Exit, Voice, and Interest Group Governance

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Interest groups constitute critical mediating institutions linking citizens and political elites, thereby enhancing participation and representation at all levels of government. But to what extent are citizens connected to the organizations to which they belong? In this article, we demonstrate that some voluntary organizations are structured more democratically than others and examine the reasons for these differences. Analyzing the bylaws of a random sample of 114 national membership organizations, we find that groups from which exit is more costly (professional associations and unions) are structured more democratically than those in which members face fewer barriers to exit (citizen associations). Our findings raise important concerns about the extent to which members of citizen associations are provided meaningful avenues for participation and, ultimately, the extent to which these organizations truly link citizens to their government.

Keywords: interest groups; voluntary organizations; participation; representation; political elites; mass–elite linkages; political organizations; nonprofit organizations

Since the 1950s, civic engagement has declined in the United States even as the number of citizen groups has dramatically increased. Scholars have attempted to reconcile these divergent trends by arguing that the rise in the absolute number of citizen associations masks the fact that members of these groups play negligible roles in them (Putnam, 2000; Skocpol, 1999). If members do participate less in the membership organizations to which they belong, the reason may be that these groups are not structured to encourage such engagement. In fact, voluntary organizations tend to be susceptible to oligarchic tendencies, as leaders curtail democracy in an attempt to consolidate power (Michels, 1915). Oligarchically structured groups may lead to the

Authors’ Note: We are very grateful to Anna Olsson and Mary Layton Atkinson for their invaluable research assistance on this project. We are also grateful to Suzanne Robbins and Marie Hojnacki for commenting on earlier drafts of the article and to the anonymous reviewers for their thoughtful recommendations.
disengagement of members, who have few formal ways to participate in the organization beyond the checks they write.

Despite the prevalence of organizations that conform to the “iron law of oligarchy,” many interest groups actively promote democratic processes within their organizations (Barakso, 2004; Lipset, Trow, & Coleman, 1956; McFarland, 1984; Staggenborg, 1994). What explains the propensity of groups to structure themselves more or less democratically? Although much has been learned from recent studies seeking to understand the forces shaping institutional design (Aldrich, 1995; Krehbiel, 1991; Moe, 1980; North, 1990; Weingast & Marshall, 1988), we still know very little about why interest groups govern themselves in different ways. Drawing on Hirschman’s (1970) classic work, Exit, Voice, and Loyalty, we argue that the nature of membership in an organization has an important effect on determining how organizations structure themselves. When members face few barriers to exiting a group, democratic procedures are of little value, and the group is more likely to be oligarchic. On the other hand, when members cannot easily leave an association, democratic procedures become more valuable as means of institutionalizing and channeling voice; therefore, these organizations are more likely to maintain democratic processes.

We begin by describing the significance of this research; we then outline the ways in which barriers to exit theoretically shape how democratically groups structure themselves. After explaining our sample of organizations and collection of data, we describe groups along several indicators of organizational democracy and present our analysis. We conclude by discussing the implications of our findings.

The Significance of Interest Group Governance

Interest groups constitute critical mediating institutions linking citizens and political elites, thereby enhancing participation and representation at all levels of government. However, the nature of governance structures within an organization may also affect the extent to which groups truly provide this link. In fact, despite the pivotal role of groups in the policymaking process, we have few answers to the question E. E. Schattschneider (1935) posed more than 70 years ago: How do we know that those claiming to act on behalf of members in the pressure system are in fact representing their interests? As a field, we remain notably uninformed about the level of congruence between the views of interest group spokespeople and the views of the members for whom they profess to be speaking (Baumgartner & Leech, 1998; Berry, 1999;
As interest groups play an ever-greater role in the policymaking process, it “becomes an increasingly important question whether the organizations replacing former state functions are truly membership-based and participatory” (Walker & McCarthy, 2005, p. 3; see also conclusion in Schattschneider, 1935). Furthermore, individuals who are members of groups are more likely to be involved in the political process and in other organizations as well (Verba, Schlozman, & Brady, 1995). Membership associations may heighten members’ awareness of political issues and foster the development of political skills (Fung, 2003; Mansbridge, 1986; Rosenblum, 1998; Skocpol, 1999). Involvement in groups may also foster the development of trust among community members and lead to increasing levels of social capital (Putnam, 2000). Evidence suggests that groups with participatory structures are especially potent vehicles for enhancing civic participation, knowledge, and skills (Eisinger, 1973; Kitschelt, 1986; Knoke, 1981). In addition to augmenting citizens’ political knowledge, their capacity to participate in other civic venues is enhanced in more democratic organizations (Barber, 1984; Voss & Sherman, 2000). Experience with democratic forms of decision making promotes not only citizens’ awareness and comprehension of macropolitical processes but also their sense of political efficacy (Knoke, 1988).

Members of less democratic groups may also feel more alienated from their organizations. Knoke (1981) argues, for example, that the “internal polity” of groups “facilitates or inhibits members’ ability to influence the direction of organizational affairs. The less conducive the structural opportunities are for exercising control, the less supportive and more cut off members feel” (p. 154). In fact, members report greater feelings of satisfaction when they are substantively involved in their groups (Diani, 2004; Verba et al., 1995). Perhaps most significantly, groups’ governance structures shape the extent to which members may influence the goals and activities of their organizations. One study finds, for example, that “how authority is structured in local labor unions is clearly important for some organizing outcomes, particularly the amount and type of resources allocated for this task and the specific repertoire selected by the union to increase its membership base” (Martin, 2007, p. 1427). Finally, groups with member-friendly structures appear more likely to mobilize their members (Martin, 2004).

Although scholars have recognized the significance of democratic group structures, political scientists as well as researchers in the nonprofit field have often noted the paucity of data in the area of organizational governance (Arnold, 1982; Baumgartner & Leech, 1998; Berry, 1994; Cigler, 1991; Moe, 1980; Rothenberg, 1992; Scott, 1999; Widmer & Houchin, 1999). Discussions
of democracy in American political organizations tend to be theoretical (Galston, 2002; Knoke, 1990; Mansbridge, 1990; Moe, 1980). Empirical analyses of the formal links between a voluntary association’s members and its leaders are often case studies (Barakso, 2004; Day, 1999; Ganz, 2000; Lipset et al., 1956; McFarland, 1984; Rothenberg, 1992; Shaiko, 1999) or limited by a focus on one organizational type or sector (Barakso, 2007; Brulle, 2000; Edwards, 1994; Minkoff, 1995).

Organizations such as the Nonprofit Sector Research Fund and the Urban Institute have produced reports aimed at conveying best practices of governance to nonprofits rather than comprehensive analyses of the internal practices of organizations (Widmer & Houchin, 1999; Young, Bania, & Bailey, 1996). Academic studies, for their part, have relied heavily on dated and/or potentially biased surveys of organizational elites to understand links between members and leaders of organizations (Day, 1999; Edwards, 1994; Knoke, 1990; Rothenberg, 1992). Other studies provide only indirect or noncomprehensive measures of membership influence (Knke, 1990; Martin, 2004). Our study improves on these methods and expands the scope of previous research to understand the choice of governance structures employed by national membership associations. Such an undertaking allows us to explain why some membership organizations currently resemble “laboratories of democratic citizenship” (Alexander, Nank, & Stivers, 1999, p. 453) whereas others conform to the “iron law of oligarchy” (Michels, 1915).

Barriers to Exit and Interest Group Governance

According to Michels’s (1915) “iron law of oligarchy,” voluntary associations tend to be susceptible to capture by ruling elites who will sacrifice democratic principles to remain in power. Yet case studies of various organizations have often illustrated exceptions to this rule. For example, Lipset et al. (1956) found substantial democratic practices within the long-established International Typographical Union, McFarland (1984) within Common Cause, Barakso (2004) within the National Organization for Women, and Staggenborg (1994) within the pro-choice movement more generally speaking. What explains why some groups maintain democratic governance processes whereas others succumb to oligarchy? First, Michels stresses the importance of the size of an organization, arguing that larger groups are most likely to curtail democratic structures because they must create a bureaucracy to manage the group. Navigating bureaucracies requires members to have relatively detailed knowledge and information about how that bureaucracy works. Without this
information or the more sophisticated skills required to challenge more bureau-
cratic structures, incumbent leaders are free to create institutional structures
that limit opposition and bolster their own power.

Hirschman (1970) offers another explanation for understanding variance
in groups’ governance structures. He argues that members have two methods
of influencing the direction of organizations to which they belong—they
can exit the group or they can voice their preferences. When members exit
an organization, the group’s leaders may grow concerned about the declining
membership and adjust their policies to avoid losing more members (and
perhaps attract new members). However, this may not be the most efficient
way for organizations to learn of the dissatisfaction of members (or for
members to express their dissatisfaction). When organizations do eventually
adjust their policies in response to exiting members, it is too late to retain
those who have already left the group. The alternative to exit is voice, where
members voice their dissatisfaction from within the organization, thereby
attempting to influence the group’s direction without leaving the association.
According to Hirschman, exercising voice becomes the primary means of
expressing dissatisfaction with an organization from which exit is either not
possible or highly costly.

We posit that the ease with which members may exit an organization
influences the type of governance structure an organization institutionalizes.
Johnson’s (1990) notion of tolerance intervals helps clarify the circumstances
under which members will leave their organizations. Members have an ideal
preference for a set of policies they would like their organization to pursue,
but they are willing to tolerate policies within a certain range of that prefer-
ence without exiting the group. Figure 1 presents an elaboration of Johnson’s
discussion. The figure presents a member’s position on a policy issue that
is implemented by an organization to which he or she belongs. The member’s
ideal position is indicated on the x-axis by $m$, and the bottom bracket below
the axis ($T_c$) is the member’s tolerance interval when there are no significant
barriers to exiting the group. If the organization locates its policy within that
interval, the member will remain in the association; if the organization’s policy
falls outside the interval, the member will exit the group.

However, Figure 1 demonstrates that a member’s tolerance interval is
subject not only to the member’s preference on the issue but also to the
barriers that the member faces to exiting the organization. For example,
members may face barriers to exit when the group provides a selective
incentive—such as access to a professional journal—that would not be avail-
able if they exited the organization. The y-axis captures this consideration
by plotting barriers to exit from low to high. The intersection of barriers to exit
and policy positioning is captured by the diagonal broken line, which indicates the point at which a member would be indifferent between exiting or remaining in the group; when the organization’s policy falls to the left of (or below) that broken line, the member will leave the group. Three hypothetical groups are plotted along the y-axis—Group A has the highest barriers to exit (such as highly valued selective incentives), followed by Groups B and C. Below the x-axis are the tolerance intervals for a member with the same ideal point but facing the different barriers to exit offered by each organization.¹

Figure 1 demonstrates the important effect that barriers to exit will have on how members will react to unfavorable decisions made by an organization.

Note: A, B, and C denote the location of three hypothetical organizations on the continuum of barriers to exit. The label \( m \) indicates a hypothetical member’s ideal position on some issue facing the organization. \( T_A, T_B, \) and \( T_C \) indicate the width of the tolerance interval for the member in each hypothetical organization (A, B, or C).
to which they belong. In Group C, it is relatively costless for members to exit the organization when the group makes a decision that is intolerable to them. Therefore, exit will be the predominant way that members respond to decisions made by the group. On the other hand, members in Group A face high barriers to exit. This means that even if the organization makes a decision that is quite far from the member’s ideal point, he or she will still not leave the group.

Members facing high barriers to exit will likely remain in their organizations and voice their dissent, but why would groups with high exit costs adopt more democratic institutions? First, members who face barriers to exit will remain in a group and voice their dissent regardless of whether formal channels exist for such objections. Thus, groups with high exit costs but no formal channels for membership voice may face periodic outbreaks of active dissent, delegitimating the group in the eyes of other members or even policymakers. Democratic institutions may serve to constrain and channel conflict, helping to quell sudden and unpredictable protests from members. As McFarland (1984) notes in his study of Common Cause, providing members with the ability to nominate and vote for board members and officers “provides a means for opponents of the national leadership to express themselves” (p. 96). Second, groups’ legitimacy within the profession and/or legislative bodies hinges on their claims to represent members’ interests. Groups led by small powerful cadres may find it difficult to convince outsiders of their legitimacy when they cannot demonstrate that their organization has instituted formal means by which leaders gain members’ assent. Third, groups must continue to provide appropriate and sufficient selective incentives to convince members that exit is too costly. Instituting some kind of membership voice is one way to ensure that leaders are supplying incentives that members value highly.

Thus, we expect that groups with high barriers to exit will offer relatively democratic governance structures; but why would organizations from which exit is relatively easy promote less democratic practices? Johnson (1990) provides one answer, demonstrating that democratic processes can lead to the unraveling of organizations. Returning to the discussion of tolerance intervals above, consider that when an organization reaches a majoritarian decision, a significant number of members may be sufficiently dissatisfied with the new policy to exit the group (provided that there are low barriers to exit). This exodus will likely relocate the position of the median voter in the organization, thereby leading to another majoritarian decision that a different group of members may find unacceptable. This cycle can continue until the organization is left with few, if any, members. Of course, an organization’s members would prefer not to engage in a process that weakens the group in this way. After all, few membership associations are not so well financed that they can
forsake the potential contributions of time and energy of the rank and file in pursuing their goals (Rothenberg, 1992). In addition, membership retention is critical for an organization’s credibility in the policy arena (Berry, 1999). Thus, because members cannot trust themselves to have the foresight to avoid decisions that lead to unraveling, they may favor structures that curtail democracy, such as supermajoritarian voting rules. Johnson cites the American Federation of Labor as one case wherein members chose undemocratic processes to avoid the unraveling problem.

When considering the importance of exit, the distinction between professional and nonprofessional associations becomes an important one. In many citizen groups, exit is a highly viable option given that there are few tangible reasons to remain in an organization beyond the group’s policy positions. For example, in 1967, the National Organization for Women chose to adopt active positions on reproductive rights. Facing few barriers to exit, members upset with the National Organization for Women’s attention to this new issue area left the organization to form their own group, the Women’s Equity Action League (Freeman, 1975).

On the other hand, exit from professional associations is not often a viable option. For example, members of the American Political Science Association (APSA) may find particular policies pursued by the organization to be undesirable, but they are unlikely to exit the group because doing so means they can attend the annual meeting only at a high cost, they will not receive the journals published by the APSA or the newsletters published by their subfields, and they will not have access to employment notices. Thus, if political scientists seek to influence the direction of their professional organization, they must do so by exercising their voice option. The importance of APSA’s relatively democratic procedures was illustrated during a well-publicized debate about methodological diversity within the association during the past decade. Members who were displeased with the direction of APSA but who faced significant barriers to exiting the group chose to remain in the association and air their grievances; the democratic institutions provided by APSA have provided an important channel for such dissent. For example, one member’s election to the council on a platform protesting the policies of the flagship journal (the American Political Science Review) helped lead to the creation of a new APSA journal to address members’ concerns (Steinmo, 2005). In addition, this group of dissatisfied members nominated at least one candidate for the council each year from 2003 to 2006, winning a council position in 3 of those 4 years (Monroe, 2005). By maintaining relatively democratic procedures, APSA has provided institutional means to consider and address significant protests from its members.
Although professional organizations and unions may be less vulnerable to exit, so may be organizations that engender loyalty from their members. Members who are loyal to organizations are less likely to exit those groups, thereby enhancing the importance of the voice option (Hirschman, 1970). Associations that engender the most loyalty are those providing a public good because members will continue to care about that good even if they exit the group. For example, a member of the American Diabetes Association may grow frustrated with the direction that the organization takes at some point. However, that member also cares about the public good that the organization provides by advocating for more attention to and research on diabetes, something that the member will continue to value even if he or she leaves the organization. Leaving the organization does the member little good because he or she cannot alter the organization’s path once he or she has left the group. This member is more likely to remain loyal to such an organization and attempt to voice any discontent from within the group. Thus, organizations that provide public goods by advocating for some problem or policy are less likely to suffer from exit and more likely to have institutionalized options for exercising voice within the group.

Although organizations from which exit is costly may provide more opportunities for voice, these democratic processes may not be permanent. Indeed, it is often in the interests of an organization’s leaders to attempt to curtail democratic processes. As Hirschman (1970) notes, “the short-run interest of management in organizations is to increase its own freedom of movement; management will therefore strain to strip member-customers of the weapons which they can wield” (p. 124). Leaders may wrest control of organizations by ensuring that final policymaking decisions rest in the hands of officers or boards of directors or by removing voting privileges and instituting regular surveys of members’ preferences instead. Thus, even if organizations are formed with democratic processes in place, elites in these organizations may undermine these institutions and make the organization less democratic over time. Accordingly, we expect older organizations to be less democratic than those formed more recently.

Finally, organizational governance will also be affected by whether it takes on a federal structure. As organizations mature, the vast majority create subunits, affiliate levels, and/or federated levels for a variety of reasons, including the group’s interest in creating an organizational structure that parallels legislative entities. As new venues proliferate, so do the potential targets of dissent among members. Furthermore, new leaders are inevitably drafted to staff and manage subunits; these leaders are likely to wield some measure of autonomy and possess a certain amount of ambition that entices them to
exercise it. Lipset et al. (1956) argue, for example, that “democracy is strengthened when members are not only related to the larger organization but are also affiliated with or loyal to subgroups within the organization” (p. 15). They find that the International Typographical Union had higher levels of democracy because local chapters wanted to maintain as much autonomy as possible and resisted attempts to provide the parent organization with more power.

In sum, we expect that organizations that have the highest barriers to exit—professional associations and groups focused on advocacy—will adopt the most democratic governance structures. In addition, we expect that older and larger groups will have become more oligarchic, whereas those with more organizational levels will be more democratic. In the following section, we describe how we evaluate these expectations using a sample of national membership associations.

Sampling Membership Organizations

Bylaws provide fundamental information about groups’ governance structures and are therefore central to evaluating the democratic opportunities offered by these organizations. We began by collecting bylaws for a random sample of national membership organizations in the United States. To provide our sampling frame, we used a database of 501(c) organizations from 2002 provided by the National Council for Charitable Statistics. The National Council for Charitable Statistics works with the Internal Revenue Service to collect and digitize the 990 tax forms for all nonprofit organizations—organizations with a 501(c) classification—that have filed those forms with the Internal Revenue Service.7 The 990 form asks organizations to report how much, if any, revenue was collected from membership dues. To identify membership groups for this project, we began by including only groups from the National Council for Charitable Statistics database that reported receiving any revenue from membership dues.8

From the master list of organizations provided by the National Council for Charitable Statistics, we randomly selected 600 organizations located in the Washington, D.C., metropolitan statistical area. Of these 600 groups, 219 were initially dropped because they were not national organizations, 199 were dropped because they were not membership groups to which individuals could belong, 6 were dropped because they were duplicates of the same group, and 1 was dropped because it had ceased operations. This resulted in 175 valid cases for our study. Allan Cigler (1991) notes that systematic data collection
on interest groups is often difficult “because interest groups and associations are semiprivate or private entities sensitive about their visibility” (p. 100). However, as part of the requirement for maintaining nonprofit status, organizations must provide copies of their governing documents to the public on request (Internal Revenue Service Publication 557). The guidelines state that organizations must honor any written request for copies of these documents within 30 days, and they can be fined $20 per day for every day after the 30-day period that they fail to provide the documents. By citing these requirements to the groups in our sample, we obtained a fairly high response rate to our request. Fifty-two bylaws were found on the Web sites, and an additional 62 bylaws were e-mailed, mailed, or faxed to us by the groups, producing a final sample of 114 organizations. Thus, our response rate was 65.1%; a high rate for a study of this kind.9

Bylaws were coded according to several criteria to account for the electoral and governing processes of each organization. Table 1 presents the distribution of groups along these measures and reveals a great deal of variation in the governance structures of the groups in our sample. Overall, the patterns in

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### Table 1

**Distribution of Organizations on Democratic Governance Measures**

<table>
<thead>
<tr>
<th>Can Members</th>
<th>Yes</th>
<th>Yes, but With Restrictions(^a)</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nominate candidates for board?</td>
<td>17 (14.9)</td>
<td>39 (34.2)</td>
<td>58 (50.9)</td>
</tr>
<tr>
<td>Vote for candidates for board?</td>
<td>80 (70.2)</td>
<td>16 (14.0)</td>
<td>18 (15.8)</td>
</tr>
<tr>
<td>Nominate group officers?</td>
<td>14 (12.3)</td>
<td>32 (28.1)</td>
<td>68 (59.7)</td>
</tr>
<tr>
<td>Vote for group officers?</td>
<td>68 (59.7)</td>
<td>2 (1.8)</td>
<td>44 (38.6)</td>
</tr>
<tr>
<td>Propose amendments to bylaws?</td>
<td>15 (13.2)</td>
<td>30 (26.3)</td>
<td>69 (60.5)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Voting on amendments to bylaws</th>
<th>Majority Vote of Members</th>
<th>Supermajority Vote of Members</th>
<th>Not by Members</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>30 (26.3)</td>
<td>41 (36.0)</td>
<td>43 (37.7)</td>
</tr>
<tr>
<td>Convention</td>
<td>Shared</td>
<td>Board</td>
<td></td>
</tr>
</tbody>
</table>

| Final authority on policy         | 10 (8.8)                 | 10 (8.8)                | 94 (82.5) |

\(^a\) With nominations and bylaw amendment proposals, restrictions include the need to have a petition signed by multiple members to nominate a candidate or propose a change to the bylaws. With elections, restrictions include organizations that have some share of the board members who are not elected by the members.
Table 1 suggest that most organizations tend to extend only basic avenues for member involvement. The most basic right that may be granted to a member is the ability to vote for candidates to the board of directors or for executive officers. More than 80% allow members to vote for some or all of the directors, and more than 60% allow members to participate in the selection of at least some officers. However, for many organizations, member involvement ends with the act of voting. For example, nominating procedures vary markedly. Fewer than 15% of organizations give individual members the right to nominate candidates for these elections; additional groups allow for the nomination of candidates by petition. More than half of the organizations have no process for allowing members to nominate candidates for the board or for executive office. In these groups, a nominating committee is typically assigned the duty of determining the slate of candidates. Although this committee may hear member input, it is under no obligation to place a candidate on the ballot simply because a member suggests that it do so. Thus, although most groups allow members to vote for candidates for leadership positions, substantially fewer provide members with influence as to who those candidates are.

The groups in our sample also differ in terms of the level of membership influence they allow with respect to changing their organizations’ institutions. More than half of the organizations do not allow members to introduce amendments to the bylaws, and another 26.3% restrict their ability to do so. On the other hand, nearly two thirds of the groups give members the ability to vote on amendments to the organizations’ bylaws—26.3% allow for members to do so with a majority vote whereas 36.0% require a supermajority. Similar to their role in board and officer elections, members in most organizations can vote on amendments to the bylaws, but they are less likely to have a say in what those amendments are.

One important measure of member influence is the determination of who has ultimate authority over the organization. Only 10 of the 114 groups grant the membership conventions final authority over policy, with another 10 providing for shared responsibility between the convention and the board of directors. Thus, more than 80% of the organizations reserved final authority on organization policy to the board of directors. In most groups, if an organization’s membership disagrees with the decisions of its board, they have little redress other than waiting for the next opportunity to vote them out of office. In 18 of the organizations we sampled, the membership did not even elect the board; thus, the only solution for members who found themselves in substantial disagreement with the board in these groups would be to leave the organization entirely.
Overall, the internal governance of interest groups appears to be very hierarchical—organizational elites hold overwhelming power in most organizations, and members have few, if any, opportunities for influence. Nevertheless, our coding of organizational bylaws presented in Table 1 also indicates substantial variation in the way that organizations structure their institutions. To determine whether our measures capture a common concept of democratic governance, we use factor analysis. We find that the seven measures from Table 1 all load positively on the first factor; this factor explained substantial variation in these variables with an eigenvalue of 2.41. Therefore, there appears to be a single underlying factor explaining much of the variation presented in Table 1. By scoring this first factor, we create a standardized index (with a mean of 0 and standard deviation of 1) that captures variance in governance structures. We refer to this measure as our index of democratic governance.

Figure 2 presents the distribution of professional and citizen associations along this index. First, a great deal of variation is evident from this figure. Although the majority of groups fall within 1 standard deviation of the mean, there are many groups with exceptionally democratic or undemocratic procedures. The most democratic groups on the index are the National Caucus of Black School Board Members and the International Union of Painters and Allied Trades, each with a score of 2.20 on the index. These groups allow members to nominate and vote for officers and board members, provide members the ability to introduce and vote on amendments to the bylaws (by a majority vote), and reserve final authority on policy to the convention of the membership. Seventeen organizations shared the lowest score on the index, including the Citizens Coal Council, the National Recreation and Park Association, and the College of Labor and Employment Lawyers (–1.41 on the index). These organizations do not allow members to vote for board members or officers and do not give members voice on policymaking or amending of governing documents.

The second pattern of note in Figure 2 is the difference between professional and citizen associations. Although professional organizations appear to be centered near the mean of the governance index, citizen groups are more widely dispersed, with a large collection of very undemocratic organizations but also a few highly democratic ones. In fact, the average professional association had a score of .06 on the index whereas the mean for citizen associations was –.27. This provides preliminary evidence supporting our expectation that professional organizations will be more democratic than citizen groups.
Explaining Groups’ Governance Structures

To explain the variance in the governance structures institutionalized by different organizations, we account for several factors based on the discussion above. Primarily, we expect that groups with higher barriers to exit will be more democratic than those from which exit is less costly. As noted above, organizations that offer strong professional-oriented selective incentives are often difficult for members to leave. Therefore, we include two dummy variables in our model, one for whether the organization is a professional association and the other for unions.10 Of the organizations in our sample, 62% were professional organizations whereas only 3 organizations were unions. In addition, groups that are focused on policy advocacy may engender more loyalty from their members, which decreases the chances that those members will exit the organization. Thus, we expect such organizations to adopt more

Note: The three unions in our sample are not included in this figure.
democratic governing institutions than those formed for other purposes. We coded each group’s stated goals for any mention of such advocacy; 36.8% of the organizations in our sample included advocacy as a stated goal.

The age of an organization is also likely to affect how democratically a group structures itself because leaders are likely to consolidate power over time by curtailing democratic processes. Therefore, we include a variable accounting for the age of the group. Organizations in our sample ranged from just 2 years old for the United States Women’s Chamber of Commerce to 165 years old for the American Statistical Association. We expect that older groups will be structured less democratically than newly formed organizations.

Finally, we include two additional variables in our analysis. First, we include a control for the size of the organization, as Michels (1915) argued that the “iron law of oligarchy” would be most clearly observed in larger membership organizations. Second, scholars have argued that more populous groups might institute less democratic governance structures to manage their heterogeneous membership base and to present a more coherent policy agenda to legislators (Day, 1999; Martin, 2004). Organizations in our sample ranged from just 46 members for Christian Assisted Living for Mentally Retarded Adults to 720,000 for the International Association of Machinists and Aerospace Workers. We also anticipate that the effect of membership size will be non-linear given that the effect of adding additional members should be more substantial for smaller groups than it is for larger associations. Therefore, we include the log of this variable in the model.

Our final variable accounts for the number of levels affiliated with an organization. We argue that groups that institute subnational organizational levels will require more democratic processes at the national level to resolve disagreements between different state and regional chapters (Lipset et al., 1956). Without democratic institutions to resolve these disputes, disagreements between chapters could threaten to fracture the organization. Forty-six groups in our sample had no subnational affiliates, but 40 groups had one subnational level, 25 had two, and 3 organizations had three subnational levels.

We use ordinary least squares to estimate the effects of these variables on the index of democratic governance created in the previous section. Because our data demonstrate evidence of heteroskedasticity, we use robust standard errors. Our final model includes 111 interest groups—3 organizations were not included in the model because we were unable to acquire their membership size. We present the findings from this analysis below.
Table 2
Model of Group Scores on Democratic Governance Index

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Coefficient</th>
<th>Standard Error</th>
<th>p Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barriers to exit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional association</td>
<td>0.342</td>
<td>.171</td>
<td>.048</td>
</tr>
<tr>
<td>Union</td>
<td>2.193</td>
<td>.531</td>
<td>.001</td>
</tr>
<tr>
<td>Advocacy goals</td>
<td>−0.185</td>
<td>.167</td>
<td>.273</td>
</tr>
<tr>
<td>Age of organization</td>
<td>0.006</td>
<td>.003</td>
<td>.041</td>
</tr>
<tr>
<td>Log of membership size</td>
<td>−0.099</td>
<td>.048</td>
<td>.042</td>
</tr>
<tr>
<td>Organizational levels</td>
<td>0.218</td>
<td>.105</td>
<td>.040</td>
</tr>
<tr>
<td>Intercept</td>
<td>−0.062</td>
<td>.362</td>
<td>.865</td>
</tr>
</tbody>
</table>

R-squared = .224

Note: N = 111 membership associations. Robust standard errors presented.

Results

Table 2 presents the results from the model accounting for variance in the governance structures of the organizations in our sample. The first set of coefficients captures the extent to which members face barriers to exit from their organizations. Not surprisingly, unions have the highest levels of internal democracy; they are more than 2 standard deviations more democratic on the index than citizen groups. Although there are only three unions in our sample, they all offer members numerous opportunities for influencing the organization. All three unions allow members to nominate and vote on board members and officers and to initiate and vote on changes to the bylaws. Two unions give the convention of members ultimate authority, and the third provides for authority to be shared between members and the board of directors.

Our model also indicates that professional associations are more than one third of a standard deviation more democratic than citizen associations. This confirms our expectations because exiting a professional organization may be more costly, particularly to the member’s career, than exiting a citizen group. Interestingly, professional associations are no more likely than citizen groups to give final authority to the membership rather than the board. However, professional associations do depart from citizen groups in their increased propensity to give membership the right to nominate and vote on candidates for the board or officers. Such elections may provide members with the opportunity to exercise voice in the organization when exit is more costly.

Although the first two measures we use to capture barriers to exit conform to expectations, the coefficient for the variable gauging whether the group’s
goals included policy advocacy lack statistical significance and are in the opposite of the hypothesized direction. We expected groups focused on advocacy to engender more loyalty among their members, thereby creating governance structures that institutionalize voice. However, there appears to be no significant relationship between advocacy goals and democratic governance in our sample of organizations.

Many scholars argue that even if an organization forms with democratic institutions, organizational elites will tend to curtail democracy in the group over time (Hirschman, 1970; Michels, 1915). However, the coefficient for the age of an organization is contrary to those expectations—older associations are significantly more democratic than those formed more recently. It is interesting to note that this finding appears largely driven by the fact that the most undemocratic organizations in the sample were founded in the most recent half century. In our sample, 18 organizations have values on the democratic index that are more than 1 standard deviation below the mean. The oldest of these groups is just 64 years old, and two thirds of them were formed in the past four decades. Thus, many organizations formed in recent decades are very undemocratic, a finding that appears to support assertions that the contemporary interest group sector is focused more on attracting “checkbook members” than on fostering participation within their organizations (Putnam, 1995; Skocpol, 1999).

According to the coefficient for the variable in Table 2, larger organizations tend to be less democratic than smaller groups. This finding confirms both theoretical and empirical research that claims that democracy is most workable in smaller groups (Dewey, 1927; Michels, 1915). The relationship between group size and the democratic index is presented in Figure 3. It is interesting to note that internal governance structures quickly become less democratic as the size of a group increases from a few hundred members to a few thousand. Beyond that point, the effect of adding members to the organization is small.

Finally, the relationship between organizational levels and the democratic governance index was also significant and in the hypothesized direction. Groups that had local, state, and regional chapters offered more democratic processes at the national level than those without subnational levels. In fact, each additional layer to the organization made the national governance structure two tenths of a standard deviation more democratic. This finding is consistent with previous work that found that federated groups are more democratic than those with fewer organizational levels (Day, 1999; Lipset et al., 1956).

In sum, our model reveals some important patterns in how membership associations structure themselves, including evidence confirming the
importance of barriers to exit. Organizations that are more costly for members to exit—unions and professional associations—tend to incorporate more institutions that accommodate the ability of members to voice their views within the group. Associations that are easier to exit—citizen associations—tend to be less democratic. We also found that older organizations, more federated groups, and those with fewer members tended to have more democratic institutions than their counterparts. In the following section, we discuss the implications of these findings.

### Conclusion

Although Americans still join groups at a high rate, our findings indicate that the opportunities to participate in these groups may vary dramatically based on the types of organizations that they join. In professional groups, members face higher barriers to exit, but they are also afforded opportunities
to exercise voice and influence the direction of the organization. Citizen associations, which tend to be easier to exit, provide fewer such opportunities. This is particularly true for citizen associations formed more recently. In fact, the typical citizen group formed after 1960 allows members to vote for board members and officers but provides few, if any, other means for them to influence the organization from within.

What are the consequences of the undemocratic governance structures favored by contemporary citizen associations? On one hand, our findings may provide little cause for concern. After all, the proliferation of organizations in the interest group sector has provided citizens with seemingly endless options from which to choose. For example, the number of national and local environmental organizations increased from 3,200 in 1989 to 5,000 by 1994 (Schlozman & Tierney, 1986). If a member of one of these environmental groups becomes dissatisfied with the organization to which he or she belongs, there is a reasonable chance that one of the other 5,000 groups will provide a better match for him or her. Thus, it appears to be relatively easy for members to exit one organization and find another that is a better fit.

Furthermore, not all scholars agree that internal democracy is necessarily an important attribute of citizen organizations (Cook, 1984; Moe, 1980). The most democratic organizations may not be the most politically effective, lacking the streamlined characteristics of more centralized groups. Very democratic groups may be constrained in terms of their strategic flexibility; members in such organizations can more easily block leaders’ attempts to move the organization’s collective action repertoire in line with new political opportunities (Barakso, 2004). In addition, when exit is relatively easy, organizations with more democratic processes may be more susceptible to an unraveling membership base (Johnson, 1990). Thus, the less democratic institutions favored by citizen associations may have few consequences for members and may actually be advantageous for the organization.

Nevertheless, on the whole, groups with more democratic processes obtain multiple advantages as far as their survival is concerned; they are also, as we have noted, more likely to provide multiple important benefits to members. First, exit is likely to be an inefficient method of facilitating feedback to voluntary associations (Hirschman, 1970). By the time an organization attempts to respond to the concerns of dissatisfied members who have exited the group, it may be too late to attract those members back to the organization. The loss of these members may reduce the effectiveness of the organization because the group will no longer have access to the financial support that those members provided; nor can the group claim to represent as many citizens as it once did. Membership loss sends negative signals to policymakers about group legitimacy.
Alternatively, individuals offered more opportunities to contribute to their organizations are also more likely to remain members—a crucial factor in the survival and political strength of almost all membership groups (Knoke & Wood, 1981; Tannenbaum & Smith, 1964; Verba et al., 1995). Thus, more democratic organizations may prove more viable in the long term than those that offer limited incentives for members to become involved.

Organizations that rely on exit rather than institutionalizing opportunities for voice may also adversely affect members. Although members who exit a group may join another organization that provides a better fit, they may also leave the interest group sector altogether. This means that their views are less likely to be represented in the policymaking process and that they may become more alienated from politics. Even if members remain in their undemocratic citizen associations, they may derive fewer benefits from remaining in such a group. Democratic organizations transmit formal skills to members that are transferable to other political contexts, such as the use of parliamentary procedure, and informal skills, such as the ability to mobilize like-minded members to elect a favored candidate for a leadership office (Rosenblum, 1998; Skocpol, 1999). When members do not participate in their organizations in meaningful ways, they are unlikely to attain and develop such skills.

Finally, the relatively undemocratic governance structures found in contemporary citizen associations may call into question the legitimacy of the claims of these organizations to represent the interests of their members in the political system. Scholars commonly note that interest groups increasingly serve as critical links between citizens and government. Yet our findings indicate that in many organizations, there are few if any institutional means for connecting members to their organizations. Thus, in an era when interest groups play central roles in terms of agenda setting and policymaking, both lawmakers and citizens have reason to be concerned about who, precisely, is being represented by these organizations.

Notes

1. Figure 1 presents only one end of the tolerance intervals. The intervals would be truncated in a similar way on the right side based on the barriers to exit.

2. We thank Paul Johnson for suggesting this example.

3. Jacobson (2005) argues that “exit is always an option” from the American Political Science Association. Yet attending the annual conference as a nonmember costs virtually the same as joining and attending the conference at a membership discount. In addition, only membership offers access to the jobs database and other privileged content.

4. The American Political Science Association would rank high on our scale of institutional democracy relative to other organizations in our sample. Members are allowed to nominate
(with at least 10 signatures) and vote for council members and officers. In addition, the American Political Science Association constitution outlines provisions for members to override any action of the council or initiate any other action separate from the council. However, the organization has recently engaged in discussions about whether to make its bylaws more democratic.

5. Johnson (1990) actually applied his example of the unraveling problem to a union, which may contradict our assertion that members of unions face high barriers to exit. But the important distinction is that the American Federation of Labor is a federation of labor unions, any of which could have left the American Federation of Labor but still remained intact as a stand-alone union. Our study focuses on groups in which individuals, rather than organizations, are members. Thus, a member exiting one of the unions in our study would be leaving the union altogether.

6. We should note that organizations can induce loyalty in a myriad of ways, particularly by fostering a strong collective identity. This helps distinguish groups from one another, even when they are ostensibly pursuing very similar public goods.

7. All tax-exempt nonprofit organizations with revenue greater than $25,000 are required to submit 990 forms annually.

8. This figure is obtained from line 3 of the 990 form.

9. A comparison of the groups that did and did not respond to our requests reveals that we were more likely to receive bylaws from professional associations and from older groups in our sample. We reanalyzed our regression models presented below using the Heckman selection model to account for any bias. Our findings remained consistent using this technique, and a hypothesis test of rho revealed that the Heckman model was unnecessary for our analysis.

10. This coding was primarily based on classifications in the Encyclopedia of Associations. Unions are considered separately because they are also legally required (through the Labor-Management Reporting Act of 1959) to offer particular democratic procedures to their members.

11. We create this variable by subtracting the year that the organization was founded from 2004. Founded dates were acquired from the Encyclopedia of Associations and from the groups themselves.

References


A conference to honor Mayer D. Zald, Ann Arbor, MI.


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