

PRESSURE GROUPS – THE ALLIES OF THE CITIZENS, OF THE POLITICIANS OR JUST DEDICATED TO THEIR OWN CAUSE?

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Abstract

We, the people leaving in democratic societies, have come across information about pressure groups or interest groups and political interests coming together under the usually harmless terms of “in the help of every single citizen”, but very often actually working in a manner more then detrimental to him. Interests are given birth daily and in the name of public welfare we were (and still are) convinced that in the name of the society’s interest, the action of groups may lead to a better life standard. Unfortunately this is not always the case. And this topic and its reality inspired me in coming up with this paper. The motto states perfectly what a democracy stands for “In a democracy people do not obtain what they do not ask for”. Along my essay I will try to prove it.

My paper is meant to discuss freely and openly about the cohesion existing at the level of any society, generally speaking between policy takers and policy makers. It is up to each and every one of us to reach the conclusion on whether who is who between the two categories.

The paper is organized starting from the general context in which groups work) and then continuing with its products and services (with the effects they obtain on behalf of their actions). After that it analyzes the market itself – the space where pressure groups’ action take its course – as an universe becoming bigger by the second according to national legislations worldwide. It is commonly understood that societies are working together for a purpose, mainly through politicians and interest groups representing them. The paper intents on making an objective analysis of these societies based on their level of development. After catching a glimpse on how these groups are formed or how they work the paper explained the economic of the “business” by entailing the marketing plans groups use in their projects. A separate section was dedicated to the Romanian context with a special emphasis on the non-regulatory status with regards to pressure and interest groups, and generally speaking, to the lobby phenomena.

Keywords: pressure, interest, political, groups, lobby, needs

Introductory Notes

Understanding the nation as the space for free trade and perceiving the whole society as a market, Adam Smith “assembles” the two concepts and concludes that in fact the national market is not just an extension of the economical in the geographical area, but also an expansion in social economics. The relations between people are understood as

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relations between commodities, without reducing the social relations to the economic ones. This means that when it came to human relations it was inappropriate to make any considerations of ranks based on origins and what was really important was the intrinsic value of men, or, according to what Shopenhauer will later say “*So, the first condition of our happiness is our personality*”.

Therefore the society is a complex area where distances between individuals have multiple determinations, the economic one being by far the most essential due to its expansion and interplay in all levels of a society. Gradually, the economic development will undermine the social structure imposing new hierarchies and a new elite. The process is very slow and will have its origins in the space of *political ideas*.

At the level of a society, a sole individual has no actual power and no ability to impose his views and beliefs at the level of the society. This can nevertheless be done by an affiliation to a group which may faithfully represent his own interests and structure his needs in a manner suitable enough to be agreed to by those who do have the power and the resources to do so. This kind of group's organization is presumed to be backed up by on one hand, an extremely developed, coherent internal marketing capable to express the member's wishes in the form of a converging vector, and on the other hand an external one able to ensure an useful and lasting relationship with the other structures in the society. At the political level, nowadays it can not be claimed that any *pure* ideology is still *profitable*, a core criterion based on which decisions are, more recently, taken. It has come down to compromise² solutions which, in an extremely permissive ideological manner, reunite a certain socio-economic-political thinking as the only way in which a strong leader can draw on its side a big number of members and supporters who could substantially enlarge his power in the society. A pure and genuine ideology is no longer profitable and even more than that, an ideology of compromise can ensure a continuous oscillation of politicians for an honorable “safety exit” whenever explanations for political measures with no viable results occur.

In case the democracy is not thought to be a peaceful “game” of power, it can become very easily a complete chaos.

Capitalism is not a conglomerate of greedy personalities, because pursuing the interests everybody might have claims an intelligent and rational behaviour. ***The interest represents the most efficient limit against absurd despotism.***

The Power And The Values Of A Nation

All the literature written on the international economic affairs reflects the preoccupations of the governments, and very seldom, those of the people. It usually overcovers the interests of the most powerful governments.

The power of a nation (and the wealth of its people) is a result of a strong economy and a decent (not ideal!) political system tight together. It is just not enough to state that the political people doesn't look as often as it should at the economical aspects, and

² Like the “popular democrats”.

viceversa. *Saying that in poker there is a connection between a cards' game and winning a considerable amount of money is different from actually playing poker and winning money.*³

The three main criteria upon which the world is judged are the following:

- Economical and social relations (based on the production processes)
- The political nature of the state power
- The characteristics of the world, in its most predilect aspects

On this ground, the essential values that the humans are trying to ensure through social organization *are wealth, security, freedom and justice*. The four underlined values occupy different roles, though , from one society to another. Therefore, from the standpoint of any society, a corresponding norms set insures a *certain* level of wealth, a *certain* level of security, a *certain* freedom rate and a *certain* justice for people. Societies differ from one another by combining different proportions of basic values. The question is what values are a priority for this set of rules? And which are the values least important? Moreover, there are the old questions of political analysis: “who gets one from this? “who wins and who loses?” “Who exploits the opportunities and who becomes a victim?”

The political economy based on the regimes' topic has to answer some questions which are apparently ignored. There have to be identified the sources of this power: the coercitive force, the market success or wealth, the adherence to an ideology or a beliefs' system. *It is impossible* for the development economists *to observ the markets for exportable goods without noticing the political forces acting on them*. This particular side of causality is the one that will be subject to this essay.

The Freedom Of The Individual

From the economical point of view, every individual has his own interests and objectives with regards to the results of colective decision making (as a sum of individual actions), therefore the interests differ from one person to another. As there exist the need of reconciliation of these often divergent interests, it is thought that the best way of achieving lies⁴ in negociation and exchanges.

The reconciliation of individual interests in a society starts from a common direction and a set of norms priorly agreed upon. This set of rules is simply the constitutional framework of a state together with an appropriate regulation of property rights. Civilization itself is based on the fundamental difference which the civil law makes between owners of goods and goods. And the Constitution is a set of rules accepted by a community, and works as a set of rules to be obeyed. In collective choice, however, any rule that does not embody a consensus leads to external costs (for those who have not given thie consent or were part of the minority), as resources tend to be allocated inefficiently because of option's mechanisms. What is therefore the best way to make choices so that all people should be happy and feel that their interests find their correspondent within the final solution? It was agreed by scientists and economists who issued theories over time that the method is achieving unanimity!

³ Staniland, 1985

⁴ According to the economic theory of collective decisions

Within a democratic society (meaning the absence of any deliberate political exploitation), individuals are not free. The very freedom which each individual assumes is actually a social commitment. Some rules will allow certain individuals in the group to use the structures in order to get the differential benefits. *Only when a particular variation of a final decision is in the interests of all parties one can appreciate that this variation indicates an "improvement."* Economics as a science was itself called "the study of incentives," representing how people get what they want or what they need (depending on interest), especially when others want (need) the same things. From here we can easily and clearly deduct the need for "understanding", for the negotiation mentioned above.

Market and State are two instruments through which cooperation is organized and made possible. Through the market there exist the exchangings in goods and services which ensure mutual gains from transactions, and at the level of state a lot of individuals will always find it mutually advantageous to join forces in order to accomplish a *common* objective. Here is the level where factors "change" as to obtain goods, which are usually shared. It is about "political exchange" which allocates resources to produce public goods. The paradox here is that it eventually comes down to the situation when *the same* individual is involved in both processes at once. And this is where the so-called "conflict of interest" are given birth to.

Pressure group has become indispensable for the well-functioning of the political structure, as in any society private interests have the tendency to fusion with the purpose of obtaining advantages from the government. It is the nature of things that people try to put pressure on competent authorities⁵.

Interest group, formed and developed in primary historical communities consists of a number of people united by one or more interests in common. Any group holds together people having specific relations, frequent enough to lead to a model of collective conduct. As such, **exercising influence requires organisation**. Driven by a common interest, a group of individuals expresses demands, claims or issue positions that directly or indirectly affect other actors of social life. Although it was considered that there is no interest group that should not be tempted to exert pressure, the only valid features being the frequency, size or style in pressing, one needs to distinguish between the two categories. A pressure group does not act only by pressing nor is its influence unidirectional. An interest group is a potential pressure group that transforms as such when its action is directed towards an authority able to make decisions in favor of the interests protected.

Interest groups are the result of free and rational association of individuals, aware of the impact of their action, around a practical goal.

Interest groups may be either power groups that oligarchically control resources, or interest groups based on forms of association of individuals which achieve certain objectives.

If a limited government (with the existence of a universal law applicable for all groups), individualistic theory of collective decision falls. In the case of a government which

⁵ G.Burdeau, *Traité de science politique*, Paris , 1968

directly uses for instance $\frac{1}{3}$ of GDP, interest groups recognize the "profit" to be made from political activity. When a substantial part of overall legislation exercises various measurable effects on different groups of population, it must be identified the means by which these conflicting interests can be reconciled.

A clear distinction between the categories of pressure group, interest group is still difficult to be done, as an interest group can turn at any time into a pressing body. Robert Salisbury and Kay Lawson believe that individuals seeking to join a group are after three main benefits: material, of solidarity, of purpose (the action in the name of certain values being rewarding enough to compensate the personal retributions

The Similarity Economic Market – Political Market – A Technical Approach -

In the opinion of modern politologues analysing collective action presumes starting from the hypothesis that the individuals seek maximizing their power over other individuals, as the political activity is seen as an *exchange function* (an idea similar to the maximization of the utility in the market place). The perspective of maximizing power presumes that from the game theory standpoint, we have to deal with a game of zero sum.

When it comes to the rationality of the individual the economic processes, there are taken into consideration budgetary restrictions, the consistency in options, the choice of most likely the "more" instead of the "lesser" depending on the marginal substitution rate, which varies in direct connections with utility. The analogy made for rationality in collectivity is related to public goods and refers to the acceptance of a scope and also of a capacity to choose between the alternatives that will lead to the obtaining of that particular scope.

The rationality degree when the public sector is taking into consideration is lower for at least two reasons:

1. *the presence of uncertainties* of different kinds
2. the necessary *ignorance* (from the economics' perspective) one individual must have.

The institutional manifestation of the active promotion of economic interest resides , in big political entities, in the pressure group. The reason itself for the existence of such groups lies in their capacity of promoting and sustaining , through political options' process, the particular functional interests they represent.

During last years , the role of pressure groups or of the special interests in the political democratic process has come up to be accepted as inevitable, if not even "desirable".

Public Interest– O Conceptual Approach

The importance and the activities of interest groups within the political process are not independent of nor size nor budget of the government structure. Moreover, for "stringency" it can be appreciated that the activity of interest groups, measured in terms of organizational costs, is a direct function of the anticipated "profits" from the political process. Organized pressure groups are expected to arise because of the differential benefits resulted from the political process and, therefore, differential benefits for the groups are obtained precisely because of an organized activity. It appears, in this case, a

spiral effect, whose results can be seen in the income tax structure in different countries, in the tariffs and laws in many fields especially economic.

If every individual in his capacity of a group decider, could in his own account, to match its share of total benefits to its share of total costs (a relatively “utopic” fact), the groups would have relatively small incentives (due to lack of sufficient authentic possibilities) to use the political process to obtain benefits on behalf of their fellow citizens. **Just the opportunity to earn differential benefits from collective action attracts the political group "that seeks profit."** Moreover, the earnings differential can be obtained in either of two ways: either approving activities that create certain benefits for some individuals and groups, but create overheads externalized to all community members, either by approving activities that provide general earnings for all members of the society, but impose costs only to some groups or individuals⁶.

The Economic Value Of Political Decisions

There is an economical value intrinsic to the political votes, confirmed by the selling-buying of individual actions. *If this relation with an economical aspect had not exist, the corruption would be impossible!*

Theological chain is the following: the individual vote determined collective decisions on the basis of income and personal belongings, which themselves, determines economical effects. On the moment that the participant admits the economical value of his own vote, he will be motivated in engaging in a “trade”, this being the subject of the **logrolling**⁷. In the name of this exchange resides the “compensation principle” which appears when there exists a minority which can overturn the vote (by blocking it). From the perspective of the game theory, compensation payments do not refer to vote buying with money, but to the exchange of votes for different matters. When an individual is very eager to gain something in one issue, he “sells” his vote for serious problems, this way insuring his winning in what he is interested in.

The economical value of a vote also implies a purchasing power related to it, equivalent to the value of its support in the problems the others seeks solutions for (very close to a classical barter) and acts very similar to the money market.

The Market Of The Political Votes

Is politics an attempt to fulfill idelas, or is it a struggle to obtain advantages within the limits of ethics? Is ethics a purpose or a limitation? (Lord Acton)

Any law can be accepted by all parts involved, until one of them has the privileged chance to gain a substantial advantage. At this point, the individual, who expects to win, will most surely want a change in the rules which allow him to explore this unforeseen situation. A contract will be adopted with the support of this individual, exactly because the situation is new and unexpected. *Ex poste*, the individual, in the face of the possibility to

⁶ The necessary condition for the existence of externalities lies in a the difference in distributing between the members of the community the benefits and costs determined by collective action.

⁷ The term *logrolling* refers to the exchanges and compromises mutually advantageous

win, will strongly object to the active status-quo, which would be the same thing as changing the rules of the game in the advantage of one single player.

Just because these situations (unforeseen) are randomly distributed, the agreement becomes possible. The analogue market situation is to be found in the competition territory. **If there had been possible an anticipation of perfect functioning of the markets, it would have never been necessary for the state to enforce antitrust laws.**

A firm that ensures temporarily a monopole position will tend to be “embarrassed” by the occurrence of other firms producing similar goods and services. Any restriction on the free mergers between firm’s (and of forming price agreements) will lead to a denial of the “exchanges from trade”, still, being acknowledged that certain types of agreements could lead to dominant key players on a market, which are not easy to replace. Due to the imperfect mechanisms of establishing equilibrium it becomes rational to try to forbid this kind of agreements.

If it is presumed that individuals do not try to promote their own interests, but for the contrary, they look for a certain “public” interest (“common welfare”) , then at the time when he takes part in the collective action, the selling of a vote becomes illegal because the receiving of an amount of money is a clear proof of the fact that the individual obtains “private” earnings due to his political power.

Here is the actual bond with the interest groups. These admit that they seek a private interest (an advantage for the sector they activate in) , but they invoke the argument of social welfare and of the fact that the whole society will win from changings in legislation and from certain preferential agreements between the groups and the state.

There is a conflict between two theories, that of the hydraulic state and that of the multiple centered state: the state should’t hold the monopole of force, being allowed this way to become too powerful for its society. It must have enough power in order to maintain peace, but not as much as to offer temptations to ambitious people.

(Wittfogel)

The Politics Of The Interest Groups

L.H. Zeiger, S. McCally Morehouse and other authors define the interest group through the context the state gives to them. First of all, there has been identified an inverse connection between interest groups and political parties : in the states where where parties are very powerful, interest groups tend to be rather weak, and in the states with less powerful parties, the groups tend to become powerful. If political parties are strong, interest groups work through them. In the absence of a “party leadership”, the groups tend to fill the gap, by becoming important recruiters of candidates and by financing campaigns and therefore, they will considerably extend their decision making. Second of all, it has been noticed that a bigger economical diversification of the state makes the group’s policy to not be dominated by only one interest. As long as the group becomes more and more “chaotic”, there is the so called “hyperpluralism” or a multiplicity of groups which result.

Any liberal society defends and protects the pluralism of its groups, because they represent “normal rebufs of the citizens” who feel weak or uncertain in front of the power holders.

They are means of equilibration for the state, a form of counterpower. But as the overpowered state is to be avoided, the same thing should happen in the case of groups, which should not become “naturally hegemonic”. It is desirable the “groups inside the state” formula instead of the “state inside groups” one, in such that there should be avoided the “legiferation agencies’ capture”.

The Functionality Of The Groups Via Lobbying (Case-Study: The Anglo-Saxon World)

In America, the title of "pressure group" was changed in every way, but not so much in association with the term "interest group". The word "interest" is seen as having a far less significant impact on the word "pressure" which could allow nuance towards undemocratic tendencies and activities that support the ideas behind them, especially where minorities are under consideration within a community.

In Great Britain, for example, interest groups, not individuals, parties or classes are the most essential elements of the public politics. Individuals can participate in politics through groups and are more efficiently represented by groupings. The world outside the groups has no interest and any yet unorganized individuals have the potential to become an organization. Throughout the UK there is a basic principle which refers to the absence of any interest group domination in the political process (*checks and balances* system). It states that there must be a balance, a balance, a fair competition.

Any pressure group has, apart from what is open to the public, its own conjectural history, but the specialists identified three determinant factors crucial for the future development of the group:

- The moment when a group of unorganized people are negatively affected by a change.
- The leadership of an interest group
- The socio-economic structure of the group’s members

In the anglo-saxonic world, the society is perceived as a group of interests , and the wisdom appears to occur in the finding of the institutions and the mechanisms that allow interest groups to negotiate in a peaceful manner and reach an acceptable compromise. The optimal system is undisputed to be the constitutional democracy, but within certain limits:

- the political game’s rules are not subject to question when they hold the power (eg. free-elections are not abolished only after the elections have been won).
- fundamental human rights are not subject to question (life, freedom, property, freedom of speech) because they are not a matter intrinsic to a vote, but they are a part of the laws’ sovereignty.

Because the U.S. remain, in general, a desideratum of a “healthy” democracy, the comparison between any other society and that of the U.S. comes beforehand. As much as it comes beforehand, in case of Romania, the question “ How strong is this sovereignty of law in Romania?” . And this because for instance, in our country, there are groups not admitting that property (including combating theft from the public welfare) or freedom of speech should be intangible.

When interest groups try to influence the changing of the laws and of the rules, it is acceptable, but when they literally make pressures for breaking them , this is not acceptable anymore.

If an interest group has the intention to “press” on a problem on the government agenda, all it has to do is to organize this specific problem in a policy.

German specialists have divided organizations from a country in three main sectors:

1. THE STATE – parliaments, governments, administrations, judiciary
2. THE MARKET – mogulis, big companies, little and medium sized companies
3. THE ASSOCIATIONS – interest groups, societies, clubs

The the democratic system from *Switzerland*, the groups have as well, a great influence , and the government and the parliament find it impossible to ignore them.

On another hand , *France* is one place where there existed serious reticences about the benefic character of the pressure groups, as they were considered a subject of scandal.

In the *USA* “the lobby is a critical part in the legislative process”, said once Robertson.

The Lobby ⁸ is nothing else but the *legal frame* by which one can make pressures, without distorting the democratic system or the law state and which, also, prevent the formation of the underground networks (through justice, which can enforce penalties). Sometimes, the lobby phaenoma refers to anyone willing to influence the ones holding the power (be it legislative, executive or judiciary). Many times the lobby, in the negative sense, is infavored by the lack of dignity of one parliamentary or public clerk, by the incompetence or the weakness for the media’s influence, by the fact that they are easily influenced , all these making extremely incoherent their political activity. Unfortunately, there are cases when the lobby is made starting from the media’s manipulations and leads easily to blackmail, blocking the public streets or illegally financing of some parties or parliamentars. In Romania, for the time being, the legislation in charge of preventing and penalizing the illegal and dangerous activities is, still, extremely weak.

“*The only way of serving in a durable manner the particular interests is to know the way suitable to address through them the general interest, which means putting them in charge of a big cause.*” (Michel Borgrand).

⁸ The expression “lobby-hall” politically means “hall of the Parliament” and “influencing the parliamentaries”

The Romanian Type Of The Conditioning ***Economic Interest – Political Interests***

Any retrospect of the Romanian transitional process encompasses a certain scenario of the “stop and go” type, with a traditionally feature, repeated after each presidential campaign. *Political interests* appear in our country in the shape of many preoccupations of the “who is the prime minister?” type, “whom does the Finance Ministry defends?”, “ how can a partu be made?”, and the *mediatic* ones presumes the control over newspapers, televisions and news agents.

Regarding economical interests, they refer to the elimination or the defaming of the competition. More than a century ago, Dionisie Pop Martian concluded with big regrets on a true fact about Romania : « *All the bad things Romania is haunted of and which destroy its future come from the fact that Romanians do not put politics in economy and economy in politics* ». With a strategy of very little coherence and not enough consistency, the Romanian transitional management allowed the continuous negative forces of changings to occur. Too often mentioned *social peace* has become the slogan based on which the officials have sacrifices the foreseeable future.

In essence, the problem of the role played by the state in the Romanian economy was and remains that of the quality and not of the quantity of the political policies.

The dependence of the economical sector of the political one (because competition was not present on our market at the right time) maintains at rather high levels and has become disturbing for businessmen, even for those rising on the basis of the political system which they used entirely. It was easier to act in this manner and interests too high to leave room for correctness.

Romanian state remains captive from two main reasons:

- once because it was considered to have addressed tht goodwill of the European Union for its acceptance inside the union(because it does not get any other chance)
- second, because, still, it is permitted the existence of some very important companies which set the tone in the Romanian economy.

Romanian experience shows that, whatever the political color of the governmentals, they only react to pressure. To the extent that these pressures are constant and are based on popular support and publicized action, they can succeed.

Conclusive Remarks

The logical chain the paper was based on is the following: identify a need, formulate it in a policy and make it a political issue. It is the modern way of achieving goals in a democracy. Therefore it might be more than fair to consider that “a political problem is an economical problem without solution” (Georges Elgozy).

People, fortunately or not, have to be told that they are entitled to do things. And because they are not always told to, they find themselves at a big disadvantage. But they should always keep in mind that they will never receive what they do not specifically ask for.

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