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## Multiplex networks and interest group influence reputation: An exponential random graph model

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# A R T I C L E I N F O A B S T R A C T Keywords: Interest groups struggle to build reputations as influential actors in the policy process and to c influence exercised by others. This study conceptualizes influence reputation as a relational variable.

Multiplexity Influence Reputation Interest groups United States health policy Exponential random graph model Interest groups struggle to build reputations as influential actors in the policy process and to discern the influence exercised by others. This study conceptualizes influence reputation as a relational variable that varies locally throughout a network. Drawing upon interviews with 168 interest group representatives in the United States health policy domain, this research examines the effects of multiplex networks of communication, coalitions, and issues on influence reputation. Using an exponential random graph model (ERGM), the analysis demonstrates that multiple roles of confidant, collaborator, and issue advocate affect how group representatives understand the influence of those with whom they are tied, after accounting for homophily among interest groups.

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#### 1. Introduction

Relatively little in the American political system is accomplished purely through the exercise of formal authority. In a system defined by multiple veto points and animated by a swath of interested actors, most policy changes are effected by the subtleties of influence. In this world, a reputation for influence is a valuable asset. As a result, public policy scholars have long sought to understand the development of influence reputations and how these reputations matter for politics (see, inter alia, Banfield, 1961; Beritelli and Laesser, 2011; Fernandez and Gould, 1994; Gamson, 1966; Heaney, 2006; Laumann and Knoke, 1987; Leifeld and Schneider, 2012; Wolfinger, 1960).

The distribution of influence reputation is a particular concern in the world of interest group politics (Hojnacki et al., 2012; Smith, 1995). Since interest groups lack formal powers, they depend entirely on influence in order to attain their goals. Thus, gossip about which interest groups are influential readily flows through political networks. Research in this area stresses the emergence of consensus about who the influentials are in a network (Laumann and Knoke, 1987: 159). This perspective leads scholars to model an interest group's influence reputation as a single quantity (Leifeld and Schneider, 2012; Fernandez and Gould, 1994; Heaney, 2006). According to this view, an interest group becomes known as having a particular level of influence within a network, which can be

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explained by the stable characteristics of interest groups and their positions in political networks.

Some interest groups are indeed renowned as influential throughout a network, while others are universally ignored as irrelevant. However, we observe that a common feature of many reputations is that they are fragmented and varied throughout a network (Beritelli and Laesser, 2011; Gondal, 2011; Lang and Lang, 1988; Price and Gioia, 2008). Any actor may have a strong reputation in one crowd and a weaker reputation within another. Is it possible to account for this variation using models of influence reputation?

This article argues that the embeddedness of interest groups in multiplex networks is an important explanation for variation in interest group influence reputations. Interest groups participate in and learn about the political process through their communication with other groups, collaboration in coalitions, and advocacy in issue areas. As a group engages in communication, collaboration, and issue advocacy, its performance of multiple roles is visible to other interested observers that use this information to make judgments about the group's contribution (positive or negative) to policy debates. Thus, examining the multiple ways in which interest groups are connected and disconnected helps to account for how their representatives see and think about the community of which they are a part, as well as how they are seen by that community.

This research is based on personal interviews conducted in 2003 with representatives of 168 interest groups working in Washington, DC on national health policy. It models influence reputation in this network as a function of three overlapping networks (*Communication, Coalition Overlap*, and *Issue Overlap*) using the exponential random graph model (ERGM) approach, controlling for homophily

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among interest groups. The results show that who cites whom as influential depends, in part, on connections through these networks. The article concludes by discussing the implications of these results for interest group politics and by suggesting future research on multiplexity, reputation, and dynamics in political networks.

#### 2. The nature of influence reputation

Interest group representatives want to know which actors exert influence over the policy process, but they are uncertain about which actors actually exert influence. This uncertainty exists because of incomplete information, causal complexity, and the large volume of activities in the policy process. First, uncertainty due to incomplete information exists because much of the relevant action in the policy process takes place behind the scenes (Birnbaum, 1992; Birnbaum and Murray, 1987). Lobbyists meet privately (or semi-privately) with policy makers to frame policy arguments, demonstrate grassroots relevance, offer inducements, and occasionally make threats. Stories of what happens in these meetings sometimes leak to a broader audience. But, since no one can know exactly what is said and done in all these situations, it is hard to be certain about who is wielding influence effectively and who is not.

Second, uncertainty due to causal complexity exists because there are many actors in the policy process and many potential paths to influence. Just because an actor supported (or opposed) a policy that was ultimately enacted (or defeated) does not mean that the actor was a root cause of the outcome (Bachrach and Baratz, 1962; Dahl, 1957). Policy outcomes may be caused by institutional rules, demographic changes, critical events, or any of a number of factors that extend beyond the actions of any one actor (Patashnik, 2008). Policy is made through the complex interaction of executive branch officials, legislators, interest groups, think tanks, media, citizens, and other actors (Baumgartner et al., 2009). Even if an interest group appears to exert influence over policy, it is difficult to know whether it is, in fact, a root cause of a particular policy outcome.

Third, even if interest group representatives were to have complete information about a set of actors and understood perfectly the causal processes that lead them to influence the policy process or not, they would possess uncertainties about influence due to the large volume of actors and events in the policy arena. In recent years, approximately 10,000 bills have been introduced in each 2-year session of Congress (Tauberer, 2011). In 2011, there were 12,633 registered lobbyists in Washington, DC (Center for Responsive Politics, 2012). It is impossible for anyone to follow it all. Thus, as interest group representatives may have confidence about the nature of influence possessed by some, but not all, of the other actors in policy process.

Interest group representatives want to reduce their uncertainty about who is influential. Knowledge about influence helps them to better anticipate outcomes in the policy process and to strategically calibrate their responses to emerging events (Krackhardt, 1990; Simpson et al., 2011). For example, if an actor is believed to be influential, then its actions (or inactions) might be viewed as likely to prompt policy change (or stasis); if the actor supports a proposed policy, that policy might have a greater chance of moving forward; if the actor fails to support a proposed policy, then that policy might have a lesser chance of success. Interest group representatives may rely on these expectations, in part, to determine whether they should guide their group's resources toward attempting to support or block the proposed policy.

To reduce their uncertainty about influence, interest group representatives continually gossip about who is influential (Burt, 2005; Dunbar, 2004; Ellwardt et al., 2012). Much of this gossip takes place in private conversations among lobbyists, in coalitions, in issue forums, and in other opportunities to connect with participants in the policy process. Gossip is facilitated by a wide range of specialized publications that follow the policy process with an insider perspective, such as *National Journal Daily*, *Roll Call*, *The Hill*, and *Politico*, as well as policy-area-specific forums, such as the *Daily Health Policy Report*. From this gossip, reputations are born. Political actors then use reputation as an information shortcut in making judgments about influence.

Since reputations spread through gossip, they diffuse unevenly through networks. Some interest groups are nearly universally renowned as being influential. For example, the National Rifle Association, the American Israel Public Affairs Committee, and the United States Chamber of Commerce are widely known to be influential, even by those who are not close observers of politics. However, other organizations build their reputations for influence in more limited social circles (Gondal, 2011). This continuum from peer recognition to universal renown is a common pattern in reputational systems (Lang and Lang, 1988). Empirical studies have demonstrated this pattern in diverse phenomena from tourism (Beritelli and Laesser, 2011) to corporate image management (Price and Gioia, 2008).

It is not necessary to make strong claims about the extent to which reputations are "deserved"; that is, do "truly influential" actors have strong reputations for influence while, "truly non-influential" actors have weak reputations for influence? Reputations are sometimes well deserved and at other times are undeserved. Sometimes influential actors are recognized and respected, while at other times they remain undetected behind the scenes. Sometimes non-influential actors are summarily dismissed, while at other times they are mistakenly thought to be important players. At minimum, there is a loose linkage between reputation and actual influence (Galaskiewicz, 1979; Laumann et al., 1977: 626; Weible, 2005).<sup>1</sup> As long as such a linkage exists, policy actors will seek out more reliable gossip and attempt to make inferences from this noisy signal.

As long as reputations are assumed by policy actors to contain an element of truth, then reputations serve as a resource for those that possess them (Gamson, 1966). As Leifeld and Schneider (2012: 733) note, "perceived influence of a potential alter is a sign of high quality, either in terms of its information potential or as a powerful ally" (see also Smith, 1995; Weible, 2005). If Actor **A** believes that Actor **B** is influential, then **B** may have a greater likelihood of soliciting **A**'s cooperation on a range of projects. That is, **A** may behave "as if" **B** is influential (Wedeen, 1998: 519). Thus, **B** may be able to translate its influence. These mechanisms make the distribution of influence reputation a worthy subject of scholarly inquiry, just as it is frequently the object of interest group attention.

#### 3. A theory of multiplex networks and influence reputation

Multiplex networks exist when actors are connected through more than one type of socially relevant tie (White, 2008: 38). In a multiplex network, different ties reflect the diverse roles played by participants in the network. For example, a set of adult friends may have ties that can be classified as kin, neighbor,

<sup>&</sup>lt;sup>1</sup> Stuart et al. (1999) make a similar point in another empirical context in their analysis of young, venture-capital-backed biotechnology firms. They show that start-up firms that receive endorsements from prominent exchange partners experience a kind of "interorganizational certification" that enables them to outperform their competitors. List (2006) also demonstrates the effect of reputation in influencing actual decisions in laboratory and field experiments in the market for sports cards.

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