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**The Politics of Problem Solving:
Housing, Pensions, and the Organization of Interests**

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Abstract

Good governance and effective problem solving are important goals for American government, and one branch of political science that focuses on them is research on the politics of public policy. This brief summarizes important insights from that literature and illustrates their relevance to two problems: housing unaffordability and public pension underfunding. With housing unaffordability, problem-solving politics is currently activated, whereas with pension underfunding, it is not. To understand why, it is important to consider the features of the policy, the organization of interests, and the politics of problem creation. In the problem-creation stage, the two cases share much in common: they feature lopsided interest structures buttressed by longstanding institutions. But for the activation of problem-solving politics and what problem solving looks like, there are meaningful differences between the two. One difference relates to how the problems are experienced by the broader public. The other is that in one of the cases, the side with vested interest in the status quo is a well-organized interest group. In both cases, problem-solvers tend to emerge from political offices with broader constituencies: state-level offices for housing, and executives (governors and mayors) for pensions.

Key Words

interest group
policy
housing
pension
union
local politics
state politics

Good governance and effective problem solving are important goals for American government, but modern American politics research tends not to focus on them. While there is a separate field of public policy analysis that is heavily focused on problem solving, most American politics scholarship is quite different from policy analysis in its overall approach and orientation, as I summarize in the table below.

First, policy analysis generally starts with an outcome and aims to understand what influences that outcome (Bardach and Patashnik 2023). In contrast, a great deal of political science research today starts with interest in some independent variable, such as partisanship, and looks for outcomes it might affect. Second, in policy analysis, researchers consider multiple criteria and nearly always confront tradeoffs. In political science, many researchers instead rely on a single criterion or benchmark, such as representation (of the mass public’s stated preferences) or democratic participation. Third, important aspects of policy analysis and problem solving are specific to the context: not only do they look different in Chicago and the U.S. Congress, but also, within a government, problem solving varies by policy area, point in time, and stage of policy development. Furthermore, unlike representation and democratic participation, for which it is usually assumed that movement in one direction is always desirable, policy analysis and problem solving are more like a search for balance among potentially conflicting goals, where the corrections needed depend on where one is starting.

Policy Analysis and Political Science: Differences in Approach and Orientation	
<u>Policy Analysis</u> ¹	<u>Political Science</u>
Starts by defining the problem (an outcome, or a <i>Y</i>) and looks for <i>Xs</i> that affect <i>Y</i> .	Often starts with an <i>X</i> (e.g., partisanship) and looks for <i>Ys</i> that <i>X</i> affects.
Uses several criteria, usually involves confronting tradeoffs.	Often uses or implies a single criterion (e.g., representation).
Specific to the context. The corrections that are needed depend on the starting point.	Movement in one direction is considered desirable (e.g., more participation).

For political scientists hoping to engage in questions about problem-solving politics, then, a good starting point would be to adopt some of the approaches listed on the left side of the table. Moreover, there is a branch of political science literature that already does some of this: research on the politics of public policy, or “policy-focused political science” (Hacker and Pierson 2014). Policy-focused political science considers how the substance of public policies affects their politics and how politics affects the policies we get. With its emphasis on policy, it is outcome oriented. Much of it also embraces the notion that important aspects of politics and policymaking are context-specific. In addition, political scientists focused on policy have landed on interest groups as important contributors to the phenomena they seek to explain. This makes sense, because of all the political actors milling about in a political system, interest groups are the ones most clearly focused on public policy. They engage in politics *primarily* to secure favorable policies (in contrast to voters and political parties, which may care about policy but also have other aims). Research on interest groups and the politics of public policy therefore go

¹ Most of this column is drawn from the Eightfold Path (Bardach and Patashnik 2023).

together, and they also go together with problem solving. After all, the way governments try to solve public problems is with public policy.

In what follows, I summarize some important insights from both older and more recent policy-focused political science literature. I then illustrate the relevance of these insights to two ongoing problems that are mainly the responsibilities of U.S. local and state governments: housing unaffordability and public pension underfunding. Readers may have heard more about the former than the latter, and that is a feature, not a bug. With housing unaffordability, problem-solving politics is currently activated, whereas with pension underfunding, it is not. To understand why, it is important to consider the features of the policy, the organization of interests, and the politics of problem creation. In the problem-creation stage, the two cases of housing and pensions have a great deal in common: they feature lopsided interest structures bolstered by longstanding institutions. But for the activation of problem-solving politics, and what problem solving looks like, there are meaningful differences between the two. One difference relates to how the problems are experienced by the broader public. The other is that in one of the cases, the side with vested interest in the status quo is a well-organized interest group, and that makes an enormous difference. In both cases, however, when problem-solvers do emerge, they tend to emerge from political offices with broader constituencies.

Policy-Focused Political Science

In contrast to the large body of American politics research that makes generalizations by removing the policy specifics from the inquiry—for example, generalizations about elections, incumbency advantage, or legislators—policy-focused research *starts* with the policy and seeks to understand why policy developed as it did and how policy gives rise to certain forms of politics (ibid). Moreover, when policy is the starting point, it becomes clear that the organization of interests is usually an important part of the explanation.

One simple but powerful idea articulated by Wilson (1995) is that the nature of the costs and benefits of a policy—whether they are concentrated or distributed—influences the kind of interest group politics that emerges. If a policy benefits a well-defined, concentrated group, and the costs are spread across a large group, it is common to find a politically engaged, organized group of beneficiaries with little to no active opposition. Similarly, if the benefits of a proposed policy are distributed but the costs are concentrated, there is usually great resistance from the cost side and little activity by beneficiaries. Others have offered more detailed definitions of what it means for costs or benefits to be concentrated or distributed: Moe (2015), for example, explains that even when the affected group of people is large, a large material benefit (or cost) can still spur mobilization, and I have argued that large, direct, regular, and economic costs and benefits are most likely to inspire interest group activity (Anzia 2022). Underneath this is the basic point that policy affects the organization, activity, and intensity of interests—and that oftentimes, the result is dominance by a single interest group rather than pluralism.

Arnold (1990) uses similar ideas to explain congressional behavior and predict when legislators will consider the preferences of inattentive publics. Attentive publics make their preferences known and are already politically engaged. But legislators also consider the likelihood that a policy decision they make will activate inattentive publics, and that depends on features of the policy decision. Arnold proposes, for example, that large policy changes that affect people in close proximity to one another are more likely to be noticed than small changes that affect a geographically disparate, unconnected group. Legislators also consider whether any

noticeable adverse changes are traceable to their actions, which is less likely when the causal chain between policy decision and outcome is long. One interpretation is that on most policy matters most of the time, the mass public remains inattentive. Legislators not only anticipate this but also can try to design policy to *avoid* activating the inattentive publics that bear the costs.²

These theories shed light on how the “normal” politics of an issue depends on features of the policy, but what, then, can disrupt the normal politics? Schattschneider (1960) notes that it is often the weaker side that expands the scope of conflict and brings in a broader audience in hope of changing the outcome. Kingdon (2011) argues that when governments suddenly take up an issue, it is often because the problem has gotten much worse, or because of a crisis. In these moments, there is an opportunity to thrust policymaking into the public arena, and policy reforms that long seemed impossible suddenly become possible (Baumgartner and Jones 1993). But these moments of opportunity usually do not last for long. Eventually, public attention will die down, and the governmental agenda will turn to other matters. Moreover, even when the scope of conflict expands, the dominant interest groups and attentive publics are still there—temporarily in a defensive position, but still there. A reasonable strategy for them is to delay, limit the damage (to their interests), and wait out the storm, at which point the normal politics that was favorable to them will likely return (e.g., Wilson 1995, Kingdon 2011, Anzia and Moe 2017).

One takeaway is that in many policy areas, interest groups are the regular political players; it is the mass public engagement and activation of opposition that are unusual. Another is that research on problem-solving politics cannot be divorced from research on the politics of problem creation. During moments of issue activation, the surge of public and media attention can be misleading: it can give the false impression that open conflict is normal for the issue and that the interest group is relatively weak. That is why it is equally important to understand what came before the open conflict—and how interest groups influence policy in quieter ways.

Research on interest groups describes how specific types of groups and organizations work to influence policy in their preferred direction, often over long periods of time. Many groups get involved in elections—by giving money, endorsing candidates, and mobilizing supporters—but their efforts do not end there. Groups can craft model bills and try to get them passed in multiple legislatures (e.g., Hertel-Fernandez 2019). Fossil fuel companies have blocked renewable energy policy through lobbying and legal action (Stokes 2020). In local politics, lobbying by groups like chambers of commerce and real estate developers can be formal or informal: they might comment at city council meetings but also maintain ongoing relationships with city officials (Anzia 2022). And public-sector unions in many state and local governments influence policy through both traditional politics and collective bargaining (e.g., DiSalvo 2015). Moreover, a considerable amount of interest group influence occurs through agenda-setting: blocking policies that would threaten their interests and preventing undesirable policies from ever making it onto the agenda (Bachrach and Baratz 1962, Moe 2011).

Sometimes interest groups’ efforts align with the public interest, but often they do not. Regardless, the public interest is not a central concern of interest groups. Their goal is policy in their *own* interest, and if there is a conflict between their members and the public, groups will side with their members. We should not expect teachers’ unions to back policies that are bad for

² Policy feedback scholars explain that a similar set of policy features makes it more or less likely that the mass public will mobilize on an issue. See Campbell (2012). The Bawn et al. (2012) theory of political parties also proposes that party leaders can exploit the electoral “blind spot” to be responsive to their interest group coalition members without upsetting the public.

teachers or police unions to support reforms that are bad for police officers (see Moe 2011, Hartney and Kogan 2024). In moments of weakness, these groups might have to accept concessions, and there are interesting questions about what happens when there is disagreement among group members or when a group's different goals are in conflict. The bottom line, though, is that interest groups are there to pursue their interests—not to solve public problems.

Public policies can also strengthen interest groups (Hartney 2022), activate and spur organization of mass publics (e.g., Campbell 2012), and potentially change the trajectory of politics and policy going forward (e.g., Patashnik 2008). More generally, what is possible in policy today depends on what has happened in the past (Pierson 1993). And while theories of political institutions describe how politicians can design institutions to lock in their advantage in the future (McCubbins, Noll, and Weingast 1987, Moe 1990), policy feedback research notes that sometimes policies that were adopted to solve one problem end up creating new problems—and can even turn out to advantage certain interests in ways that policy adopters did not anticipate.

The Politics of Problem Creation

Public problems like climate change, opioid addiction, and the ballooning national debt do not happen overnight. Driven by markets, government policy, or both, they develop gradually over a long period of time, during which some experts and impacted individuals might recognize the problem but overall public engagement is low. Special interests thrive in these environments. Oftentimes they operate with little obstruction, contribute substantially to the creation of problems, and are a reason why policymakers do not intervene earlier.

These are central elements of both the politics of housing and the politics of public pensions. Problems in these two areas have accumulated gradually thanks to seemingly small, technical decisions made by thousands of government entities over decades, with the help of imbalanced interest structures.

America's municipal governments have extensive authority over land-use regulation and thus housing development. The costs of multifamily housing development are concentrated, which is an important reason why residents who own properties close to proposed high-density housing are highly politically engaged in voicing their opposition—the so-called “neighborhood defenders” (Einstein, Glick, and Palmer 2019). While there are certainly interests that stand to reap concentrated benefits—such as real estate developers and the home-building industry—much of the benefit of city decisions to allow more housing development is distributed: people who would live in the not-yet-built housing (many of whom do not even live and vote in the city) would benefit, as would the broader public in the longer run through lower housing costs.

Governance of public pensions is a more complex patchwork of state and local government authority, and the interest structure is even more lopsided. Government employees benefit in large, direct, economic ways from more generous pensions. Public-sector unions are among the best organized, most active interest groups in state and local politics. Perhaps more counterintuitively, public-sector unions benefit from keeping governments' current pension costs down to ensure that public money is available for higher salaries and greater public-sector employment—and to keep pensions looking affordable to the public (Anzia and Moe 2019). Thus, the benefits of generous, underfunded pensions accrue to a well-defined, organized group. The costs are distributed among future taxpayers who will eventually pay the bill and/or future residents who will have to live with lower levels of government service provision.

For both housing and pensions, the side with the more active interests is also buttressed by institutions. Those institutions, moreover, have been in place for decades, often having been established to address other public problems in the past. Einstein, Glick, and Palmer (2019), for example, explain how requirements for public meetings for a wide range of proposed housing developments were established decades ago to curb the power of real estate developers. Yet public planning commission meetings are now a primary juncture at which residents use the public comment period to block or reduce the size of high-density housing.

Public-sector unions also benefit from institutions that bolster their influence on public pension policy. Through collective bargaining, which in most states is mandated by state laws passed in the late 1960s and early 1970s, they can try to negotiate higher salaries—a key element of pension benefit formulas. Also, state and local legislation usually delegates pension funding and investment decisions to bureaucracies, which are typically led by boards of trustees on which government employees have a large share of the seats. The “California Rule” (followed by several states) also stipulates that public pension benefits established at the time of a person’s hire cannot be reduced for as long as the employee works for the government. These institutions date back decades, and presumably, each was established to address some problem. Today, though, they stack the deck further in favor of concentrated interests.

The Emergence of Problem-Solving Politics

While the politics of problem creation on these two issues have a lot in common, the drivers of the scope of conflict expansion are different. For housing, recent years have witnessed a growing YIMBY (Yes in My Back Yard) movement active in local and state politics, significantly increased engagement by state legislatures in places like California, and even the two major-party presidential nominees touting proposals to ameliorate the housing affordability crisis. Moreover, the spotlight is on how local government processes contribute to the problem.

Why has this happened? It would be hard to point to a single cause, but one reason is that the problem has gotten much worse. In many economically vibrant metropolitan areas of the United States where people aspire to work and live, housing prices are astronomically high. On the one hand, it is widely recognized that people who already own their homes benefit from keeping supply down and blocking proposed developments in their neighborhoods. This helps to increase their home values. On the other hand, as time goes on, the losers from this arrangement grow as a share of the adult population. Millennials, for example, are now a large proportion of U.S. adults; they have reached ages traditionally associated with household formation and greater political engagement; and they have lower homeownership rates than Boomers or Gen Xers did at a similar life stage. Moreover, shelter is a basic human need, and most people spend a large fraction of their incomes on housing. When housing prices increase by a lot, those who absorb the adverse consequences (notably, non-homeowners) are likely to notice. This helps to explain why the problem has slowly risen in prominence on governments’ agendas.

Public pensions are different. After many years of problem creation, problem-solving politics was activated suddenly with the Great Recession. State and local pension funds had trillions of dollars invested in equities, and so pension asset values plummeted with the stock market, causing funding ratios to tank. The economic crisis therefore thrust the pension problem more into public view. For a few years, state and local governments actively wrestled with how to rein in benefits, address underfunding, and manage pensions more responsibly. Many

governments enacted reforms (Anzia and Moe 2017). But the furor eventually died down, and the issue went back under the radar—even though the underlying problems were still there.

One reason for this is that the costs to the public of generous, underfunded pensions are less direct and less perceptible than those of housing price increases. They may well be large, but in this case, they take the form of gradually higher taxes and gradually reduced services. Unlike housing, this does not show up in the form of a large and growing monthly bill. Even if they were perceived by the public, moreover, these costs are harder to trace to decisions about pensions. This also is not entirely an accident. Policymakers do what they can to continue to push these undesirable consequences to the future by issuing pension obligation bonds, maintaining rosy actuarial assumptions that keep governments' contributions down, and chasing riskier investments that might yield higher returns. They do this to further the illusion that pension benefit levels and underfunding are not a problem—to avoid problem solving. And they do *that*, in large part, to please the dominant interest group, which in some cases holds positions of direct policymaking authority (Anzia and Moe 2019).

Problem-Solving Politics

For both housing and pensions, even when problem-solving politics is activated, there is still a strong political pull in favor of the status quo. One reason is that reformers hoping to make change must be successful at all the different veto points, whereas those who prefer the status quo only have to block change at one of them (e.g., Tsebelis 1995, Moe 2011). Two other reasons have to do with the resilience of the interest structures and institutions discussed earlier.

First, the groups and individuals that helped to give rise to the problem are usually still there. They still have their interests and will continue to pursue them. This almost always means they will resist and try to limit change. Moreover, they usually retain the upper hand even in this altered political context: They are familiar with the rules of play. They are well-versed in the technicalities of the policy. And politicians know they will be there through thick and thin. Much of this cannot be said for newly activated groups and individuals (see Anzia 2022).

Second, the decades-old institutions that support vested interests are extremely difficult to dislodge, both because of legal obstacles and because of the politics surrounding them. It is more than just that the dominant interests benefit from the institutions and want to keep them. The institutions themselves are also imbued with values like participation, voice, and rights, and those values resonate with the public. This makes it difficult to appeal to the public for changes and easy for the dominant interests to exploit the public's commitments to those values.

For instance, few people actively engaged in politics are willing to acknowledge that more opportunities for democratic participation could sometimes produce worse outcomes. Fiorina (1999) does in "Extreme Voices: The Dark Side of Civic Engagement," as do Einstein, Glick, and Palmer (2019). But for the most part, requirements for public hearings on housing developments have come to be viewed as avenues of participatory democracy that lift up the voices of affected communities. Trying to position oneself against that is a political minefield. It is no wonder few politicians actively try to dismantle these institutions.

Those who attempt to change institutions surrounding public pensions are similarly vulnerable to accusations that they are trying to take away workers' rights. The language of rights has long been visible in the areas of collective bargaining and agency fees, where it is wielded both by proponents (e.g., right to collective bargaining) and opponents (e.g., right-to-work laws). But it has also been used to protect institutions like the California Rule. In a

campaign to change the rule with a state ballot measure, for example, former San Jose Mayor Chuck Reed admitted defeat after then-California Attorney General Kamala Harris released the ballot measure language. It read: “Eliminates constitutional protections for vested pension and retiree healthcare benefits for current public employees, including teachers, nurses, and police officers, for future work performed.” Reed withdrew the measure, presumably because not many voters would support eliminating working people’s constitutional protections (Lin 2017).

That begs the question: In the face of these obstacles, who would even try to solve these problems? Oftentimes the answer is no one. But as the Chuck Reed-California Rule example illustrates, usually the problem-solvers emerge from political offices with relatively broader constituencies. It is probably not a coincidence, for example, that many of the leading reformers on pensions have been governors, mayors, and other elected executives (Anzia and Moe 2019). That aligns with the political science literature proposing that presidents are more likely than members of Congress to prioritize the welfare of the entire nation and to consider their legacies (Howell and Moe 2016). The same general idea may help to explain why the California state government has been willing to take action on the housing affordability crisis where most municipal governments have not. Both for pensions and housing, better aligning the political constituency with the scope of the problem can help to incentivize problem-solving leadership.

The similarities between housing and pensions probably end there, however. As I have said, high housing prices are experienced directly by a large group of people, whereas the costs of generous underfunded pensions are mostly felt indirectly and are not easily traceable to policymakers’ decisions (see DiSalvo 2024). Just as important is the extent of organization and coordination on the side of the status quo, which is different for housing and pensions.

Consider housing: Why have California state legislators been willing to propose and pass legislation forcing local governments to allow more housing development? Why haven’t those state legislators succumbed to the same political pressure from neighborhood defenders as local governments? At first glance, it might seem that they would. State legislators are elected from districts, and the local interests that dominate the local governments in their districts can presumably also call their state legislators to voice their opposition.

The reason, I suspect, has to do with the lack of coordination and organization among the neighborhood defenders across the state. Proposals for high-density housing developments do have concentrated costs, but the bearers of those concentrated costs are *not* the same people from one city to the next—and are not even necessarily the same people from one proposed project to the next within a single city. Arnold (1990, 137) is again helpful as a guide. He writes, “The strongest coalitions are those in support of programs that deliver large and regular funds to the same citizens year after year...Coalitions are considerably weaker when programs deliver benefits to an ever-changing cast of recipients.” The people blocking housing in one city are probably not the same people blocking housing hundreds of miles to the north. It is “an ever-changing cast” of residents. They might not even be formally organized groups in many single municipalities, let alone a powerhouse active in Sacramento coordinating with local groups in over four hundred municipalities. Because of this, shifting the venue to the state significantly weakens the influence of the dominant interests.³

Circumstances are different for pensions. For starters, policymaking authority on pensions is already shared between state and local governments. More importantly, public-sector unions are organized and politically active at the local *and* state levels, and as groups with a

³ On venue shopping generally, see Baumgartner and Jones (1993).

federated structure, they are well coordinated across the different levels and localities (Finger and Hartney 2019, Hartney 2022).⁴ Any political reformer hoping to break through by venue-shifting from local governments to the state legislature would find the same public-sector unions in the state capital. From the perspective of state legislators in places like California and Illinois, moreover, there would be huge political downsides to initiating pension reform and little to no political upside.

The pressures may not be all that different for many governors, especially those hoping to run for higher office and retain the needed support of public-sector unions. But when politicians do take on the challenge, it is usually someone from the executive branch. In California, for example, at the height of reform momentum, Governor Jerry Brown came out with a bold array of reform proposals, including the introduction of a hybrid defined-benefit and defined-contribution plan for new employees. State legislators, however, whose political futures were more dependent on unions, eliminated or watered down the boldest provisions (Anzia and Moe 2019). Commonly, then, lead problem-solvers are executives. Legislators—thinking about their districts and electoral futures—often try to limit problem solving in response to interest groups.

A key lesson for the politics of problem solving is that the dominant interest groups often constrain what kinds of solutions are possible. Moreover, even when a reform is enacted, those interest groups rarely cease their efforts. As Patashnik (2008) explains, unless a general-interest reform dismantles or scrambles the preexisting interest group environment, the reform is vulnerable to being eroded or repealed in the future. Brown’s signature pension legislation in California is an example. Even after being watered down, it was indeed a significant political accomplishment. But since then, reform momentum has died down, the issue is back under the radar, and the interest group environment remains intact. Key features of the reform (and others like it) have been challenged on the grounds that they violate public-sector employees’ rights. Meanwhile, governments in states ranging from Illinois to Oklahoma have come under pressure to improve the benefit levels of the new pension “tiers” created during the reform period.

The constraints interest groups impose on problem solving are also easy to overlook because often they are not readily observable. One of the best ways to fight off a threatening policy is to prevent the problem from ever being discussed by policymakers, and to ensure that only policies acceptable to the group are on the menu when the issue does get discussed. When an interest group is successful in this regard, there is nothing for the researcher to see. Instead, the interest group’s influence comes in the form of a problem *not* being discussed, and certain solutions *not* being considered. Rarely do we get to observe the full extent of what would be possible if the interest group were not a factor. But the differences between housing and pensions in California shed some light: state legislators have taken up the housing issue in recent years, but they rarely, if ever, mention how public pension costs are transforming public service provision. Another example is discussed at length by Moe (2019), who examines how education policy proceeded in New Orleans after Hurricane Katrina demolished the existing education system along with its teachers’ union. With a clean slate, policymakers designed a system very different from the one that had existed before, because for the first time in decades, they could. Thus, by considering how problem solving proceeds in contexts without a dominant group, we begin to appreciate how interest group dominance constrains problem solving in so many others.

⁴ Scholars of American Political Economy note that this kind of organization and coordination across levels of government is an important source of interest group power (Hacker et al. 2022).

Conclusion

Political observers often lament that certain problems could be solved if only there were the “political will” to do so. But who, exactly, lacks “political will,” and why do they lack it? This is an area in which political science research can and should weigh in. Policy-focused political science does so already, emphasizing how the features of a policy help to shape the interest group environment. Many public problems grow slowly and gradually because of systems in which one side has advantages of organization and preference intensity. Sometimes problem-solving politics can be activated if the problem gets bad enough, but often it takes a crisis, and interest groups can work to limit public awareness of a problem if reform momentum would threaten their interests. They can also constrain the set of solutions that are acceptable when problem solving is activated. Furthermore, even devoted reformers—who often come from the executive branch—may find that many solutions that would effectively address the problem are infeasible within existing political institutions and the prevailing interest group structure.

Are there forces that might reduce these tendencies, such as political parties? It is certainly possible, but there are outstanding questions about the conditions under which that would occur. Most U.S. local governments, for example, are formally nonpartisan, and they mostly deal with issues that are different from those that divide the major parties at the national level (see Anzia 2022). Also, in some situations, an interest group could be so important to a political party that it does not have to compromise on its positions to stay in the party coalition. And how would stronger political parties help with issues that do not clearly divide the two major parties, as with the two issues discussed here? A full exploration of these issues is beyond the scope of this brief, but in short: it is not entirely obvious that stronger political parties would limit the influence of a dominant interest group under a wide range of conditions.

Might groups sometimes have interests aligned with those of the general public? As I said earlier, yes. It is also possible that some interest groups under some conditions have broader goals in mind. Furthermore, sometimes interest groups face tradeoffs between their own goals, such as between their longer- and shorter-term interests, and it is possible that they could be nudged to support the direction more in the public interest. The point is not that this cannot occur but rather that as a general matter, we cannot expect interest groups to willingly embrace policy solutions that would uniformly harm their interests.

Finally, it is worth underscoring that all of this is context-specific. At different times, and on different issues, society and the broader public have almost certainly benefited from the groups I have discussed in the examples here. The residents referred to today as neighborhood defenders were once deemed worthy of greater power because of what was then perceived as excessive influence of real estate developers. Public-sector employee organizations likely contributed to the advancement, development, and professionalization of government. Policies and institutions created decades ago solved problems and did good. The challenge, though, is that after half a century of this—of these groups pushing in one direction, helped by institutions—society has lost its balance. It has led to bad outcomes that now need to be corrected, and new problems that need to be solved. Importantly, though, today’s policymakers are not starting with a blank slate. They must confront the interest groups and institutions that are in place, and those make for some formidable political obstacles to problem solving.

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