

Influence and Interests: How Bias in the U.S. Interest System Shapes the Congressional Agenda

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Economic inequality is at levels not seen since the Gilded Age (Piketty 2014), and large income disparities often correspond with problems such as political instability, violence, poor health, and slow growth (Alesina & Perotti 1996, Blakely, Kennedy & Kawachi 2001, Cynamon & Fazzari 2015, Winters & Page 2009). However, as inequality has risen, policies that would help balance the economic scales and promote more shared prosperity have often failed to emerge. Why have elected officials not pursued a policy agenda to combat inequality's rise? While the answer to this question is complex and multi-faceted, the central argument of the proposed research is that imbalances in economic power generated by rising inequality have produced imbalances in political influence; the resulting disproportionate sway of the wealthy has largely kept shared prosperity off the agenda.

Understanding where politicians allocate their issue attention, and particularly the pattern of ignoring inequality in favor of other economic concerns, matters because the issues politicians discuss and how they discuss them hold important implications for policy outcomes (Maltzman & Sigelman 1996, Schonhardt-Bailey 2008), for opinions of other elites, and for mass preferences (Clifford & Jerit 2013, Kingdon 1989, Lenz 2009, Zaller 1992). Analyzing congressional (non-)response to growing income inequality is especially relevant because Congress holds important authority over policies that shape the income distribution (Bartels 2008, Hacker & Pierson 2010, Kelly 2009). Thus, the proposed research holds implications for understanding the political dynamics of one of the most critical issues of our time.

Existing theories of congressional behavior cannot fully explain the relative lack of attention to rising inequality. One might expect the severity of a specific issue to be positively associated with government attention to the problem (Edwards III & Wood 1999), and existing data support this expectation for issues like unemployment and inflation—but not inequality.¹ In addition, media coverage and public concern about inequality have recently begun to increase (McCall 2013).² But while a few members of Congress (MCs) have individually emphasized inequality (e.g. Sens. Bernie Sanders and Elizabeth Warren), this sort of discourse is most notable for its surprisingly isolated nature. Instead, despite seemingly strong rationales predicting increasing congressional attention to inequality, we observe only limited discussion of the issue overall. While inequality is a complex, slow-moving process with negative consequences that arguably only manifest in the long-term, these features cannot fully account for its absence from the political agenda since a similarly complicated and slow-moving issue, the deficit, has received considerable congressional attention in recent years.

The central theoretical claim is that lack of congressional response to growing inequality is rooted in shifts in the balance of political power toward high income groups as inequality increases. When inequality grows, those at the top have a larger share of resources which can be deployed to further their political aims (Winters & Page 2009). It is well accepted that political expenditures buy access, and this access influences votes and committee activities under some conditions (Kalla & Broockman 2015, Witko 2006). But the argument here advances beyond extant theorizing about

¹From 1948 to 2010, the correlation between the percent of congressional hearings devoted to unemployment and inflation correlate with unemployment and change in inflation at $r=0.69$ and 0.59 , respectively. By contrast, social welfare hearings are inversely correlated with inequality and poverty ($r=-0.12$ and -0.48 , respectively). Hearing data come from the Policy Agendas Project.

²Data from the *New York Times* show that between 1991 and 2007 stories containing key words related to inequality increased four-fold.

how money shapes policymaking to argue that political expenditures influence the policy agenda by affecting which issues MCs discuss and which dimensions of policies they highlight. As bias in the interest system increases alongside inequality, politicians will likely avoid the issue because upper class interests benefit disproportionately from the economic status quo and prefer inequality not be discussed. Therefore, somewhat paradoxically, the theory predicts that growing economic inequality makes discussion of and subsequent policies addressing distributional issues *less* likely.

Although others have pointed to the importance of economic resources for political outcomes, this argument holds important, novel implications. Scholars have struggled to explain why so much money is spent on lobbying and campaign contributions, when these expenditures only occasionally influence roll call votes, bill introductions and other concrete policy actions (Baumgartner, Berry, Hojnacki, Kimball & Leech 2009, Witko 2006, Witko 2013). The theory here implies that wealthy interests use resources to influence the content of elite political debate, which ultimately has important implications for public opinion and policy. If a problem is rarely discussed in Congress, it is highly unlikely that tangible policy action will occur. It is tempting to view congressional speech as political hot air, but research shows that floor speech has important policy implications (Maltzman & Sigelman 1996). MCs use their speeches to try to alter the dimensions of policy debates, influence roll call voting, and shape legislation (Kingdon 1989, Schonhardt-Bailey 2008).

Furthermore, if Congress discusses an issue more frequently, it will receive more media coverage, resulting in the public thinking the problem is more important (Iyengar & Kinder 1987). And the framing literature shows that elite debate has important effects on policy attitudes (Clifford & Jerit 2013, Lenz 2009, Zaller 1992). On inequality specifically, whether and how elites discuss policies' distributional implications influences public support for legislation designed to reduce inequality (Franko, Tolbert & Witko 2013). Thus, the possibility that wealthy interests influence which issues MCs discuss and how they discuss them has powerful implications. If, as predicted, moneyed interests can keep inequality off the political agenda, this will not only influence policy outputs, but would also prevent increased public support for redistribution as inequality rises (Kelly & Enns 2010). As a result, the same mechanism that keeps policy from addressing inequality promotes public acquiescence to this outcome, allowing moneyed interests to purchase both policy inaction and public complacency in the face of rising inequality.

Time at Russell Sage would allow me to develop important elements of this project examining how inequality and money in politics have shaped the congressional agenda. The proposed research is part of a larger project with Peter Enns, Nathan Kelly and Chris Witko. Our collaborative research has received generous support from RSF to fund data collection and text analysis of the *Congressional Record (CR)* in order to develop new measures of congressional speech about inequality and other economic concerns and conduct comparative analysis of different issues. This quantitative element of the project, which is well-underway,³ uses speech data to conduct time-series analysis of congressional attention to various valence issues on the economic agenda and individual-level, difference-in-differences analysis for each MC. Speech provides an indicator of congressional issue priorities that has high validity (Quinn, Monroe, Colaresi, Crespín & Radev 2010), and quantitative analyses of these data offer considerable empirical leverage, enabling formulation of general claims about the ways in which the distribution of resources in the interest system has

³We have presented working papers using statistical analysis of speech data covering the most recent 20 years for which HTML files of the *CR* were available, and we have made significant progress developing a PDF parser, which we will use to extend the analysis back in time in a way that allows us to extract and *share* high quality measures of congressional issue attention with the scholarly community.

shaped the policy agenda over time for both individual MCs and Congress as a whole.

Despite the strengths of this approach, analyzing aggregate speech measures for each Congress, each party, or even each MC has the potential to gloss over nuance and as a result, may obscure important evidence that would help illuminate causal mechanisms through which interests shape the legislative process. Thus to complement the aggregate, quantitative analysis, I will conduct in-depth analysis of four policy areas, two pro-poor issues and two pro-rich ones. This analysis will trace the development, treatment and final disposition of policy efforts pertaining to each issue, with a focus on the ways in which organized or monied interests shape the trajectory of the legislative process. As discussed in more detail below, analysis for each issue will begin in the post-war period and extend through the present in order to assess how changes in the structure of the interest system that have occurred over time may have altered the patterns and mechanisms through which influence is exerted over the policy process. Analyzing particular policy disputes in this way will 1) enable the identification and use of more detailed, context-specific evidence, 2) permit process-tracing of policy debates to isolate how the distribution of power in the interest system shaped critical inflection points along the way, 3) illuminate the causal mechanisms linking money to policy influence, and 4) contribute empirical depth and richness to the broader project. This approach is particularly important for detecting the tactics and successes of wealthy interests, which often employ more hidden strategies for exercising influence in order to shield their goals and behavior from public scrutiny. I have begun the process of building the evidentiary foundation for this qualitative analysis, and I will spend my time at Russell Sage organizing and writing these chapters of the larger book project.

Theorizing How Money Influences Congress

The argument here posits that organizations use political expenditures (lobbying and campaign contributions) to shape what MCs talk about. While money may influence Congress in other ways, the idea that spending influences speech has not been previously theorized and has important implications for our understanding of representational dynamics. In fact, this theoretical insight can help explain why congressional attention to inequality and redistribution has generally not followed objective conditions and why the public has failed to demand more attention to inequality. As inequality has increased, political power has shifted in favor of high income groups who have used their power to discourage congressional responsiveness to growing inequality.

On economic issues, business interests and the preferences of the richest Americans often differ from those of average citizens. For example, in the aftermath of the 2008 economic crisis when jobs, the economy, and inequality were prominent concerns for many Americans, the wealthy were primarily concerned about the deficit (Page, Bartels & Seawright 2013). Page et al. (2013) also find large preference gaps between the rich and the rest regarding government's role in shaping the income distribution, such as attitudes toward tax increases for the wealthy and support for government interventions to reduce income disparities.

These differences in opinion are important because the theory here proposes that upper income interests—that is, organized interests representing business organizations, firms, and wealthy households—use their resources to promote or discourage discussion of certain issues. Previous research suggests that one of the mechanisms through which organized interests exercise power is by keeping their concerns off the policy agenda and preventing expansion of the “scope of conflict.” This allows interests to control outcomes in the policy subsystems that directly affect them (Baumgartner &

Jones 1993, Schattschneider 1975). All organized interests want Congress to focus on “their” preferred issues and ignore others, but we argue that upper income interests possess the resources to make this happen through two mechanisms. First, campaign contributions can be actively deployed to reward (punish) politicians for discussing the concerns of the wealthy (the poor). Second, political expenditures may passively shape which issues MCs (do not) discuss. From both the active and passive perspectives, if the wealthy are more dominant vis-à-vis other interests we should see less discussion of inequality and redistribution.

Tracing the Influence of Upper-Class Interests in the Policy Process

In order to test our argument about the link between resources from upper-income interests and political elites’ attention to economic inequality, we have devised a research design that incorporates two main elements: 1) statistical tests of the relationship between political expenditures and congressional speech and 2) in-depth analysis of the way that organized interests have shaped policymaking (or stasis) in four issue areas with clear and divergent distributional implications. For the first element, we are devising a text-based measure of congressional attention to economic issues, which has required developing a database of well-organized, machine-readable congressional speech and then applying text-mining procedures to this database to derive measures of attention to a series of valence economic issues, including inequality, economic growth, inflation, stock market performance, poverty, unemployment, wage/income growth, productivity, consumer spending/confidence, and the deficit. We have made substantial progress toward this goal. The most recent 20 years of data have been processed and coded, and we are developing a parser to be applied to older PDFs of the *CR* in order to construct congressional speech measures for our research and for broader dissemination in the scholarly community.⁴

While the complexities associated with parsing, coding and analyzing the speech data lie outside the scope of this proposal, preliminary time-series analysis of congressional issue attention and difference-in-differences analysis of individual MC’s rhetoric indicate that as MCs become more reliant on resources from upper income interests, more speech focuses on problems prioritized by these interests. Conversely, when MCs receive a greater share of campaign resources from labor, they are more likely to discuss inequality and redistribution (Enns, Kelly, Morgan & Christopher 2016). While additional analysis is certainly necessary, these results provide initial support for the theoretical expectation that shifts in the interest system favoring the wealthy are associated with less attention to inequality and more discussion of upper-class concerns.

The second component of the empirical analysis is an in-depth examination of how policy effort has evolved in four issues areas. This portion of the project would be my primary focus at Russell Sage, and it is research I am especially well-suited to carry out given my past work employing historical analysis of legislative policy responsiveness (Morgan 2011). This approach facilitates a richer, more nuanced understanding of the precise mechanisms through which powerful interests shape the policy process, allowing us to assess how broad patterns observed in statistical analysis are reflected in specific interactions and decisions within Congress. Conducting these policy case studies requires selecting issues that provide variation in the interests that would benefit from

⁴Other attempts to parse and code the *CR* before 1995 rely on data from LexisNexis, which are under strict licensing restrictions and cannot be shared. Our analysis employs data from HeinOnline, which has granted us a less restrictive license that allows us to create derivative data from the *CR* PDFs and make those data available.

congressional attention to the issue as well as variation in the structure of the system of influence. The goal is to include some issues that are clearly pro-poor in their orientation and others that are pro-rich and to include observations from periods when the interest system is heavily skewed toward upper-income concerns and periods when the system is more balanced. To keep the set of issues manageable, we have chosen to concentrate on four that satisfy these criteria: housing assistance and healthcare assistance, which are pro-poor, and financial deregulation and restrictions on worker rights, which are pro-rich.

Each of these issues has made its way onto (and off of) the legislative agenda over the span of the post-war period. Therefore, examining the evolution of issue attention and policy effort in these areas ensures inclusion of observations during times when upper-class dominance of the interest system has been pervasive (i.e. since the mid-1990s) and times when lower-class interests have been less disadvantaged (i.e. 1950s-60s). Looking at temporal shifts within each policy area also allows us to control for potential idiosyncracies within the issue domain, which are likely to remain constant over time even as power in the interest system shifts. Moreover, historical analysis provides an array of relevant empirical observations that include a series of paired comparisons. These paired comparisons provide the empirical leverage necessary to hold constant or rule out factors associated with potential alternative explanations for congressional issue (in)attention, including budgetary implications of proposals, scope of proposed policy changes, institutional constraints on policy productivity (e.g. divided government, filibuster, etc.), and the state of the economy. Generally, when the interest system is skewed in favor of the wealthy, we expect little distributional discourse in congressional rhetoric, with the possible exception that pro-rich actors will critique pro-poor policies for trying to soak the rich. Conversely, when the interest system is more balanced, we hypothesize that pro-poor actors will emphasize the distributional consequences of policies in their discourse, while pro-wealthy actors will remain quieter on regarding the distributional dimensions of their favored policies.

The empirical foundation for this analysis draws from a variety of data sources. Campaign finance and congressional speech data employed in the quantitative analysis outlined above will also make an appearance here, through in-depth analysis of MCs' speech patterns and through comparisons between the nuances of their discourse and their financial contribution records. But the analysis will move beyond these data to identify more subtle expressions of influence over MCs' speech and behavior. Relevant data here include: the archives of congressional committees, which will enable me to ascertain which groups are invited to speak at hearings and explore who has access as legislation takes form; the lobbying disclosure database, which provide information about lobbyist contacts in specific issue areas; public records of interest group endorsements, which point to ties between particular interests and certain members of Congress; and committee chairs' archived papers, which may shed light on who important leaders are meeting with and what they are discussing. These data will be paired with careful legislative histories tracing the evolution of policy effort and proposals falling within each issue area, which will draw from a variety of sources such as congressional archives, Policy Agendas data, news reports from places like *CQ Weekly* and *Roll Call*, and other secondary sources. By tracing the ebb and flow of policy effort pertaining to each issue area and linking those efforts to evidence that upper- or lower-class interests have access, this analysis will illuminate the conditions under which groups are able to shape the trajectory of congressional discourse or action and how this influence is accomplished. This portion of the research, thus, offers insight into the nuances of discourse and the mechanisms through which the structure of the interest system shapes what Congress does and says (or leaves unsaid).

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