city population, I focus first on cities with more than 50,000 in population—the smallest population category within which one of the individual groups is rated, on average, as at least "somewhat active." Figure 3 plots the average political activity ratings for the 13 types of interest groups in cities of that size.

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<sup>23</sup> There are, of course, exceptions to this. For example, Chevron, which has a large refinery in Richmond, California, cannot easily leave Richmond. Also, large corporations and trade associations might get involved in city politics out of fear that one city's decision will affect the decisions of other cities.

<sup>24</sup> I asked, "Below is a list of different kinds of interest groups. For each one, please rate how active it is in politics in your city." The response options were: Not at all active, Slightly active, Somewhat active, Very active, and Extremely active.

At the top of Figure 3, I compare five types of groups: real estate development firms and their associations, building trade unions and associations, environmental organizations, affordable housing organizations, and retail businesses and their associations. Clearly, officials in the average city perceive development firms to be more politically active than the other four. The average rating for development firms is 2.25 on a scale of 0 to 4, placing them between “somewhat active” and “very active.” The average activity rating for building trade unions (1.43) is significantly lower than that of developers, and the same is true for environmental organizations and affordable housing organizations (1.83 and 1.52, respectively). I also find a significant difference between development firms and retail businesses: the latter are rated at 1.66, between “slightly” and “somewhat” active. These patterns are consistent with my argument that interest groups with a large, direct, economic interest in city policy are more active than those with smaller, less direct, or noneconomic interests.

The next set of bars in Figure 3 compares the average political activity ratings of police and firefighter unions to teachers unions and minority organizations. Here, too, the results are in line with my theoretical expectations. The average rating of police unions is 2.19, and for firefighter unions it is 2.38. Both of these are significantly higher than the average rating of teacher unions, which is only 1.3, as well as the average rating of minority organizations, which is 1.49. Interestingly, I also find that the average political activity ratings of police and firefighter unions are statistically indistinguishable from the ratings of development firms. This finding is striking, because while urban politics scholars have long emphasized the importance of development interests in city politics, they have entirely neglected interest groups that are just as politically active: police and firefighter unions.

Also as expected, I find that abortion groups and large corporations are mostly inactive in city politics. The average activity rating of pro-choice and pro-life organizations is a mere 0.6, while for national and multinational corporations it is only 0.84—far lower than the ratings of development firms and retail businesses.

Finally, at the bottom of Figure 3, I present the average political activity ratings for chambers of commerce and neighborhood associations. Consistent with claims in the literature, I find that both are very active. What is more, in cities with less than 50,000 in population—shown in Figure 4—all 13 of the groups are perceived as less active, but chambers of commerce and neighborhood associations stand out as the most politically active of all.<sup>25</sup>

In light of these high political activity ratings, one could ask why chambers of commerce and neighborhood associations did not emerge as frontrunners in my initial set of hypotheses. The reason is that these groups, I argue, are fundamentally different than most of the other groups I have examined: they are *general* organizations with interests in *multiple* city policies. Recall that I started by asking which interest groups have a large, direct, economic stake in two core city functions: land-use policy and public safety provision. Chambers of commerce and neighborhood associations are not obviously implicated by such a question. Certainly, they have an interest in land use and public safety: for chambers of commerce, these policies affect the profitability of local businesses (their members), and for neighborhood associations, they affect home values and quality of life. But like retail businesses, chambers of commerce and neighborhood associations have interests in many other city policies (Logan and Rabrenovic 1990, Smith 2000), and the effects of city decisions on them are usually indirect (for example, by

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<sup>25</sup> Here, too, abortion groups and national corporations are the least active groups. Interestingly, in the small cities, the political activity of developers is matched by both environmental organizations and retail businesses and their associations. However, even in these small cities, police and firefighter unions are more active than teacher unions and minority organizations.

lowering crime, or attracting a labor force). Why, then, would we see such strong political activity ratings for chambers of commerce and neighborhood associations? One possibility is that city officials' ratings of interest groups' political activity conflate intense activity on a single issue with moderate activity on many issues. By my theoretical logic, interest groups like development firms and public safety unions should be intensely active on a single issue (land use and public safety, respectively) and mostly inactive on others, whereas chambers of commerce and neighborhood associations should be moderately active on many issues.

To test this idea, I presented survey respondents with two simple vignettes about city decisions and asked them to indicate which interest groups (from a list) would likely try to influence those decisions. In the first vignette, I asked respondents to imagine that their city is charged with figuring out how to use a vacant plot of land. In the second, the hypothetical decision was about the staffing levels and budget for the police department.

Figures 5 and 6 present the proportion of cities (of those with more than 50,000 people) in which respondents indicated that a particular interest group would be active, first for the land-use vignette, then for the police department vignette. The patterns that emerge are striking. It is clear, first of all, that development firms and police unions focus their political efforts on the issues in which they have a large, direct, economic interest: city officials report that development firms would be very active on the land-use issue (66%) but not on the police issue (13%), whereas they expect that police unions would be extremely active on the police issue (81%) but not on the land-use issue (7%). By contrast, local officials anticipate that chambers of commerce and neighborhood associations would be somewhat active on *both* issues. Moreover, chambers of commerce are expected to be less active than developers on the land-use issue (56%

versus 66%), and they are also expected to be less active than police unions on the police issue (48% versus 81%). All of these patterns are consistent with my expectations.

For neighborhood associations, the pattern is mixed. As I expect, city officials report that neighborhood associations would only sometimes be active on the police department issue: they are cited only 54% of the time. Interestingly, however, city officials also anticipate that neighborhood associations would be just as active as developers on the land-use issue. Because I have assumed that neighborhood associations are affected less directly by city land-use decisions than developers, this finding is surprising. Perhaps, then, neighborhood associations are an important exception to my framework—one deserving of more focused research. But it is also possible that my assumption is off-target; for example, a city decision to build a new shopping mall might have a very direct effect on homeowners across the street. I cannot draw any firm conclusions here, but the empirical findings are worth highlighting: city officials think neighborhood associations are just as active as development firms on land-use issues, and neighborhood associations are also more active on land-use issues than on public safety.

#### What Explains the Political Activity of Particular Interest Groups?

Figures 3 through 6 provide an enlightening snapshot of the kinds of interest groups that are politically active in the average city in my sample, but I also expect the activity of particular kinds of interest groups to vary across cities. *Within* categories of interest groups, I expect to see more political activity when a group has a large, direct, economic interest than when its interests are smaller, indirect, or noneconomic. I also expect to find more political activity when groups have weaker alternatives—and are thus more dependent on politics for pursuing their interests.

Applying these ideas to various business groups yields a few testable hypotheses. The first is that I expect development firms to be more active in cities where there is greater

opportunity for development. In addition, if I am correct that developers focus on city policies that have large, direct effects on their profits, then the overall number of city functions should not be strongly associated with their political activity. The opposite should be true for retail businesses and chambers of commerce: their political activity should rise with the number of city functions, but they should not be associated with a city's development opportunity. One pattern should hold for all businesses and business groups, however: their political activity should be greater in cities where it is more difficult for business to exit the city.

To test these hypotheses, I model the political activity of each of these three business groups—development firms, retail businesses, and chambers of commerce—using OLS with standard errors clustered by state. I measure city development potential with a survey question that asked officials to rate the amount of land available for development in their city (on a four-point scale). To measure businesses' exit options, I asked respondents to evaluate how difficult it would be for businesses in their city to move to another city (again on a four-point scale). In all models, I include the main variables from Table 3: scope of government, log population and its square, the amount of policy disagreement, and log per capita income.

The results are set out in Table 4. In column 1, I find clear evidence that the political activity of development firms does depend on the amount of opportunity for development: the coefficient on the land availability variable is positive and statistically significant. The coefficient estimate on the scope of government, by contrast, is statistically insignificant, suggesting that development firms' political activity is not related to the number of policy issues a city is engaged in. As I expected, the opposite pattern holds for retail businesses and chambers of commerce. In columns 2 and 3, land availability is not significantly associated with the political activity of retail businesses or chambers of commerce. But the overall scope of

government is—suggesting that the political activity of these interest groups is higher in cities that make policy on a larger number of issues. For all of the business interest groups, however, political activity is higher in cities where it is more difficult for businesses to exit the city. Thus, in cities where exit is more difficult, business interest groups are more likely to pursue their interests through political action.<sup>26</sup>

The policy-focused logic also has implications for how public sector unions' political activity varies across cities. For them, the key consideration is whether their members have job interests in the city (see Moe 2006; DiSalvo 2015): When a union's members are employed by the city, the union has a large, direct, economic interest in the city's decisions about member jobs, salaries, and benefits.<sup>27</sup> Moreover, when it comes to these job interests, public sector unions do not have alternatives to political action: the only way to pursue higher compensation for their members, for example, is through political activity (broadly construed). When a union's members are not employed by the city, by contrast, the union may still have some interest in city decision-making (for example, in housing policy), but those interests are smaller and less direct—and I would expect lesser political activity as a result. Moreover, I do not expect public sector unions' political activity to depend greatly on the scope of government. If my policy-focused logic is correct, it should matter little whether the city is engaged in a small or large number of policy issues—what should matter is whether the city employs its members.

In Table 5, I model the political activity of police unions, firefighters unions, and teacher unions. In each of the three models, the main independent variable is an indicator for whether

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<sup>26</sup> As a placebo test, I have also run the same models for police union activity. I find that neither development potential nor business exit potential are significant predictors.

<sup>27</sup> Note that there is less reason to be concerned about endogeneity here. On certain issues, interest groups may well try to persuade government officials to engage in new policy areas; for example, they might lobby the city to start new social welfare programs, or they might try to push city officials to allow more (or less) development. It is unlikely, however, that police and firefighter unions lobby city officials to start a police department or a fire department (although they might try to prevent the elimination of such departments once they are created).

the city had positive direct expenditures on police protection (92%), fire protection (82%), or elementary and secondary education (9%) as of the 2012 Census of Governments. Because government employees are not organized into unions everywhere—and I would not expect unions to be active if there are no unions in the first place—I control for the state-level percentage of workers in each occupation that are members of unions.<sup>28</sup> Also, as before, I include the measures of scope of government, log population and its square, log income per capita, and policy disagreement.

In all three columns, union membership is positively associated with the political activity of the union, as expected. More importantly, all three types of unions are much more politically active in cities where the city government is the provider of their members' jobs. While almost all cities provide police protection, column 1 shows that in the cases where they do not, police unions are significantly less active in city politics. Similarly, in column 2, I find that the perceived political activity of firefighter unions drops by 0.749—more than half a standard deviation—when the city does not have direct expenditures on fire protection. And while the vast majority of cities do not provide public education, in the cities that do, the activity of teacher unions in city politics is well over a standard deviation higher. Thus, the political activity of public sector unions is significantly greater when those unions stand to reap large, direct, economic benefits from city decisions. Notably, one factor that does not seem to matter is the scope of government: in all models in Table 5, the coefficient on scope of government is statistically insignificant, as I expected.

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<sup>28</sup> These figures were calculated by the author and Terry M. Moe, using data from the Current Population Survey, 2003-2010. Current data on union membership rates at the city level do not exist; see the relevant discussion in Anzia and Moe (2015a). However, on the survey, I asked officials to approximate how many of the police officers and firefighters in their city are members of unions or associations. (The response options were None, A few, Some, Most, and All.) When I replace the state unionization measures in columns 1 and 2 with these city-level approximations, the results are substantively the same.



These findings, combined with those of Figures 3 through 6, demonstrate the explanatory power of a policy-focused theory of interest group systems. To answer questions about which interest groups are likely to be politically active in a government, we should start by considering which interest groups have a stake in the government's policies—and then assess the nature of those interests and whether groups have alternatives to politics for pursuing them. My empirical results are strongly supportive, and they show that by following this theoretical logic, we can go a long way toward explaining the composition of interest group systems in American cities.

### **Discussion**

This paper finishes a great distance from where it began. It began with the recognition that American politics scholars have barely studied interest groups in city politics—in spite of new evidence that national politics is profoundly shaped by interest groups (Hacker and Pierson 2010, Gilens and Page 2014), and in spite of the recent surge in scholarly interest in local government (Oliver 2012, Tausanovich and Warshaw 2014). To date, the literature also lacks a theory of interest group systems that can answer very basic questions, such as how large interest group systems are, of how they are composed. These questions are as simple as they come. But the extant literature offers little in the way of answers.

I have argued that the key to understanding the size and composition of interest group systems is the *policy* governments make. Once we adopt such a policy-focused approach (Hacker and Pierson 2014), it is fairly easy to generate hypotheses about the size and composition of interest group systems. Their size should increase with the amount of policymaking authority a government has, as well as the extent to which citizens disagree about the government's policies. And to explain what kinds of interest groups will be active, we

should think about which groups have a large, direct, economic interest in the government's policies, as well as whether a given group has alternatives to politics for pursuing its interests.

My empirical analysis shows that there is strong support for these expectations. City interest group system size clearly increases with the scope of government, city size, and the amount of policy disagreement in the city. Moreover, some interest groups that are very active in national politics are rarely engaged in city politics, either because cities do not make decisions on the issues they care about, or because they have other ways of pursuing their interests. The patterns revealed in my analysis also show that interest group engagement in city politics is largely driven by particular kinds of interests—those that are large, direct, and economic, and those that cannot easily be pursued outside of politics. Thus, the policy-focused approach seems to be a very productive way of thinking about interest group systems.

In addition to development-oriented businesses, police unions, and firefighter unions—which tend to focus on a single policy area—I also find that two other kinds of groups are also commonly active in city politics: chambers of commerce and neighborhood associations. My analysis sheds some light on these organizations; I find, for example, that they spread their political efforts more thinly across a variety of issues than developers or public safety unions. But more research on these groups is clearly needed. I suspect that my theoretical logic would help to explain what they do and when—for example, neighborhood associations might be most animated when a political decision affects them in a large, direct, economic way—but exploring these possibilities would require detailed knowledge about particular neighborhood associations and their actions on particular issues. Such a data collection is beyond the scope of this paper, but this would be an excellent topic for future research.

Really, the hypotheses and empirical analysis I have presented here are just the tip of the iceberg. While I have highlighted and studied the most commonly active interest groups, there are clearly others—environmental groups, for example—that are often quite active in municipal politics. By studying the political activity of environmental groups more closely, we would not only learn more about city politics and environmental policy—we would probably also learn something new about membership organizations. In this paper, I have not taken up the question of why individuals join groups, simply because it is not the most pressing question for businesses (which are institutions) or even public sector unions (whose membership largely depends on state laws). But this is an important question to ask for environmental organizations, neighborhood associations, and chambers of commerce. Future research should grapple with why these groups form and why individuals join them—and then connect those ideas with patterns of their political activity. Research along these lines would surely have substantial payoffs for our understanding of interest groups, the political process, and representation.

As it stands, though, this paper takes an important first step. It makes it clear that if we want to understand political representation in local government, we cannot continue to ignore interest groups. Future research should connect what we already know about voters, elected officials, and elections to new studies of interest groups. Only then will we begin to understand whether—and the conditions under which—local policy truly represents the interests of citizens.

Finally, it is important to underscore that my theoretical approach to interest group systems is not only relevant for cities—it also establishes a productive lens for studying interest groups in state politics, national politics, and other local governments. What I have proposed is a departure from the theory of interest group systems that has long dominated the American politics literature: Gray and Lowery's (1996) population ecology theory. The central premise of

the population ecology approach is that interest organizations are akin to species: Their goal is to survive, and their numbers are constrained by space and resources. Their main competitors, moreover, are interest groups operating in the same policy area—because those groups are vying for the same space and the same resources. By this account, then, “the primary competitors of an environmental organization are other environmental organizations, not polluters” (Gray and Lowery 1996, 65). The predictions of population ecology theory therefore have to do with the number of interest groups of a particular type (such as environmental groups) in a government—predictions for which they have found support in their analyses of interest organizations in the American states.

I certainly do not dispute that groups sometimes compete with like-groups for survival, and the population ecology model has proven to be a valuable tool for understanding that process. But for many political science questions—including the major questions about representation and governance—that may not be the most productive way of thinking about interest groups or interest group systems. More productive, I have argued, is to think about interest groups as organizations pursuing *policies*. While at times it might be interesting to ask how many interest groups of a particular type are operating in a government, answers to questions about political representation depend more greatly on the different *kinds* of interest groups are active, the intensity with which they pursue their *policy* interests, the competition *over policy* they face, and the degree to which they are successful in getting their favored *policies* enacted and sustained. A theory of interest group systems should speak directly to those matters.

The theory and hypotheses I have developed in this paper do just that. Granted, what I have presented here is just a start. But the results are clear: They demonstrate that the policy-focused approach helps to explain interest group systems in municipal government, and they

show that this approach holds great promise as a productive new way of thinking about interest group systems throughout the United States.

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**Table 1: Survey response rates by city size**

Population	Number of cities in sample	Number of emailed invitations	Number of cities in dataset	Number of respondents in dataset	Percentage of cities with at least one response	Response rate, individuals
>=500,000	32	458	25	42	0.78	0.09
250,000-499,999	36	321	22	41	0.61	0.13
100,000-249,999	94	676	62	120	0.66	0.18
50,000-99,999	207	1423	127	229	0.61	0.16
25,000-49,999	186	1277	109	167	0.59	0.13
10,000-24,999	180	1101	102	183	0.57	0.17
<10,000	144	830	68	120	0.47	0.14
Total	879	6086	515	902	0.59	0.15

**Table 2: Characteristics of cities in the dataset, by population**

Population	% White			Income per capita		
	Cities in dataset	Cities not in dataset		Cities in dataset	Cities not in dataset	
>=500,000	0.548	0.574		28,019	28,503	
250,000-499,999	0.590	0.577		27,004	24,603	
100,000-249,999	0.679	0.607	***	28,072	25,634	**
50,000-99,999	0.735	0.672	***	30,685	27,309	***
25,000-49,999	0.773	0.736	**	31,318	27,808	***
10,000-24,999	0.837	0.774	***	34,558	27,281	***
<10,000	0.883	0.866		34,188	23,306	***

Notes: \* Difference significant at  $p < 0.1$ , \*\* $p < 0.05$ , \*\*\* $p < 0.01$ .

**Table 3: Interest group system size**

	(1)	(2)	(3)	(4)	(5)	(6)
Ln(population)	-1.439*	-1.022	-1.409**	-1.246**	-1.664**	-1.193*
	(0.718)	(0.675)	(0.609)	(0.619)	(0.629)	(0.613)
Ln(population) squared	0.099***	0.077**	0.091***	0.084***	0.109***	0.085***
	(0.033)	(0.031)	(0.029)	(0.028)	(0.028)	(0.028)
Scope of government	0.11***	0.158***	0.166**	0.201***	0.121***	0.174***
	(0.038)	(0.039)	(0.063)	(0.069)	(0.045)	(0.043)
Policy disagreement	0.467***		0.409***		0.464***	
	(0.062)		(0.068)		(0.058)	
Percent minority		1.527**		0.348		1.486**
		(0.707)		(1.485)		(0.717)
Ln(income per capita)	0.502	0.884	0.448	0.591	0.589	0.934*
	(0.387)	(0.537)	(0.436)	(0.552)	(0.356)	(0.486)
Nonpartisan elections					0.489*	0.653**
					(0.265)	(0.254)
Strong mayor					-0.461*	-0.447*
					(0.273)	(0.233)
District elections					0.222	0.067
					(0.271)	(0.290)
Off-cycle elections					-0.159	0.036
					(0.238)	(0.228)
Constant	-0.255	-5.009			-0.254	-5.301
	(6.347)	(6.798)			(5.590)	(6.004)
State fixed effects	No	No	Yes	Yes	No	No
R-squared	0.4	0.26	0.48	0.36	0.41	0.28
Observations	444	508	444	508	441	505

Notes: Standard errors clustered by state in parentheses. Dependent variable ranges from 0 (“no interest groups”) to 9 (“many interest groups”). \*p<0.1, \*\*p<0.05, \*\*\*p<0.01.

**Table 4: Business group activity in city politics**

	<i>Development firms</i> (1)	<i>Retail businesses</i> (2)	<i>Chambers of commerce</i> (3)
Land available	0.142** (0.059)	-0.004 (0.063)	0.052 (0.084)
Difficult for business to move	0.209** (0.078)	0.218*** (0.080)	0.214*** (0.068)
Scope of government	0.025 (0.026)	0.052** (0.023)	0.045** (0.021)
Ln(population)	-0.572 (0.424)	-0.002 (0.309)	0.274 (0.399)
Ln(population) squared	0.042** (0.019)	0.004 (0.014)	-0.002 (0.018)
Policy disagreement	0.114*** (0.038)	0.068*** (0.024)	0.119*** (0.026)
Ln(income per capita)	0.16 (0.182)	-0.021 (0.173)	-0.094 (0.186)
Constant	-0.248 (2.953)	0.025 (2.820)	-1.094 (3.012)
R-squared	0.3	0.11	0.24
Observations	427	426	427

Notes: Standard errors clustered by state in parentheses. Dependent variable ranges from 0 (“not at all active”) to 4 (“extremely active”). \*p<0.1, \*\*p<0.05, \*\*\*p<0.01.

**Table 5: Union activity in city politics**

	<i>Police unions</i> (1)	<i>Firefighter unions</i> (2)	<i>Teacher unions</i> (3)
City provides police protection	0.975*** (0.204)		
% Police in unions	0.99*** (0.246)		
City provides fire protection		0.749*** (0.198)	
% Firefighters in unions		0.866*** (0.262)	
City provides education			1.293*** (0.203)
% Teachers in unions			0.877*** (0.215)
Scope of government	-0.027 (0.023)	-0.011 (0.021)	-0.006 (0.023)
Ln(population)	-0.467 (0.516)	-0.17 (0.490)	-0.392 (0.311)
Ln(population) squared	0.044* (0.024)	0.028 (0.023)	0.029* (0.015)
Policy disagreement	0.094*** (0.025)	0.11*** (0.028)	0.039 (0.026)
Ln(income per capita)	-0.307** (0.138)	-0.355** (0.174)	-0.284* (0.145)
Constant	3.04 (3.153)	2.425 (3.470)	4.006 (2.585)
R-squared	0.39	0.36	0.27
Observations	434	434	435

Notes: Standard errors clustered by state in parentheses. Dependent variable ranges from 0 (“not at all active”) to 4 (“extremely active”). \*p<0.1, \*\*p<0.05, \*\*\*p<0.01.

Figure 1: Interest group system size

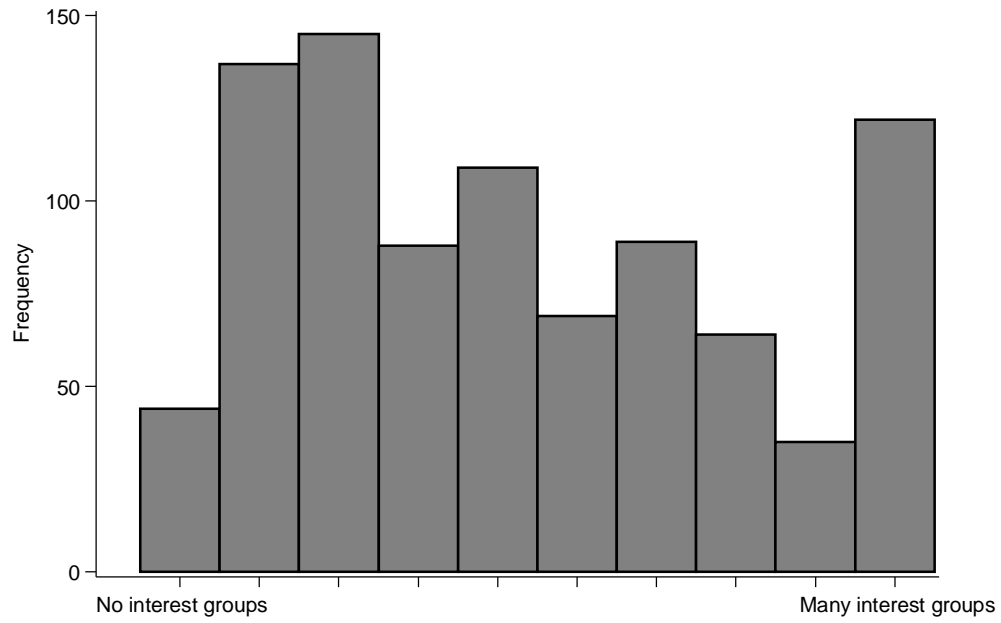




Figure 2: Lowess plots, interest group system size

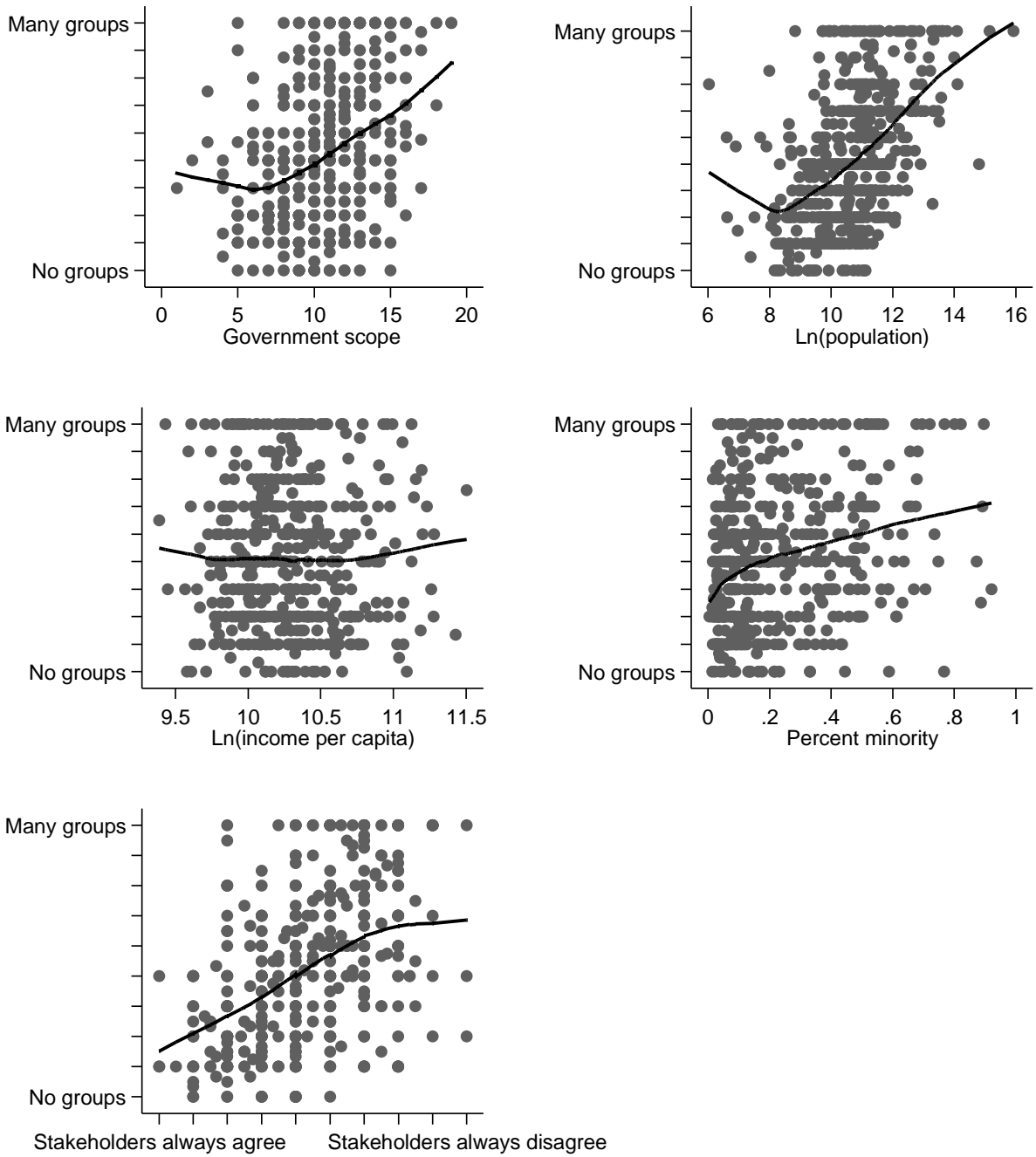


Figure 3: Average activity ratings of interest groups, cities with 50,000 people or more

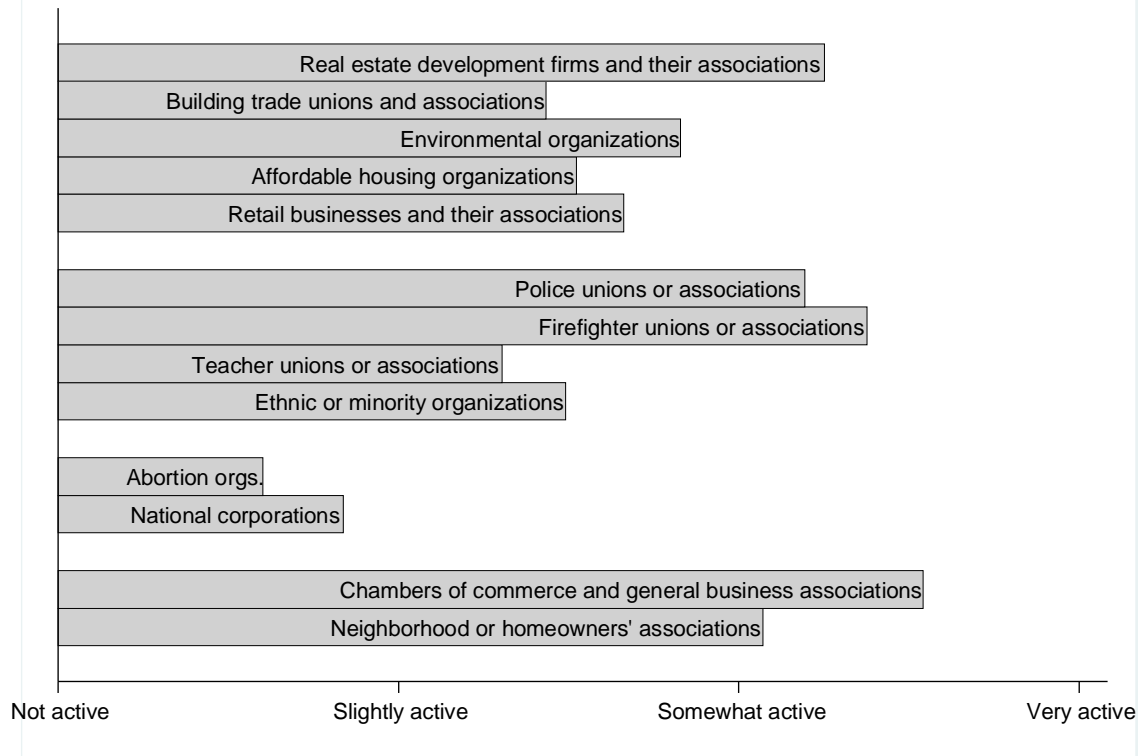


Figure 4: Average activity ratings of interest groups, cities with fewer than 50,000 people

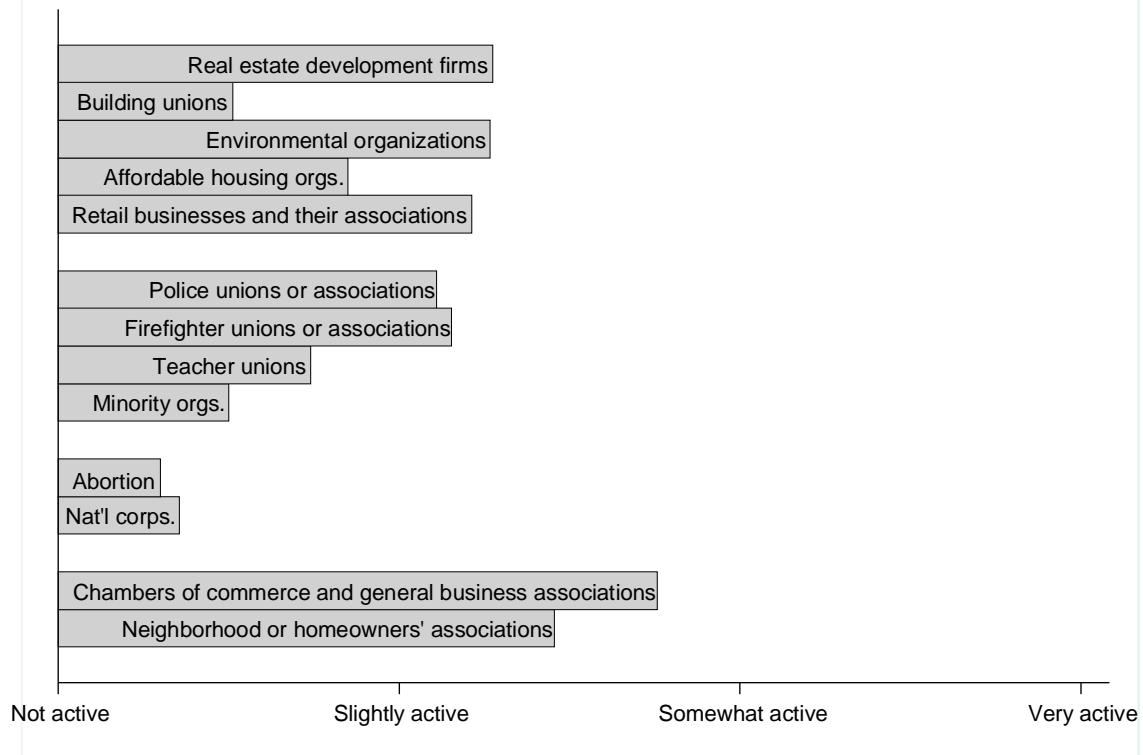


Figure 5: Interest groups active on land use, cities with 50,000 people or more

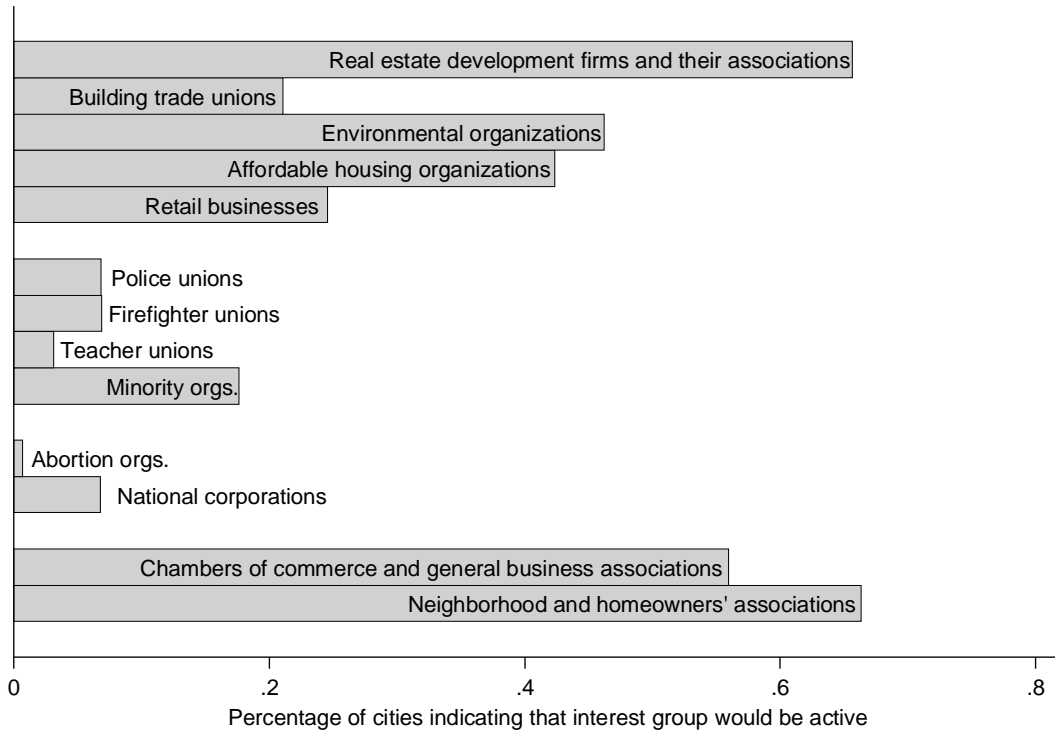


Figure 6: Interest groups active on police staffing and budget, cities with 50,000 people or more

