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M.A. Thesis in Administration

June - 2013

THE ROLE OF INTEREST GROUPS IN AMERICAN POLITICS: THE CASE OF CATO INSTITUTE

Thesis submitted to the
faculty of Social Science
in partial fulfillment of the requirements
for The degree of
Master of Political Sciences
in
Public Administration

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June 2013

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DEDICATIONS

I would like to dedicate it to my lovely mother whose guidance and blessings lead me to write this thesis.

AUTHOR DECLARATIONS

I hereby declare that this thesis is my own work and effort and that it has not been submitted anywhere for any award. Where other sources of information have been used, they have been acknowledged.

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ABSTRACT

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The purpose of this thesis is to examine the impact of interest groups in the case of Cato Institute in American politics. It firstly attempts to investigate the relationship between interest groups and state and then goes to emphasize on the case of Cato Institute and on the way it impacts American internal as well as foreign politics. Given the case of Cato Institute, this study seeks to find answers to such questions as "how to define a better government", "what contents a democratic state must have" and "how liberal values within the governments can be encouraged". Moreover, this thesis draws attention to Cato Institute's activities concerning foreign issues ranging from environment to economy and from globalization to peace. It indicates that American interest groups are influential not only on American internal and foreign politics but also on the politics of other countries. Cato Institute, likewise, does not work to impact American politics only but also the politics of other countries in order to disseminate values of liberal democracy as well as global peace. In doing this it develops diverse branches in other countries and work in cooperation with international partners.

Key words

Interest groups, Cato Institute, Interests, Congress, Policy Makers, Lobbying, Strategy, Political Party

KISA ÖZET

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Haziran 2013

AMERIKA POLİTİKASINDA ÇIKAR GRUPLARIN ROLU VE CATO'NUN KONUMU

Bu tezin konusu amerikan politikasında çıkar grupların etkisinin denetlenmesi Cato Enstitü konumundadır. Öncelikle devlet, çıkar grupların ve Cato'nun Amerika'nın iç ve dış politikasında etkisini değerlendirip böylece araştırmamın konusu bunların ilişkileri olmaktadır. Cato Enstitü'nü konumu bu soruları cevaplanmaktadır "iyi bir hükümeti nasıl tarif edilebilir", "demokratik bir devlet gerekenleri ve içeriği ne olmalıdır" ve "hükümetler içerisinde liberal değerler nasıl teşvik edilebilir". Dahası bu tez Cato faaliyetlerinin çevreden ekonomiye ve küreselleşmeden barışa kadar yabancı konumlarda değerlendirmektedir. Bu tez Amerika'da çıkar grupların yalnız Amerika'nın iç ve dış politikasında etki etmeyip bunun yanında diğer ülkelerin politikasında etki etmektedir. Cato Enstitü, dahi, sadece Amerika'nın politikasında etkili olmayıp liberal demokrasi ve küresel barış çerçevesinde diğer ülkelerin politikasında etki göstermektedir. Bunu yaparken, uluslararası ortaklarıyla işbirliği içinde diğer ülkeler ve çalışmalarında çeşitli dalları geliştirmektedir.

Anahtar Kelimeler

Çıkar Gruplar, Cato Enstitü, Çıkar, kongre, Politika Makineleri, lobi, strateji, siyasi Parti

ACKNOWLEDGMENTS

I would like to take this opportunity to thank all those who have contributed and helped me throughout my thesis assignment. I would especially like to thank my respected in charge teacher, Prof Dr. Ömer Çaha for his indefinite help and suggestions by the help of whom I could full fill my task.

Finally, last but in no way the least I would like to dedicate my sincerely thanks and regards my lovely family members and dear friends for accompanying me during my hard and busy days of university life.

I hope this may help in a way to all those who are interacted in this particular

"A nation's political system could best be understood by looking at how groups formed and interacted with each other and with the government."

David Truman

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LIST OF ABBREVIATIONS

PAC	Political Action Committee
NFU	National Farmers Union
DEFRA	Department For Environment, Food and Rural Affairs
GSS	General Social Survey
OPL	Office of Public Liaison
LOC	The Line of Control
PAYGO	Pay As You Go
PRWORA	Personal Responsibility and Work Opportunity Reconciliation Act
CDC	Centers for Disease Control and Prevention
WHO	World Health Organization
DOJ	Departments of Justice
USPS	The United States Postal Services
NRC	National Research Council

INTRODUCTION

Virtually in all countries of the world, especially in liberal democratic countries, political parties and interest groups are the common democratic institutions which define the characteristics of political bodies and serve as mediating bodies between citizens and states. Interest groups are representing their members on the one hand, and are influencing the governmental policies in direction of their values on the other hand. The concept of interest groups and its power for sake of its pro and anti views has been a source of scientific debate and controversy for a long period of time. The debate and controversy over interest groups turn the attention to the following questions placed at heart of democracy: how a truly representative political structure is achieved?

The realistic approach accepts interest groups as crucial part of the political landscape in all types of democratic governments in order to fulfill the common goals of democracy. Moreover, interest group, according to the same approach, shows people's wishes into the process of the establishment in particular associations. Cato Institute as an example of diverse interest groups in American politics serves for the things drawn by the realistic approach.

Cato Institute is a liberal organization which works for disseminating liberal values like free market economy, rule of law, freedom of speech, natural law and limited government not only within America but also throughout the world. Cato Institute searches for various socio-economic strategies and tactics in reaching its aims. This thesis mainly focuses on the tactics and strategies developed by the Cato Institute and the ways it uses these tactics and strategies.

Throughout the twentieth century, a wide range of famous people such as political scientists, journalists, politicians, popular commentators believed in all areas of political role of interest groups and their roles in shaping political agendas of different countries.

It is believed that interest groups influence the agendas of governments and their drafting of legislations, providing means of participation in national politics and elections. Interest groups are capable, in this regard, to joint adequate supports in order to make governments amend or terminate the legislations.

In this thesis, I used qualitative method to explain how Cato Institute gathers and delivers its policies. In chapter one, I have discussed interest groups conceptualization and their difference from social movements and political parties as well diverse theories on interest groups, types of interest groups and their functions and resources. In the first chapter I have also focused on interest groups' strategies and tactics in launching their targets. The main question I seek to answer, in this respect, is how interest groups work and formal and informal tactics and ways that interest groups use.

In the second and third chapters I try to find out how and why Cato Institute has been founded? Why this think tank group has been named as Cato Institute? What are Cato Institute's principles and why they are being followed by Cato institute? How has Cato Institute improved and developed? What are the meaningful and useful ways that Cato Institute has used for its development? What are the Cato Institute's resources? And finally, I will discuss why Cato Institute does not use any governmental sources? Shortly, these two chapters will dwell on the Cato Institute's long story, that is, its existence, ways of working, values and organizational structure. Cato Institute's policies and reform suggestions concerning the internal as well as external politics of American government will be specifically concentrated on in these chapters.

CHAPTER 1

INTEREST GROUPS: CONCEPTUALIZATION AND THEORETICAL PERSPECTIVE

Interest groups have not got a long tradition of democratic culture. However, interest groups came into American political life in the mid twentieth century and have replaced political parties. As a result of its progression, interest groups played a central role in American political and economical assessments. In this chapter, I have considered interest group theoretical perspective, which includes definitions of interest group, the concepts of interest group with other social actors like "social movements and political parties", the growth and extend of interest groups, its proliferation, types, strategies, tactics and finally interest group's resources.

1.1. Definitions of Interest Groups

Scholars generally in social science face problem defining a social phenomena and interest groups are used under these conditions; we could not reach one hand definitions, nor can oppose it. Firstly, some of these scholars debated that pressure groups are more matter than interest groups and commonly supported to use pressure groups because they noted "pressure groups refer to the whole range of organized groups" (Watts, 2007: 6). Most studies make clear a particular definition of interest groups and in some case, clarify the use of terms such as interest and lobby (Clive, 2001: 7).

Definition of interest groups come with several types of meanings and the main issue for this conflict is the nature of interest groups that connect with social concepts, whereas

social concepts do not have a specific definition. To review the interest group literatures Robert Salisbury (1975: 175) reported; an interest group is an organized association which engages in activity relative to government decisions. Commonly the terms special interest and interest groups have been used interchangeably and defined only by drawing attention to what they did. A group of people who seek to exert interest on legislators, public opinion, etc, in order to promote their own ideas or welfare" (Dictionary.com, 2013). In this case Truman (1951: 33) defines interest groups as: any group that on the basis of one or more shared attitudes, makes certain claims upon other groups in society for the establishment, maintenance or enhancement of forms of behavior that are implied by the shared attitudes. Also conservative political philosopher Edmund Burke (1729–97) referred interest groups to the 'little platoons'. Interest groups can consequently operate as a canal of connection between the people and government. Nevertheless, their political role is frequently as 'doubtful' as their identity.

Held¹(1997: 49) has provided a useful definition, using the term refer to areas of social life the domestic world, the economic sphere, cultural activities and political interaction which are organized by private or voluntary arrangements between individuals and groups outside the direct control of the state. Zeigler defines an interest group as a formal organization seeking to influence public policy in democratic politics and dissents from the "shared attitudes," "cohesion," or "representation" elements (Zeigler, 1992: 377–380). Interest groups are prevalent, permanent and essential aspect of all political systems such as democratic, authoritarian and totalitarian regimes alike. Furthermore, interest groups exist at all levels of government, national, state, provincial, and local governments. Increasingly they have occupied an important role in international affairs. Interest groups are organizations that seek to exert influence on government from outside (Encyclopedia Britannica, 2013).

¹David Held is Master of University College, Durham and Professor of Politics and International Relations at Durham University.

In this issue, we must conduct within interest groups that how interest groups have natural basis in democratic types of government. Surely, practical politicians and scholars generally agree that interest groups are natural phenomena in a democratic regime because individuals come together to protect their interests. Thus the definition in our hands become: an interest group is a private, nonparty organization which engages in activities relative to governmental decisions (Wotton, 1985: 21).

This is useful to determine interest groups concept with other social factors such as social movements and political parties.

1.2. Interest Groups and Social Movements

Social movements are different from interest groups. Social movements comprise large number of members than interest groups who organize themselves in support of some broad area of policy such as environmentalism and women movements.

The term "social movements" was introduced in 1848 by the German sociologist Lorenz von Stein². There are some self characteristic that social movements have: Their member's goal is to articulate a common identity and provide this issue. They force to change attitudes and perceptions, and make institutions more responsive to their needs. Dramatically social movements arise and evolves at cross structure level of society and change shape into national groups (Watts, 2007: 6).

Faithfully, to define social movements it must be defined as a part of society. Technically *Longman Dictionary of Contemporary English* (2013) defined social movements "as a group of people who share the same ideas or beliefs and who work together to achieve a particular aim". To reach for a precise definition of social movements, social movements can be thought of as collectivities acting with some

²**Lorenz von Stein** (18 November 1815 – 23 September 1890) was a German economist, sociologist, and public administration scholar from Eckernförde.

degrees of organizations and continuity outside of the institutional or organizational channels for the purpose of challenging or defending extant authority, whether it is institutionally or culturally based inside the group, organization, society, culture, or world (Snow, Soule and Kriesi, 2004: 11). Mysteriously, interest groups and social movements have common points and differences; as well they attain on a single issue or range of issues, seek to gain political power but rather to try influence it. While there are some differences, still social movements are often more loosely organized than interest groups, lacking their precise membership's subscriptions and leaderships (Watts, 2007: 7-9).

1.3. Political Parties and Interest Groups

The most dramatic political change in the past two decades in American politics has been the decline of parties. Some scientists point out this issue and emphasize that "the drop in partisanship is extremely significant because identification with a party is so influential in voting decisions" (Berry, 1948: 48). Commonly the basic role and importance of interest groups and political parties in societies are generalizing and promoting individuals' needs.

Interest groups and political parties have close relations and they have similarities in some activities such as they both rise and establish in societies, generally share individual's attitudes and views, and both of them act through political institutions such as policy making process, election, etc (Watts, 2007: 13 and Texas Politics 2012). Instead of similarities that interest groups and political parties have, they are distinguish in some issues, for instance: mostly political parties issues have been connected with general objects and trying to cover more than one issue but interest groups narrowly focused on specific issue, also interest groups realm not as big as political parties and in some cases interest groups act inside political parties. On the other side, political parties

try to have candidates in elections for their purposes but commonly interest groups have no interest to have candidates in elections rather than in some cases they implicitly support a specific candidate in elections (Watts, 2007: 13 and Texas Politics 2012).

1.4. Theories on Interest Groups

Defiantly governments are shaped in variant ways. In democratic form of states, governments exist to answer the people about their performances and actions, surely in democratic types of systems; people seek different ways to influence state policies and legislation branches. The only way that people take steps and be more significant in public and social activities are interest groups and fractions which help people to fulfill their wishes and reach their goals through these organizations.

Two theories have dominated investigations into the relationships of government and groups' behavior: those advanced by pluralists and other is Marxist theory.

1.4.1. The Pluralist Approach

The early ancestor of pluralism in political science was known as "group theory", most broadly connected with David Truman's Theories. Truman (1971: 15) makes some assertion and mostly comprises interest groups activities with individuals. He constant "in all societies of any degree of complexity the individual is less affected directly by the society as whole than differentially through several of its subdivisions, or groups." Pluralist approach emphasizes on group positivity and focused on entirely natural and healthy feature of political life. They benefited the political system in various ways: in this case Wootton (15) pointed out the benefits of interest groups in societies: "Interest groups provide informed views and specialist expertise about the concerned issues. They allow minority's voices to be well articulated, helping to achieve a necessary balance in

democracy between minority's and majority's rights, and they prevent any single party from exercising disproportionate influence".

In American politics general consideration on interest groups even point out that interest groups are more effective than elections in democratization of governments. As well Dahl (1982) argued: a realistic definition of democracy was not 50 percent plus one getting their way on each and every issue. He emphasizes through bargaining and compromise between affected groups and political elites, democratic decisions are reached, with no one group consistently dominating.

By the 1970s, a more critical and qualified form of pluralism was beginning to emerge. Charles Lindblom highlighted the strong dominant position that big business holds in western democracies, seeing it as undermining their claims to be as wholesomely democratic as they would wish others to believe. The practical analysis of pluralism was that studies like who governs. A few subsequent commentators have similarly doubted the view that competition prevents any group from achieving undue influence, they feel power is not equally dispersed and access to government is not open to all.

Pluralists supposed to the democratic rules of the government guiding American politics made it relatively easy for new groups to form and to enter the political struggle representing particular points of view.

1.4.2. The Marxist Approach (The Critique)

Socialist approach towards interest groups is quite different. The left approaches consider on economic groups indicate that such groups must control the system. In Marxist approach government plays an executive role.

Marxists draw attention to the unequal distribution of power between employers and employees, pointing out that business interests exercise disproportionate influence. They

control economic resources, possess status and access to government. Trade unions lack such power, status and access. Moreover, in any case they tend to accept and work within the capitalist system, as long as it enables them to achieve some modest benefits (Watts, 2007: 20). Marxism sees the fundamental problem in society as being the unequal distribution of wealth and power associated with capitalism. They recognize this issue about interest groups, seen as relatively ineffective, in they cannot bring about major change (ibid, 2007: 23).

1.5. The Growth and Extent of Group Activity

Interest groups like other social factors are not new aspects in political methodology. Interest groups are the recent concepts similar to other political factors. Interest groups in modern age especially after World War II interchangeably developed.

In all periods of political life people's needs must be achieved through social actors which mean that people have to act for achieving their needs and rights throughout interest groups and other instruments. For that cause individuals act jointly, band together and they run groups. Some scientists argued that forming groups is a natural issue like other political subjects (Watts, 2007: 5).

Evidences committed this issue individual acts are not enough for achieving non personal goals. In societies common views are posed that individual acts are not sufficient for achieving social goals. Therefore groups and other social movements bring ground to individuals to take profit of their basic rights and they jointly act to secure and protect the basic rights such as free expression and free assembly.

The seventeenth century associations have denoted an individual who have cooperated to exaggerated a common purpose or develop a social case because personal and social

reasons groups forming goes to Anti- Slavery and the Anti Corn Law League in seventeenth and eighteenth centuries. In this case French political theorist Alexis de Tocqueville noted; "interest groups in politics are not new concepts, the propensity of Americans to form associations to effect social, political, and economic change. Such groups included abolitionists, who fought to end slavery, as well as other groups who sought to outlaw dueling, capital punishment, and the consumption of alcohol" (BookFi.org, 2013).

According to Watts (2007: 8) in the late nineteenth and early twentieth century's, a variety of other public groups developed as government expanded into areas such as education, health care, leisure and welfare (Higher Educations, 2013). Meanwhile the matrix for the interest groups activity and lobbying is indeed organizational society. However, the growth and improvement of federal type of regime developed modern type of groups in political realm especially, Washington groups based.

Thus one major study found, most current groups came into existence after World War II and group formation has accelerated substantially since the early 1960s. Remarkably modern new interest groups formation began in the 1960s and continued to the present, the rise of public interest groups during these years was reminiscent of the progressive era (California State University, 2012). Also since the 1960s groups have increasingly directed their attention towards the center of power in Washington DC as the scope of federal policymaking has grown and groups seeking influence have determined to "hunt where ducks are" as a result the 1960s and 1970s marked a detonation in the figure of interest groups lobbying in Washington. Specifically the 1976s issue led interest groups broader to change their formation and focused on environmental, civil rights, humanitarian, economic and educational goals but what severely changed interest groups and formed PACs³ was acting of these groups on supporting candidates, advocated specifics laws and regulations and then emphasize to pass them on Congress members.

³ Political Action Committees

In contrast interest groups had faced to Congress reaction by enacting legislation that strongly restricts interest groups cooperation to a candidate, in this case PACs were able to pool donation by individuals and present them to candidates.

The exploding costs of running for office and especially, placing political advertisements on television have made many candidates reliant on PAC and interest groups support. By focusing on specific issues supported by a candidate, advertisements paid for by soft money⁴ can be extremely influential and there are no limits on soft-money contributions.

1.6. Why have Interest Groups Proliferated in the Modern Age?

Interest groups and their proliferation in modern age are connected to some specific social factors. These indicators created high level spaces in some countries and societies such as United States of America. The factors enlarged interest groups in the United States of America after World War II as Cigler (1995) pointed "geography, climate, economic potential, culture, ethnicity and religion influenced interest groups to accelerate" (American Studies, 2013). It changed American politics in recent decades, and toughly decline political parties.

Researches confirm after World War II the US witnessed numerable growth and extend in the number of interest groups, a growth which accelerated in the 1960s (Ibid, 2013). Many reasons influence group activities in mid 20th century, defiantly government activities growth and the era of national economic management, in this case social services changed and states posed new policies toward these issues. Furthermore it significantly influences the daily lives of societies' members naturally people that share common interest in society would act toward these policies as non violent and the only

⁴Soft money is money contributed to political parties rather than directly to candidates for partisan or issue advocacy.

way that have saved people were interest groups, in that case they will achieve their needs. As Watts (2007: 18) noted: The influence of anybody tends to increase as its membership grows, thus providing an impetus to recruit new members or to amalgamate with other groups of similar viewpoints. Governments do not wish to embark lightly upon policies that are offensive to many voters. Despite the extent of welfare provision in areas such as education, health and housing, there is always more that can be done. Expectations having been created and many people want to see more and better facilities and benefits.

Apart from that enhancement in the growing of life style or specialism of modern life, it creates many groups and subgroups and style of life and all of them need to support their interests by groups. Also modernization of life and facilities like internet, emails and vehicle transportations caused to groups met and sent information. Also large institutions, such as universities, churches, government agencies, foundations and think tanks formed their own organizations to represent them politically it enlarges interest groups and its activities (American Studies, 2012).

This has encouraged the formation of a variety of groups to represent particular minorities, including bodies such as many pro religious and cultural groups" (Watts, 2007: 18). In case of interest groups proliferation, pluralists experts noted; Pluralists answered this question with a narrow of argument they added, David Truman argued that interest groups arise from two interrelated processes. First, societal changes precipitate the emergence of new interests. Secondly, disturbances, political or economical upheavals disrupt stable patterns of interaction between individuals. In short, Truman argued that individuals with shared interests (reacting to social change and or disturbances) band together to stabilize relations among themselves and between themselves and other societal interests when their interests are threatened (Nownes and Neeley, 77).

1.7. Classifying Interest Groups

Interest groups can be categorized in a variety of ways. Precisely interest groups have different levels and stages. These groups have distinguished purposes and are very numerous and very diverse, some being vast and permanent national organizations, others being short-lived local action groups. This makes it difficult to categorize them easily. All range of interest groups in all aspects such as organizations based on labor, business, agriculture and professions and all other kind of interest groups. Most of the Americans belong at least to a group.

Interest groups are developed and not easily to categorized, interest groups have diverse types. And they use an equally wide array of tactics and strategies part of this unit demonstrates the vibrancy of strategies and tactics employed by groups attempting to influence public policy. In this case Watts (2007: 28) divides groups according to the sector to which they belong, by the purpose for which they exist and by their strategy to be in a relationship with the government.

This is also to mention that in this case we have different classifications from interest groups and we prefer to use Watt's classification.

The Sectoral Approach

The sectoral approach includes those types of interest groups that following sectoral duties. In this kind of classification the main point is every group categorize according to the sector in which they are active. These interest groups are:

The Trade Lobby

There are two types of trade associations: peak associations, which represent broad business interests and single industry trade associations, which represent businesses in a specific industry (Nownes, 2001: 11).

The Labor Lobby

Although in American politics labor lobbies are known as a labor union, labor union actually is called to a group of workers joined together for the purpose of collective bargaining with employers.

The Cooperative Movement

Cooperative or corporations are business enterprises that exist primarily to make money. Obviously it is clear that why such a corporation is formed in a free market economy, all elements of society attempt to save and progress their business.

The Professions Groups

A professional group is an interest group stands to follow interests of those people which are part of a specific profession.

Under this section the problem is the word of profession and occupation that is not clear all the time. Nownes (2001: 13) noted as a result, we are left to define professional by example.

Generally doctors, lawyers, nurses, and other relatively highly paid, well- educated workers are considered professionals.

Charity Groups

The charity groups are active in American social life in order to help people. Charity group is defined as an organized interest group engaged in free assistance to the poor, the suffering, or the distressed.

Charities typically lobby on issues of social justice and like churches are often active in health care and disaster relief as well.

Special Coalition Groups

Coalition groups are formed or organized to accomplish common objectives. Most of the coalitions are short term entities that rise up to deal with a particular issue.

The Churches and Evangelical Groups

In American political life churches are not as active as they were in the past. Their roles seem to be ceremonial in American's social and political life. A church is an organized group of worshippers.

It is to mention that many of the largest religious denominations in the United States has their own ecclesiastical (church) governments that make church's policies, run church programs and recruit members.

Educational Groups

As a matter of fact the purpose of educational groups is to educate people. The task of educational interest groups is to give fund (Ibid, 200: 15).

Think Tanks Groups

Think tanks groups also play a central role in American political and social life and they affect social and governmental policies.

A think tank is a nonprofit institution that conducts and disseminates research. Notably, this is to mention that think tank interest groups have no members, but rather is consisted of scholars.

1.7.2. Protective and Promotional Groups

As to Watts' notes, protective and promotional groups are ranges of interest groups that its purposes are protective or promotional. It means these kinds of groups could support and protect groups and promote an interest. Here, we use the more usual terms of protective and promotional groups.

1.7.2.1. Protective Groups

Protective groups are referred to those groups whose basic aims are to defend and support the interests of their members and provide services to their members.

Watts (2007: 25) noted: they are concerned with the self interest of a particular section of the population, such as big employers and employees, farmers, doctors, lawyers and teachers. Such groups tend to be highly organized, well staffed and resourced, highly durable and with some exceptions have access to government. They comprise only those who operate in the sector.

1.7.2.2. Promotional Groups

Promotional groups which generally promote accelerate and propagandize cases, ideas and issues of their members or opposing in some cases. The main tip is the role of promotional groups in American system specifically then the entire world: 1.The political parties in the US are weaker and less unified on policy process. 2. The US has two party system which does not have a room for small specialized parties so promotional interest groups are more active (College of Humanities and Social and Behavioral Sciences 2012).

Promotional interest groups effort to promote a particular issue, for this intends promotional interest groups sometimes called cause groups. This type of groups generally is not self interested in the achievement of its objects which is not necessarily of direct professional or economic benefit to their members of the groups (History site, 2012).

Cause groups need to have large membership because they need public support for providing their issues and causes.

1.7.3. Insider and Outsider Groups

Insider and outsider groups have to consider on group's relationship with the states. These groups characterize by its relationship with the states it clarified groups with particular relations with government. Benewick (1970) had tried to distinguish interest groups in a different way by discerning three groups each of which was characterized by the kind of relationship it had with government. They were:

- Those well-resourced groups which were seen as legitimate by government with which they had a stable and continuous relationship (the first world).
- Groups not short of resources or devoid of legitimacy which had less frequent contact with the government (the second world).
- Groups not perceived as legitimate by government and which did not benefit from the kind of access accorded to the first two groups.

Insider groups have strong connections and contacts with policy makers and are regularly consulted. But outsider groups have not consulted during the policy-making process, nor can they expect to gain access to executive or legislative issues of governments. Rather they have to work outside the governmental decision making process and therefore, have fewer opportunities to determine the direction of policy.

Outsider groups follow diverse tactics and subdivided into two categories. The first are outsider groups aiming for insider status. They do this by waiting for a different political

climate such as a change in government. If such a change materializes they might immediately gain insider status. Outsider groups hoping for a change in political climate often work closely with the opposition in Parliament and generally their strategy is to abide by the rules of the game (History site, 2012). In opposed Grant views on typology of interest groups are different in this case noted that insider groups and outsider, they could distinguish with their tactics and their contacts with government's institutions. Grant's view: in the longer run most groups tend to veer towards an insider strategy because of the potential gains it offers. To Grant outsider groups on the other hand, are either unable or unwilling to become enmeshed in a consultative relationship with officials. In particular, he argues that there will always be 'ideological' outsider groups committed to campaigning for radical policy changes, which cannot be accommodated within existing policy paradigms. Nevertheless, the key point for Grant is that more influential groups do not use outsider tactics and conversely many of those groups who use these tactics wouldn't do so if they could achieve insider status (Watts, 2007: 34).

Insider groups tend to be very powerful and have long term influence on political policies and strategies. Many but not all protective groups are insider bodies and have consultative status. In most cases promotional groups are outsider organizations, campaigning against the political mainstream (Ibid, 2007: 35). Page also sees the distinction between insider and outsider groups as problematic but he suggests that groups can be outsiders on some issues and insiders on others. In addition, he argues, based on a study of the extent to which interest groups self-report consultations with government about forthcoming legislation, that most groups are insider group (Watts, 2001: 20).

1.8. Functions of Interest Groups

Interest groups hold out extensive series of purposes such as representation, political participation, policy implementation, education and policy formulation.

1.8.1. Representation

Interest groups provide a range of issues and benefits that are not possibly represented throughout the electoral course or by political parties. The representation function stems from the reason interest groups are created in the first place. Generally collective action could modify easily individual rights and it is the most effective way of influencing policymaking and changing issues. Interest groups also serve as a watchdog monitoring the actions of Congress, the courts and the administration in the interest of their constituents (Cliff Notes, 2012).

1.8.2. Political Participation

Interest groups certainly encourage political participation in societies. Hopefully in democratic types of governments' political participation due from interest groups. Generally interest groups have become an important agent of political involvements (Hiat, 2011: 137).

Additionally, a series of interest groups essentially outsider groups ask for to apply influence with mobilizing general hold through activities such as petitions, marches, demonstrations and other forms of political protest. Such forms of political participation have been particularly attractive to young people (Palgrave, 2013).

1.8.3. Policy Implementation

Interest groups strategies include access to the government's policymakers and changing policy process towards their purposes.

During Interest groups activities most of groups act from this vacuum and benefitted. The best example of this is the National Farmers Union (NFU), which works with the Department For Environment, Food, and Rural Affairs (DEFRA) in implementing policies related, for example, to farm subsidies, disease control and animal welfare (Ibid, 2013).

1.8.4. Education

Interest groups play a central role in society's attitudes and behavior in order to push them into groups for their privileges toward governments. Educated societies are more suitable for interest groups.

Interest groups therefore often devote significant resources to carry out researches, maintaining websites, commenting on government policy and using high-profile academics, scientists and even celebrities to get their views across (Ibid, 2013). Interest groups render a necessary service in a democracy by making valuable information easily available to government agencies as well as to the public in general (Pink monkey, 2013).

1.8.5. Policy Formulation

Although interest groups by definition are not policy-makers, this does not prevent many interest groups from participating in the policy-making process. In particular interest groups are a vital source of information and advice to governments (Palgrave, 2013).

1.9. How People Involve into Interest Groups?

The proliferation of interest groups afford citizens the opportunity to get involved in some way from passive to active involvement in a wider cadre of groups than ever before (Cigler, and Loomis, 2006: 41). To consider the correlation between groups' involvement and political tolerance, we rely on data from the General Social Survey (GSS⁵).

⁵General Social Survey (GSS) is a sociological survey used to collect data on demographic characteristics and attitudes of residents of the United States. The survey is conducted face-to-face with an in-person interview by the National Opinion Research Center at the University of Chicago, of a randomly-selected sample of adults (18+) who are not institutionalized.

The GSS typically interviews approximately 2,000 respondents every two years, generating a representative sample of US citizens. Surveys have been administered since the early 1970s, yielding a valuable reservoir of data for countless research efforts; the GSS cumulative file of 1972-1996 offers a series of questions that can be combined into an index of political tolerance.

Throughout this period respondents were asked fifteen questions that addressed three civil liberties typically associated with freedom of expression: making a public speech, teaching at a college or university and allowing a controversial book to be in the public library. The GSS posed each question with reference to members of five nonconformist groups: atheists, communists, homosexual men, persons advocating military rule rather than rule by democratic election and persons believing that blacks are genetically inferior. For example; respondents were asked whether they would allow an atheist to make a public speech against churches and religion in their communities. Would respondents remove a book from their public library written by a homosexual author advocating homosexuality? Responses to all questions were combined for each respondent, yielding an additive index that ranged from zero (least tolerant) to fifteen (most tolerant). Each respondent also was given a list of sixteen different categories of groups and asked whether he or she was member of any of the groups in each category. The categories ranged from obvious political groups such as those representing a political ideology or concerned with a political issue, to those not usually associated with political activities such as service/fraternal, hobby or sports/leisure groups. The GSS then calculated the number of memberships across the group sectors for each respondent. Slightly, more than 55 percent of respondents indicated membership in one or no group categories. Nearly 16 percent indicated membership in four or more categories based on these data. How does group membership influence political tolerance? The pattern is unambiguous as the number of memberships across group categories increases, so does political tolerance as in figure 1.1 below.

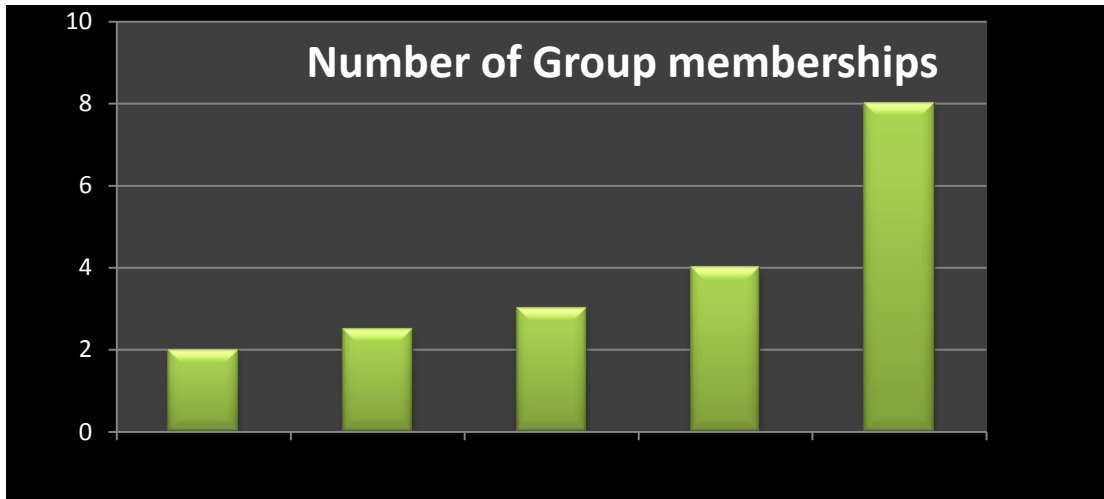


Figure 1.1. The index scores political tolerance from zero (least tolerant) to fifteen (most tolerant).

But it is likely that other politically relevant social characteristics such as education affect our measure of group membership.

Education though is to increase familiarity with diverse ideas and people while in calculating democratic principles that contribute to respect for differences. Age is another factor and research has shown it has an inverse relationship with political tolerance. For example; increasing commitment to the civil rights of the poor, women and black, especially among youth of the 1960s is though having instilled in younger respondents a greater commitment to tolerance.

Other researchers have discovered that people with strong religious beliefs are less likely to support civil liberties. Additional social variables that could affect political tolerance include gender, race, political ideology, and income.

1.10. Interest Groups Strategies and Tactics

Interest groups use different strategies and tactics in favor of their policies. Continually, interest groups strategies and tactics change along interest groups' development. Early interest groups were not trusted by American government and American people, as James Madison warned that organized interest groups posed a danger to the republic because they worked to gain advantage for themselves at the expense of others (Nownes, 2001: 3). By the time it has changed to positive views towards the interest groups. Numerous studies indicate that most Americans belong to organized interests of some sort nowadays. One study reports that 65 percent of all adult Americans belong to at least one politically active organization (Ibid, 2001: 3).

The main question is why interest groups tactics and strategies are changing by the period of time? It mostly belong to government flexibility and social and economical changes. In this section I have conducted with the question of how interest groups operate and what strategies and tactics interest groups use.

1.10.1. How Interest Groups Operate?

Interest groups' mode of operations is largely shaped by the characteristics of the political system in which they operate. It is accepted by many group lobbyists that whichever party is in power, the most effective way of achieving their objects is to establish good links with seat of power so the group is consulted whenever ministers are contemplating action or legislation that may affect it. But for many causes campaigners, parliament and the public are more likely the targets. Many activists increasingly find themselves drawn to direct action as a mean of getting their message across (Watts, 2007: 45). Certainly interest groups activities depend on two factors; firstly, how effective is a particular strategy likely to be and secondly, given the interest group's aims and resources which strategies are available (Palgrave, 2013).

Interest groups have played an important role in shaping legislation since the very first Congress. They have used an assortment of methods to influence legislators and impact public policies. These tactics can be divided into two categories: direct and indirect techniques (Net place, 2012).

Meanwhile interest groups' approaches approximately depend to the types of groups for interest groups are not following same tactics and strategies.

Watts (2007: 53) noted "the approach adopted by lobbyists and campaigners otherwise depends on the type of groups involved.

1.10.1.1. The Traditional Tactics Used by Interest Group

Interest groups tactics and strategies are different according to states systems and nature of interest groups. States has used different strategies from the past interest groups influence.

1.10.1.1.1. The Executive

All types of interest groups target the executive branch. The question comes to mind why these interest groups target executive branches? And how interest groups operate into executive?

In American system of separated powers, few policies are determined solely by the legislature. One actor who has a grand compact of power over policy outcomes is the chief of executive because they work at the center of the core which develop and make government policies. In this case Watts (2007: 47) noted; sometimes they deal with ministers directly but elected politicians mainly set out to as the broad contours of policy.

More often, lobbyists who are interested in the small print of policy have contacts with various senior figures in the various departments of state. Generally, interest groups who lobby the chief executive use two following basic techniques:

- **Meeting with the Chief of Executive and Staff**

It is impossible to meet president and other executive owners and staffs for interest groups. Meeting with the president is not common and not easy to an interest group because chief executives are too busy. For instance; meeting with the USA president who seldom meets personally with any interest and lobbyist but useful point for interest groups are president advisors, special assistant, white house staff and first lady of United States of America. But governors are more reachable than presidents (Nownes, 2001: 97).

- **Interacting with Special Liaison Offices**

In American political life interest groups have defined itself crucial and because of this issue, the American executive branch count on interest groups information for their political decisions more often. The most initial point is the office of public liaison (OPL⁶); an entity that maintains contact with organized interests.

The OPL has different mean for The Democrat president and Republic one. For the Democratic presidents OPL generally means labor unions, civil right groups, environmental groups and women's right groups but for the Republican presidents it generally mean business groups, religious conservative groups and conservative think tanks (Ibid, 2001: 98).

⁶ The O.P.L (Office of Public Liaison) was created in 1970 by Richard Nixon, who designed it to reach out to constituencies he felt were important to his reelection.

1.10.1.1.2. Lobbying the Bureaucracy

The chief of executive is only one part of the executive branch. The other part is the executive bureaucracy broadly defined as the set of agencies and bureaus that implements public policies. Interest groups who lobby the bureaucracy use basic techniques like;

- **Testifying before Agencies and Meeting with Bureaucrats**

Bureaucratic agencies write and adopt regulations and rules through a process known as rule making where interest groups can also participate in this process. Rule making comprises three stages; regulations are drafted, regulations are published and agencies decide whether to or not adopt them (bid, 2001: 98). Interest groups are active in stage one and two. In stage one these groups can help bureaucrats craft rules and regulations. In stage two they may submit comments for or against a proposed rule or regulation.

- **Serving on Advisory Committees**

In the United States of America many federal in state agencies establish special committees for better life and making suitable rules. The main debate for special committees is to advise personally to rule makers. Nownes (2001: 100) noted about the purposes of these committees as; "First, they provide technical information to regulators. Because rules and regulations are often arc ape, technical, and complex, many agencies feel the need to call on experts for technical information. Second, advisory committees serve as sounding boards for testing agency proposals. In other words; regulators use advisory committees to discuss their plans with lobbyists and other interest parties."

- **Participating in Adjudication**

Meanwhile, agency regulations commonly have the force of law. Interest groups act and participate in these proceedings much like they participate in agency hearings and Congressional hearings.

- **Attempting to Influence Bureaucratic Appointments**

Interest groups are active to influence bureaucratic appointments, but the question comes to mind why interest groups are active in this area.

The main issue that interest groups are active in bureaucratic appointment is the impact of these bureaucrats on policy process because bureaucrats can have a profound impact on public policy. This is why organized interest groups are active in the bureaucratic appointment process. Technically when organized interest groups attempt to influence bureaucratic appointments they aim its efforts to the executive branch, the legislature or the public. But the ultimate goal of such efforts is to affect the makeup of the bureaucracy which we consider as forms of bureaucratic lobbying.

1.10.1.1.3. The Legislature

Interest groups also force to pay attention on legislation and lawmakers in all countries of the world. Interest groups more often appeal by promoting or preventing laws in this section by their own tactics. Watts (2007: 54) noted that interest groups act on members and interested members can assist or promote the cause of groups in various ways as described below;

- They may sponsor amendments suggested by interest groups when new legislation is produced
- They may ask a parliamentary question on their behalf in order to ferret out information
- Clarify an ambiguous position. Goad ministers into action or protest against some policy or occurrence on behalf of the group
- Advance group concerns in a general debate
- Initiate legislation on behalf of the group

Influence at the parliamentary level includes elected representatives, committees or even a particular party (Ibid, 2007: 54). Lobbyists try to find to contact with sympathetic or well-placed MPs and peers providing them with expensively produced briefing and information packs (Palgrave, 2013). For legislators, governmental staff and other officials, political analysis entails information about how a policy proposal or program will affect their reelection chances. By examining the policy lobbying and its effect on policy makers now we must seek answer to question such as why and how legislature is mostly lobbied by interest groups. Surely for finding this that why legislatures lobbied more by interest groups than the other branches of the government and what proves it. Recent surveys suggest that over 99 percent of the state and federal lobbyists spend at least some of their time lobbying the legislature (Kenneth, 2001: 86).

The legislature attracts so much to interest groups because of various reasons. Nownes (2001: 93) noted; "first in most policy areas, the legislature has the most power, for example, at the federal level; the constitution gives far more power to Congress than to either the president or judiciary. To be sure the other branches of the federal government are far from impotent but Congress is where most of the action is. Second, the legislature is accessible to lobbyists. Legislatures provide a multitude of access points for lobbyists. Congress has 532 members and most state legislatures have hundreds of them. In contrast there is only one president and every state has only one governor."

The second part of this question is on the issue that how interest groups influence and act into legislature. Generally, they use two basic techniques;

- **Testifying at Legislative Hearings**

One of the main issues for interest groups is legislative committees and legislative subcommittees. Obviously, interest groups organize their purposes and files to enact in legislative committees and subcommittees. In fact, most Americans think of floor action

debates and votes take place on the floor of legislative bodies. When they think of legislatures most important legislative decisions is made in legislative committees.

The process of policy making in legislatures branch allow committee's member to hear pro and anti views about a policy. Constantly, committee hearings are a royal position for interest groups to provide information to legislators. Hearings allow them to present their views on pending policy proposals directly to policymakers and because they are often attended by media members, it can bring publicity to an organized interests issue position (Ibid, 2001: 95).

- **Meeting with Legislators and Legislative Staff**

Interest groups also use personal tactics to lobby legislators. With these personal meetings easily interest groups approach their interests.

These meetings are ideal for interest groups because by such meetings interest groups easily pose their views and points to legislators and legislative staff and also interest groups present both policy and political analysis to them.

Table2. 1. Proportion of Respondents Reporting That They Engage in Each Lobbying Technique.

Technique	States	Washington
Testifying at legislative hearings	98	99
Contacting government officials directly to present point of view	98	98
Helping to draft legislation	96	85
Altering state legislators to the effects of a bill on their districts	96	75
Consulting with government officials to plan legislative strategy	88	85
Attempting to shape implementation of policies	88	89
Helping to draft regulations, rules, or guidelines	84	78
Engaging in informal contacts with officials	83	95
Serving on advisory commissions and boards	58	76
Attempting to influence appointment to public office	44	53
Filing suit or otherwise engaging in litigation	36	72
Doing favors for officials who need assistance	41	56
Total	595	175

Note: Each respondent was given a list of advocacy technique and asked to indicate which he or she had used in the past year⁷

As table 1.2 shows, almost all lobbyists over 95 percent have some face to face contact with legislators and their aides. In fact face to face meetings with legislators are so common that huge numbers of lobbyists help legislators draft legislation. The table shows that 96 percent of state organized interests and 85 percent of Washington lobbyists help legislators and their aides draft legislation.

1.10.1.1.4. Policy Analysis

Policy analysis in interest groups terms is used to describe the technical information and explanation of policies. With the policy analysis interest groups and lobbyist do their action for or against a certain policy or program.

The main debate in policy analysis is the perspective of a specific issue. Interest groups mostly effort to present policy analysis that makes their side positive and other side negative. Obviously the main issue in analyzing a policy for interest groups is to influence policy makers and then to achieve their goals and purposes.

1.10.1.1.5. Political Analysis

Political analysis of a public policy has twofold. Both the policy makers and interest groups have their own privileges and benefits.

⁷Source: The state data come from Anthony J. Nownes and Patricia K. Freeman, "Interest groups Activity in the States, *Journal of Politics* 60: 1 (February 1998: 92) Nownes and Freeman surveyed 595 lobbyists in California, South Carolina, and Wisconsin. The Washington data comes from Kay Lehman Schlozman and John T. Tierney, *Organized interest and American Democracy* (New York: Harper and Row, 1986), p. 150.

The roles of interest groups on policy makers are certainly clear because a policy maker feeds their information via interest groups. Policy makers use this information for making good policies but at this point, it must be noted that policy makers need to make good policies from one point of view but the crucial point is saving their jobs and because of that policy makers hopefully, observe all of the functions to make valuable policies and remaining to their jobs (Ibid, 2001: 91).

1.10.1.1.6. Interest Groups and Courts

The courts have essential role for interest groups in social life. Not be forgotten that United States courts do mutual jobs. They interpret laws and control unconstitutional behaviors, courts also making policies and laws.

Interest groups who lobby the judiciary use three basic techniques: they litigate, file amicus curiae briefs, and attempt to influence judicial appointments.

- **Litigating**

The Purpose of litigation is to force some sort of policy change. This may mean either stopping an impending or existing policy or getting a new policy adopted.

- **Filing Amicus Briefs**

The second way interest groups may lobby the courts is through the filing of amicus brief. Amicus is a Latin word which means friends of court. The idea behind an amicus brief is to provide additional ammunition for one side or the other in a court case in hopes of influencing the court's final decision (Ibid, 2001: 104).

- **Attempting to Influence Judicial Appointments**

Interest groups lobby the judiciary by attempting to influence judicial appointments. Technically, when interest groups attempt to influence judicial appointments they actually aim their efforts at the executive branch, the legislature, or the public because the ultimate goal of such lobbying efforts is to affect the composition and direction of the judiciary (Ibid, 2001: 104).

1.10.1.1.7. Political Parties

Interest groups have central role in American politics and influence political institutions easily and could change public behavior and attitudes by their encouragements (Palgrave, 2013). But still interest groups need to follow and seek special ways and tactics on political parties too because in most democratic countries parties' role out on governments. Interest groups need to have connection with parties.

The most obvious way in which groups influence parties is through funding and donations. In the United States interest groups can influence the process of nomination of candidates but because of lack of party coherence the groups concentrate on trying to influence individual party members rather than party organizations. Generally, interest groups fulfill some of the traditional functions of parties. Instead of formalizing within the party organizations they put efforts into maintaining an impartial image. Still, it is obvious that certain groups favor the Democratic or the Republican Party, depending on their liberal or conservative tendency respectively (American studies, 2013).

1.10.1.1.8. The Appeal to the Public

It may seem unlikely that interest groups would be valid measures of public opinion; they are remarkably unrepresentative of the public as a whole. The wealthy and educated members of society are much more likely to be organized into interest groups and employ representatives. The poor and uneducated are much less able to speak to the government through lobbyists (Brooker, 2005: 2). Interest groups try to influence the public who after all are the voters in the next election.

American groups have long gone in for this style of interest in the anticipation that any demonstration of popular backing will inspire the legislature and the executive to respond favorably. Some groups are held in high regard and any campaigning they undertake is likely to arouse strong support (Watts, 2007: 54-58). Interest groups are not always concerned about wider public opinion and the mass media but may focus instead on what has been called 'informed opinion', sometimes called the chattering classes.

1.10.1.2. Other Outlets

Interest groups can be effective in other ways, by working with lobbying other interest groups and companies and using the mass media to create a favorable climate of opinion for their action.

As we have seen the methods open to interest group campaigners are numerous. The choice of access points to target will be determined by the character of group they represent, its ability and willingness to provide government with something it needs, and the resources available.

1.10.1.2.1. Alcohol and Sex

Alcohol and sex is have also used as a part of interest groups strategies but this declares that these instruments are scandalous. Mainly, interest groups scholars agree that

bribery, sexual substance related misconduct and illegal lobbying activities are not very common. But occasional scandal is the result of a political system, which allows lobbyists such high levels of access to policy makers.

1.10.1.2.2. Informal Lobbying

Interest groups lobbyists also use informal ways of lobbying to achieve its goal. We will examine the most common forms of informal lobbying: wining, dining and schmoozing; gift giving, and providing favors.

Wining, Dining, and Schmoozing

Drinking, schmoozing, dining out, playing golf, and other ways hanging out with public officials is an undeniable part of lobbying. The main point for interest groups from wining, dining and schmoozing are lobbyist provides information to policy makers. In other words Nownes (2001: 114) noted; "informal get together, meeting, and encounters are forums at which lobbyist pass on policy, political, or legal analysis to policy makers."

- **Gift giving, Favors, and Junkets**

Obviously, drinking and eating are not the only ways that interest groups informally lobby policy makers. Interest groups provides everything from perishables like flowers, candy, cigars, and peanuts to free babysitting, tickets to athletic events and rides to work.

One of the most popular lobbyist's gifts is the junket, which is a free trip. Nownes added junket only provide to legislators and their aides (Ibid, 2001: 115).

1.10.1.2.3. Campaign Money and Interest Groups

As interest group scholars noted money is an important weapon in a lobbyist's arsenal. Nownes added giving money directing to policymakers in an attempt to influence their decisions is bribery and therefore, against the law.

The main branch in interest groups system that lobbyist use from it is Political action committees PAC it help interest groups to make soft money for candidates and other policy makers agents.

1.10.1.2.4. Use of the Media

Over recent decades the media have become an acknowledged part of interest group activity in all democratic countries. Because the important of multimedia, interest groups use this factor as a key instrument. New technologies have increased the reach of interest groups particularly the development of computerized and personalized mass mailing (Watts, 2007: 81).

1.11. Interest Group Resources

Various interest groups have dramatically different levels of resources their behavior in particular circumstances often depending on the ones that it has available and its calculations of the costs and benefits associated with employing a particular mix of them. The ones that are significant can therefore, differ according to the situation but they include such things as membership, leadership and staffing, esteem, funding.

1.11.1. Membership

Surely, from the past membership and being huge part of the society is a key factor of succession of any kind of institutions. Interest groups are needy to members and the extent of group's membership and more especially the size of its activist base are

important. The remarkable point is the connective in groups because some of scientists noted that large groups are often more successful than small ones. Although too large an organization can lack cohesiveness and unity (Ibid, 2007: 58) what matters is the cohesion, commitment and determination of those involved, rather than a sprawling membership, some of whom belong to more than one organization and lack dedication and other valuable qualities (Ibid, 2007, 58).

1.11.2. Leadership and Staffing

The main point could guide small groups with lack of resources to succession is leadership. Leader's qualities are the main factor to leaders and groups, the key characteristics of a leader include charisma, creative sensitivity, energy, enterprise, flair, ideas and strategic are definite assets in a leader (Ibid, 2007: 59). Nevertheless, interest groups leaders have responsibilities such as coordinate various activities of the interest group and its steering committee if one exists, encourage interest group members and coordinate regular communication with interest groups members through special ways (NACDA, 2012).

According to researches leadership has four factors. They are; leaders, followers, communications and situation. Leader must define himself that of being who are they, what leader can do, and a leader must determine himself on his/her followers' mirrors. In this occasion leader should know different styles of leadership to come down with different types of followers. Leader must know their followers needs. Because of that leaders need to have two side communications to deal with the followers and leaders cleverly need to deal with different situation and conditions to well organize and manage the needs of their followers and pro activities (Mischel, 1968).

1.11.3. Esteem

Surely, interest groups with high prestige have more influence on policy process and it could enact interest groups need. Interest groups with high esteem could easily manage

society's views and positively direct society's members on their own directions. Watts (2007: 58) noted; "groups enjoying high prestige are more likely to carry more weight in negotiations and exercise influence. Professional groups have a high social status even though they can on occasion be militant and restrictive in their working practices."

1.11.4. Funding

The most influential interest groups in the country are those that government precisely listens to their needs because they have financial and economic power they are wealthy. In general, from the past the key factor for interest groups was money perhaps even more than numbers and intensity is decisive to successful group operation. If interest groups have high level of economy, they could arrange their issues easily and groups well prevent internal disorganization and they receive good results.

CHAPTER 2

CATO INSTITUTE: STRUCTURES AND PRINCIPLES

In 20th century, life changed because of specific developments. After World War II, new form of institutions emerged beside the party system. Specially, the interest groups dominated public life. Nowadays, interest groups in American life dominate and cover all of the system and American state's policymakers and executive authorities must respect and accept interest groups views and purposes.

Cato Institute came into existence in American political life during the last three decades and it has issued normative reforms. Cato Institute due from liberal think tanks viewers; now Cato Institute has become one of the largest institutes in the United States of America and also around the world (Vote smart, 2103). Cato Institute's activities has not limited on political issues, it also seeks to cover social life.

In this chapter, I have focused on Cato Institute and its progress. It content is the origin of the Cato Institute; Cato's Letter, Cato's principles, the growth and extends of the Cato Institute, Cato Institute resources and Cato Institute's role on developing liberal concepts around the world.

2.1. The Origin of the Cato Institute

American political structure has laid ground for competition, in American political and economical competition era interest groups played basic role.

After World War II, interest groups emerged and became close challenge to political parties. Because of the specific characteristics that interest groups carried on they marginalized American party system.

Alongside of American pluralist system, the Cato international institute was established in 1977 by Edward Grane⁸ and Charles G. Koch⁹. Cato Institute with the slogan of individualism, liberty and free market, role of law, freedom and limited government came to promote competition. First Cato Institute established in California then relocated in Washington D.C into the current location (Cato Institute, 2013). Cato Institute was established as a nonpartisan and public policy research foundation emphasizing to improve and develop the principles and basis of individual liberty, free markets, and limited governments (The University of Texas at Austin, 2012). Cato Institute conducts with several issues such as making policies, promoting individual basis, free market, administration issues by launching seminars, conferences, ceremonies and other instrument.

The Cato Institute seeks different instrument to launch their aim and purposes. The main debate for me in this thesis is to examine Cato Institute perspective on political and economical life. Cato Institute policy report series has been followed and read by officials and state members as well.

⁸Ed Crane (born in August 15, 1944) is the founder and president emeritus of the Cato Institute. Under his leadership, the Cato Institute grew to become one of the nation's most prominent public policy research organizations. He stepped down as President and CEO in October 2012 (Cato Institute, 2013).

⁹Charles de G. Koch (born in November 1, 1935) is an American businessman and philanthropist. He is co-owner, chairman of the board, and chief executive officer of Koch Industries Inc., the second-largest privately held companies by revenue in the United States according to a 2010 Forbes survey. As of October 2012, Charles was ranked the 6th richest person in the world with an estimated net worth of \$34 billion, according to the Bloomberg Billionaires Index. He was ranked 18th on Forbes World's Billionaires list of 2011 (and 4th on the Forbes 400),

2.2. Cato's Letters¹⁰

Totally, Cato's Letters are collections of 144 series of essays which are published in British Journal and London Journal. Cato's Letters were the work of John Trenchard and Thomas Gordon both of them were the Whigs party member. The reason why Cato Institute named their self to Cato is Cato's Letters nature that includes freedom, rule of law, limited government and natural law.

Cato's Letters published between 1720 and 1723 and shaped republicanism (Classical Liberal, 2013). Meanwhile, Cato's Letters covered general principles of current democratic states. According to western commentators Cato's Letters had played central role in democratization and it was a progressive step to democratic type of governments also recognized Cato's Letters as a key factor in American Revolution. Main issues in Cato's Letters are democratic elements. Cato's Letters content individualism, rule of law, limited government, free market and natural law. Furthermore Cato's Letters demanding civic and social liberates and restricting corruption and injustice in societies. Cato's Letters explicitly noted on freedom of speech: "without freedom of thought, there can be no such thing as wisdom and no such thing as public liberty, without freedom of speech: Which is the right of every man, as far as by if he does not hurt and control the right of another; and this is the only check which it ought to suffer, the only bounds which it

¹⁰ Cato contains many issues:

In American Social life Cato usage as a man a boy's name (also used as girl's name Cato), is of Latin origin, and the meaning of Cato is "all- knowing" (Think baby name, 2012).

Cato is known as a name of Cato the Younger and Cato the elder, in Julio Cesar Two brother in Roman Republic they were politicians and statesmen in Roman Republic.

Cato is used as a series of essays that published in 18th century and play role in American political life. Vital theory in these series is the impact of these letters in American Revolution because common noted that democratic principles copied from these series. Our purposes from Cato Institute referenced to these letters because the institute focused on such issues.

ought to know" (Natural Law and Natural Rights and American Constitutionalism, 2013).

Cato's Letters explained the only sources that could proof social life for citizens are freedom and other natural laws. Even they frustrate government administration: "the administration of government is nothing else, but the attendance of the trustees of the people upon the interest and affairs of the people. And as it is the part and business of the people, for whose sake alone all public matters are, or ought to be, transacted, to see whether they be well or ill transacted; so it is the interest, and ought to be the ambition, of all honest" (Ibid, 2013).

Cato's Letters complain that governments are misleading the world to war and human conflicts. Meanwhile, Cato's Letters emphasized to reduce physical clashes between governments. In article 87 noted this issue: "if we consider this question under the head of justice and humanity, what can be more detestable than to murder and destroy mankind, in order to rob and pillage them? War is comprehensive of most, if not all the mischief's which do or ever can afflict men: It depopulates nations, lays waste the finest countries, destroys arts, sciences, and learning, butchers innocents, ruins the best men, and advances the worst; effaces every trace of virtue, piety, and compassion, and introduces confusion, anarchy, and all kinds of corruption in public affairs; and indeed is pregnant with so many evils, that it ought ever to be avoided, when it can be avoided; and it may be avoided when a state can be safe without it, and much more so when all the advantages proposed by it can be procured by prudent and just methods" (Classical liberal, 2013).

Briefly, Cato's Letters emphasized on natural law, limited government and rule of law. They believed on more restricted government, they landscape people's role and role of liberal phenomena's.

2.3. Principles of Cato Institute

Cato Institute activities seek to develop liberal principles around the globe. Mainly, Cato Institute actions aim to restrict government's role in personal life. For this purpose enact such policies. Cato Institute announced its principles as a perspective based on the principles of limited government, free markets, individual liberty, and peace. The Institute uses the most effective means to originate, advocate, promote and disseminate applicable policy proposals that create free, open and civil societies in the United States and throughout the world (Cato Institute, 2013).

Certainly, Cato Institute's activities formulate and portrait to approaches its goals and purposes. It is mention that Cato Institute is against government domination and emphasizes to restrict governments illegal actions. Under this concept it does not accept government's funds (Ibid, 2013). Furthermore, Cato Institute seeks specific principles and its principles exaggerate from policies that Cato Institute published during its works and activities and American current life.

2.3.1. Privatization of social and economical sphere

Cato Institute seeks to extend private life sphere more than public one. In the case of privatization it continually denies and restricts government's public and welfare policies. In this case, Cato Institute accepts and supports government as a trustee of the nation.

Cato Institute settles policies, conferences and seminars for the privatization of public entities such as social security and welfare system. Cato's founders saw social security as the largest element of the American welfare state a program that drew all Americans rich

and poor into dependence on the federal government for retirement security (Cato Policy Reports, 2001: 9).

For this function Cato Institute launches many conferences and seminars to inform its purposes in order to encourage American government about privatization. In 1995 on the 60th anniversary of the creation of social security Cato Institute launched its plan on social security privatization. For this purpose Cato Institute policy report mentioned Cato Institute lunched separate policy forums and major conferences on social security reform.

Cato Institute for the privatization held deferent meetings with the head of the United States government (Ibid, 2001: 19).

2.3.2. Promoting Liberty and Limited Governments

Cato Institute is based on the liberal principles and its scholars discuss that it had made stronger liberal principles more strong from past to present. "I got to Washington (From Cuba) in 1970, 10 years before the Cato Institute arrived there. So I have seen Washington before and after Cato and I can tell you the difference that it has made. The Cato Institute is the foremost upholder of the idea of liberty in the nation that is the foremost upholder of the idea of liberty. It is an institution that holds no truck with the currently fashionable phrase "big government conservatism". It knows an oxymoron when it hears it. It has no interest in the idea of "national greatness conservatism," as expressed in adventures overseas. The Cato Institute says we are a great nation, without proving it overseas" (Cato Institute, 2013).

The Cato Institute understands the nature of the modern liberal in the words of M. Stanton Evans. According to Evans a modern liberal is someone who doesn't care what you do as long as it's compulsory. Obviously, Cato Institute targets to promote and develop the liberal and limited government basis and it becomes the basic principles of

this institution. Basically, Cato Institute made policies to achieve its goals and purposes. Powerfully, Cato Institute arranged policies and seminars as Cato Policy Reported noted "in 1978, the Institute began holding summer seminars, designed to bring together scholars and students of the liberty to discuss and debate issues of politics, government, and society" (Policy Report, 2001: 22).

Cato Institute is tries to formulate public policies where force governments not to intervene on individual life; even it wants to restrict welfare system. For this purpose it supports its goals by publishing books and newspapers. Cato Institute generally emphasizes that it has to be fought and argued for liberty and defined it as a learned and acquired taste, and the Cato Institute exists to help people learn it and help people to acquire that taste (Cato Institute, 2013).

2.3.3. Enumerated Powers

Cato Institute emphasizes to limit government's power and because of that trying to cover all aspects of government (state, and federal power) into the rule of law.

The main debates in Cato Institute activities are to protect individual liberty against government's illegal activities. Surely, the only way that could control government's power through rule of law and constitutionalism. The constitution authorizes limited government designed to protect individual liberty. Over time, both federal and state powers have expanded to touch almost every aspect of life. A major part of Cato's mission therefore has been to argue for restoring constitutional government by limiting federal powers to those enumerated in the constitution and by encouraging judges to better protect liberty. That vision offers an alternative to both the evolving constitution of the left and the often majoritarian constitution of the right.

2.3.4. Restraining Power

Interest groups nowadays, in American political and social life complaint and challenge extensions of power. Cato Institute noted it fire the United States of American civil and political life. Cato Institute maintains this issue by held programs and conferences during past decades to support liberal basis against government challenges. For this purposes Cato Policy Report noted this issue as a threat "the expansion of government over the last 100 years has posed a continuing threat to Americans' civil liberties as creeping bureaucracy and lawless state action have trampled civil liberties and the rule of law" (Cato Policy Report, 2001: 34). The Cato Institute has dedicated itself to protects the rights of Americans.

2.3.5. Subverting Socialism

During the twentieth century, the oldest type of economic system (the traditional economy) became virtually extinct and the only significant economies left were of either the command type or the market type. As a result, the world's dominant command system (bureaucratically planned socialism) and its dominant market system (industrial capitalism) came to be seen as the thesis and antithesis the A and the nota of contemporary political-economic systems (Ibid, 2001: 35)

In last century, the greatest threat to American democracy was socialism and communist states. Roughly, Cato Institute settles its foreign policy to restrict social policies inside and outside of United States of America. The greatest threat to human liberty worldwide over the last century and a threat that continues today is the Marxist ideology that gripped Russia for the better part of a century and still grips some countries such as China, North Korea, and Cuba. Cato has worked to fight that deadening, corrupting and tyrannical ideology, holding conferences and public events in communist countries as well as distributing pro-liberty literature where it is sorely needed (Cato Institute, 2013).

2.4. The Growth and Extent of Cato Institute

When a young Californian investment manager, Ed Crane spent 1976 in Washington, he noticed how much influence a few think tanks had despite their relatively small budgets; he thought there ought to be a public policy research organization, or “think tank,” dedicated to the American principles of liberty and limited government. He was willing to start one, but only if he didn’t have to live in Washington. When he returned to San Francisco, he joined the Kansas industrialist. Charles G. Koch was to set up the Cato Institute, which opened its doors in January 1977. The other members of the Board of Directors included libertarian scholars Murray Rothbard and Earl Ravenal; San Francisco businessman Sam H. Husbands Jr., who had served in Gov. Ronald Reagan’s administration; and Chicago businessman David H. Padden, who remains on Cato’s Board.

The Institute’s early program involved publications, seminars, college lectures and public policy research (Ibid, 2013). At the end of 1981 it had become obvious, even to devout Californian Ed Crane that a public policy institute ought to be in Washington, DC. The Institute left behind its San Francisco origins and opened up shop on Capitol Hill early in 1982, in the home of the first librarian of Congress, George Waterston. Appropriately enough it was the building in which Thomas Jefferson’s books was catalogued when they became part of the library of Congress. It became a popular venue for policy debate in the nation’s capital featuring lively post event discussions and receptions in its spacious garden. As the Institute grew, its Capitol Hill home became cramped. By the time, Cato Institute extent its activities and develop into a modern competition life and Cato Institute established its purposive branches.

2.4.1. Biweekly Political Affairs Magazine

Cato Institute started its activities by biweekly political affairs magazine and it became more popular. This magazine edited first by Williamson Evers and later by Glenn Garvin and Doug Bandow. This biweekly political affairs magazine covered vital political issues. In *The Next Whole Earth Catalog* Jay Kinney called it “the most consistently interesting political magazine around” (Cato annual report 2013).

2.4.2. Literature of Liberty

An academic quarterly was edited by Leonard P.iggio. Each issue combined a major bibliographical essay by such distinguished scholars as Robert Nisbet, John Lukacs, Eric Foner, Forrest McDonald, Isaac Kramnick, John Hospers, Henry Veatch, and Karen Vaughn with reports on scholarly research in a variety of fields (Cato Institute, 2013).

Cato Institute has held programs on liberties and democratic concepts that how develop democratic concepts. What should be the estimated obstacles towards liberalism? And a lot of issues that followed on Cato analyze panel such as:

The Libertarian State of the Union

In January 29, 2013, Cato Institute analyzers David Boaz,¹¹ Alex Nowrasteh,¹² Ilya Shapiro¹³ and Chris Edwards,¹⁴ joined conference on Libertarian State of the Union. In

¹¹ Executive Vice President, Cato Institute.

¹² Immigration Policy Analyst, Center for Global Liberty and Prosperity, Cato Institute

¹³ Senior Fellow in Constitutional Studies and Editor-in-Chief, *Cato Supreme Court Review*, Cato Institute.

¹⁴ Director of Tax Policy Studies, in Cato Institute.

fact, these analyzers issued libertarian in Obama administration. Meanwhile, the main debates were public policy, gun control, economic, legislature, and immigration.

David Boaz concluded politics is a struggle for power as a general believe and history is witness of these issues. In fact, politics and public policies are more than that. Boaz posed the importance of public policies in politics. The main factors for libertarian government for him are individual rights and limited governments. He emphasizes: "we may not agree that what the main source for individualism or individual rights is. Was it nature or gift from God or came from history or.... But the main agreement is that: government is not the source of individualism or individual rights. Other issue clarified by Boaz was limited government. For him limited government is acceptable because in limited type of governments libertarian principles are fully protected" (Ibid, 2013).

Ilya Shapiro, examines Obama's currents legislature issues specially gun control policies. Chris Edwards survives with economic mood special micro economic and challenges toward market system and has specific offer to executors (Ibid, 2031).

Alex Nowrasteh has positive prospect on immigrants' reform on congress. Precisely, seeks better reform it include liberal basis and also added that better polices for immigrates are to legalize them (Cato Institute, 2013).

2.4.5. Radio and Television

Cato Institute extent its activities by launching radio and television in 1978. Cato launches Byline, its daily public affairs radio program. The program is broadcast in more than 260 cities, including most of the nation's largest markets (Ibid, 2013).

2.4.6. Cato's Newsletter

Cato Institute's newsletter and Policy Report was launched in 1979 and Cato's policy report series become crucial in American politics. In its first issue Carolyn Weaver

questioned the solvency of social security and suggested privatization as an alternative (Ibid, 2013).

Future issues of Policy Report (later Cato Policy Report) included articles by such thinkers as Karl Popper, Peter Bauer, Milton Friedman, Alan Greenspan, Norman Macrae, Alan Reynolds, Earl Ravenal, James M. Buchanan, Thomas Sowell, E. G. West, Ida Walters, Julian L. Simon, Nathaniel Branden, Catherine England, and Louis Rossetto (Cato Annual Report, 2013).

2.4.7. Seminars and Conferences

The Cato Institute seeks to expand the bounds of public policy argues to permit consideration of more options that are consistent with the traditional American principles of limited government, individual liberty and peace. Cato Institute like other interest groups has to act toward that goal. Cato Institute seeks its goals with seminars and conferences, it holds frequent conferences in Washington which are usually broadcasted live on the web and then archived for on-demand viewing. It also held conferences in cities around the country and information on those can be found on the Cato Events page (Cato Institute, 2013).

In the past the Institute has held major conferences in London, Moscow, Shanghai, Leningrad, Tbilisi, and Mexico City. Cato holds its first Summer Seminar in Political Economy. Among the speakers were Murray Rothbard, Roy Childs, Leonard Liggio, Israel Kirzner, and Walter Williams. The Institute launched its summer seminar in Political Economy in 1978 with conferences at Stanford University and Wake Forest University and added conferences for historians, journalists, and business leaders the next year (Ibid, 2013).

Meanwhile, later institutes followed their conferences and seminars around the world. For instance:

- **The Future of Freedom in Cuba**

On March 23, 2013 a conference was held by Cato Institute about freedom in Cuba. The conference was presented by Yoani Sanchez and Orlanda Luis Parde Luzo in Washington DC.

The main debates in this conference were challenges toward freedom in Cuba. As summery Yoani Sanchez and Luis Parde concluded: “liberty in Cuba undermines with the government violence attitude and the government marginalized liberty and freedom of speech with monopolizing. However, Cuba government extraordinary, restrict individual attitude by the communist tactics. The regime harshly, manipulates information about the regime. Finally, Sanchez examines the impact of global media on Cuba. They have positive wishes to this case and they suggest democratic transition for the Cuba government and support coordinate groups against the regime” (Ibid, 2013).

- **The European Crisis Continues: No Solution on the Horizon**

On March 11, 2013 two European economist analyzers Vaclav Klaus¹⁵ and Uri Dadush,¹⁶ debate European crisis, its reasons and solutions. Prof. Klaus emphasized that: "the current European zone institutionalism that comes to use after World War Two is the main reason of crisis. Instead of this reason Klaus noted that un-democratization and decentralization of Europe, unifying euro zone, euro zone currency, and integration. All the elements made the crisis. He exemplified that Greece did not make the current

¹⁵President, Czech Republic (until March 7, 2013).

¹⁶Senior Associate and Director, International Economics Program, Carnegie Endowment for International Peace

problem, but Greece is a victim of European Union. Greece made one mistake that change European Union. For survive crisis Klaus noted crisis to survive is a process of creative dissertation we should get remove irrational economy idea, but such solution is costly. Klaus emphasized European Union not need to be establish such United State of America's unified content because in Europe we are not same" (Ibid, 2013).

Uri Dadush, has diverse idea about EU crisis obviously reject Klaus's views about factors that case crisis in EU. Moreover, Uri noted that current EU Assembly is not response of crisis but pay value for the crisis. He provides unified dimensions for EU and emphasized that we must deal with crisis, not come beside on it (Ibid, 2013).

- **The Pivot to Asia and the Future of US-China Relations**

The United States of America and China relations are the most crucial topic in American foreign policy issues.

American- China relations have many dimensions not conclude on economic. The United States seek different waves of issues from their relationship with the China People Republic. Precisely, United States has economic, political, military, geopolitical... issues with China republic.

Alongside of American- China relations we come on with Cato Institute's scientific analysis on these issues. Daniel J. Ikenson¹⁷ and Justin Logan¹⁸ in 2013 debated American - China relationship.

For Daniel, American- China relationships have dual aspects political and economical. He noted Chin's economic naturally upraise. American -China relationship accelerated

¹⁷ Director, Herbert A. Stiefel Center for Trade Policy Studies, Cato Institute

¹⁸ Director of Foreign Policy Studies, Cato Institute

after 2001 when China joins W.T.O, and then it became high level of task in 2007 and 2009. American foreign policy seeks security, justice and economic issues through China republic relationships. One issue must clear that American -China relationships not have the same concepts for Democrats and Republics. It means for the Republican Party when Republican have the majority in Congress this relationship means commendation and liberalization, but in Democrats congress it change to enforcement and persecution. Generally, American -China relations have defined that is China doing right. What should we "Americans" learn from China's Growth? Daniel added still China Republic has been still faced massive obstacles to form high level economy life such as corruption, inequality, environment issues, growing middle class (Ibid, 2013).

Justin Logan cleared that how U.S - China relationship combined? How two different theories come together in policy terms? And how work in practice? Justin recognized China's economic progress, added two ways talking on China's rise up. Panda Hoyer theory emphasizes that:

- 1) On liberal institutions; it means how they cooperate.
- 2) And democratic peace theory; this is more than trade relations.

U.S -China relationship is combined of both theories in important ways. The only concern on US -China relationship is if China looks like the retiring of Nazi German or sleeves their people on that occasion that will be concern for American foreign policy (Ibid, 2013).

2.4.8. Social Security

Cato's public policy program got under way in 1980 with the publication of four policy monographs. Most notable was social security: *The Inherent Contradiction* by Peter J. Ferrara, which laid the groundwork for 22 years of subsequent research on social security privatization. The other 1980 monographs were *Balanced Budgets, Fiscal Responsibility* and the *Constitution* by Richard E. Wagner and Robert D. Tomlinson,

Rent Control: The Perennial Folly by Charles W. Baird, and *The Regulation of Medical Care: Is the Price Too High?* By John C. Goodman. (Ibid, 2013).

Social security is not sustainable without reform. Simply put it cannot pay promised future benefits with current levels of taxation. Yet raising taxes or cutting benefits will only make a bad deal worse. Allowing younger workers to privately invest their social security taxes through individual accounts will improve social security's rate of return; provide better retirement benefits; treat women, minorities and low-income workers more fairly; and give workers real ownership and control of their retirement funds (Ibid, 2013).

2.4.9. Cato's Journal

The Cato Journal is an interdisciplinary journal of public policy analysis which was launched in 1981 under the. He was succeeded in 1982 by James A. Dorn, who remains editor. Cato Journal has published the papers from many Cato Institute conferences along with many other articles. Contributors have included Alan Greenspan, Milton Friedman, Charles Murray, Václav Klaus, Antony de Jasay, Douglass C. North, Judy Shelton, Anna M. Schwartz, Mancur Olson, Justin Yifu Lin, James M. Buchanan, Garrett Hardin, Robert Mundell, Charlotte Twight, Mwangi S. Kimenyi, Antonin Scalia, June O'Neill, Steven N. S. Cheung, J. Bradford DeLong, Lawrence H. Summers, and Donald N. McCloskey.

2.4.10. Policy Report

Cato Institute's Policy Report is a series of publications that was first published in 1979 than was followed by numeral policies reports.

Cato published its first Cato Institute Policy Report. In that inaugural issue is Carolyn Weaver's article, "*Social Security: Has the Crisis Passed?*" In which she argues that privatization of the system should be considered (Cato Annual Report, 2003: 34).

2.4.11. Policy Book

Mainly, Cato Policy Books are series of policy books that covered political and economical policy issues. It published their first Policy Book in 1980. Cato Institute developed its policy books series and nowadays, these books are even followed by American Congress and Senate.

2.4.12. Constitutional Studies

What I noted: Cato Institute's basic principles are to observe government's activities and protect rule of law and individualism. In this case Cato Institute provides its principles by establishing constitutional studies institute.

Cato Institute promotes its principles of limiting government and rule of law which was established its branches on constitutional studies. Under the direction of Roger Pilon this center has published 10 books and many papers on issues ranging from constitutional theory to judicial philosophy, federalism, property rights, term limits and the Microsoft antitrust case. Cato has also gone to the front lines to uphold constitutional principles. Center scholars have testified before Congress on numerous occasions and have submitted amicus briefs to the Supreme Court on important cases (Ibid, 2003: 30).

2.4.13. Cato's Supreme Court Review

Cato's Supreme Court Reviews publish on every September in celebration of Constitution Day. It brings together leading legal scholars to analyze the key cases from

the Court's most recent term, plus cases coming up. It is the first scholarly review to appear after the term's end and the only review that sheds a Madisonian light on those cases.

2.4.14. Cato's University

In 1997, after a hiatus (break) the summer seminars were combined with a home study course to create Cato University under the direction of Tom G. Palmer, who holds a doctorate in politics from Oxford University. Cato University's home study course consists of books and audiotapes for those who wish to undertake their education in liberty from home.

Cato scholars also work to educate students at first hand in the principles of limited government. Cato's internship program brings students from around the country and the world to work with Cato's scholars and participate in rigorous seminars in classical-liberal thought.

2.4.15. Debates and Discussions

The Cato Institute's activities also include debates and discussions. That is experts and professionals discuss different cases to clarify issues.

Cato Institute routinely, has contributed debates within Cato Institute or elsewhere around the globe. I will consider some of debates that have done by Cato Institute about different issues:

- **Conscious Capitalism: Liberating the Heroic Spirit of Business**

In March 2013, a debate was held in Cato Institute about *Conscious Capitalism* featuring the coauthor, John Mackey, Co-CEO and Cofounder, Whole Foods Market; in conversation with Tucker Carlson, Senior Fellow, Cato Institute.

At the beginning John Mackey convinced this point that business bring profit and selfish and he mentioned that believes this too. Economic philosophers just give context of how market process works a context how to see the world. Then posed the question of how liberal value occur business issues. He clarified that business philosophy with capitalism, allowed world group up and the US is leader in this case. Capitalism is considered as a best connector of politics with other current issues. Hopefully, emphasized that capitalism need to find new ethnic foundations for its developments. Finally, John criticizes the Republican Party and adds that Republican Party does not believe on capitalism and free market (Cato Institute, 2013).

2.5. Cato Institute Resources

Interest groups need to support and because of that interest groups seek resources for the cooperation. Cato Institute resources are as follow:

2.5. 1. Sponsorship

Institutes all the time need to be supported. But the main point for institutions is the sources of sponsorship, because interest groups have its own rule for accepting sponsorships. A sponsor is one who assumes responsibility for another person or a group during a period of instruction, apprenticeship or probation. Sponsorship could cover programs, conferences "national and international" seminars and sponsorship also pay attention on books, magazines and journal publications.

Cato institution seeks individual and collective sponsorships to follow and developed its programs and purposes.

2. 5. 2. Publication

Publications are often used by interest groups and bring benefits for interest groups and other institutions.

Publications include: books, journals, magazines, news papers, policy reports, newsletters. Cato Institute's publications include books, studies, legal briefs, Cato hand book for policy maker, Cato journal, Cato's Letters, Cato paper on public policy, Cato policy reports, Cato state legislative guide, supreme court review (Ibid, 2013).

2. 5. 3. Donations

Cato Institute also seeks the ways of collecting donations from the individuals and groups. Cato Institute uses different instruments to attract donors to support its programs and projects.

CHAPTER 3

POLICIES OF CATO INSTITUTE

ON NATIONAL AND INTERNATIONAL ISSUES

Cato Institute generally conducts with national and international issues. However, Cato Institute has interacted with "education & child, energy & environment, finance, banking & monetary, foreign policy & national security, government & politics, health care, international economics and development, law and civil liberties, political philosophy, regulatory studies, social security, tax and budget, telecom, internet & information, trade and immigration policies" (Cato Institute, 2013). The main guiding document of Cato Institute is its policy handbook that is released as a series of policies for internal and external issues.

Cato Institute's foreign policy vision is guided by the wisdom expressed in Thomas Jefferson's first inaugural address: peace, commerce and honest friendship with all nations, entangling alliances with none. Accordingly, Cato's foreign policy work has supported the concept of a national defense based on strategic independence, a strong military and nonintervention. Although the events of 9/11 have created a world that is strategically more complex, they have also confirmed that protecting our own shores should be America's first and foremost foreign policy concern.

Cato Institute is active in "national and international", it means that Cato Institute has its own aims in both of them, because of that we will examine briefly, Cato's activities in domestic and international level. This chapter includes Cato Institute's internal and external policies for governments.

3.1. Cato Institute Policies on National Issues

Cato Institute on national debates seeks different issues such as policy making, economic states, government responsibilities, rule of law, accountably, social welfare and social security.

3.1. Social Security

Cato Institute generally criticizes state social security. For this purposes books and policies are produced by Cato Institute.

Cato Institute emphasized this point: American crisis and bad life conditions caused by social security programs. In Cato Institute perspective social security is the main economic problematical factor in American government as it notes:

The Financial Crisis

Social security leads financial system to crisis and it threatens the future of workers and professions. As we consider it carries out a surplus according to economic rules, as Cato Institute reported; "Although social security is currently running a surplus according to the system's own trustees that surplus will turn into a deficit within the next 15 years" (Ibid, 2013).

- **The Declining Rate of Return**

Social security taxes are already so high relative to benefits that, social security has clearly become a bad deal for younger workers providing a low below-market rate of return.

The poor rate of return means that many young workers' retirement benefits will be far lower than if they had been able to invest those funds privately. A system of individual accounts, based on private capital investment would provide most workers with

significantly higher returns. Those higher returns would translate into higher retirement benefits, leading to a more secure retirement for millions of seniors (Handbook Policy, 2005: 49).

- **Saving and Economic Growth**

Cato Institute noted if social security were removed from the society it would cause economic growth. Cato Institute noted that if social security is left to private section it will be better for individual's life.

- **Helping the Poor and Minorities**

In free social security state, low income workers are the winners of the game. Private investment in a country would support low income workers significantly sufficient benefits that have not paid by social security policy system.

Cato Institute emphasize the development of a plan to reform social security. Congress should bear in mind these simple rules as followed (Cato Institute, 2013)

- **Reform is not Enough**

The goal of social security reform is to provide workers with the best possible retirement option, not simply to find ways to preserve the current social security system. After all if solvency were the only goal that could be accomplished with tax increases or benefit cuts no matter how bad a deal that provided younger workers. Successful social security reform will result in a solvent system not just in the short run but sustainable over time as well. It will also improve social security's rate of return; provide better retirement benefits; treat women, minorities, and low-income workers more fairly and give workers real ownership and control of their retirement funds (Ibid, 2013).

- **Half Measures Avail Us Naught**

You don't cut out half a cancer. Many proposals for social security reform would allow workers to privately invest only a small portion of their payroll taxes and continue to

rely on the existing pay as you go (PAYGO) social security system for the majority of social security benefits but proposals for small accounts will not allow low- and middle-income workers to accumulate real wealth or achieve other objectives of reform. Individual accounts should be as large as feasible; ideally at least half of payroll taxes (Ibid, 2013).

- **There is No Free Lunch**

Individual accounts will create a better, fairer and more secure retirement system. They will provide higher retirement benefits than social security can pay. But they will not make everyone a millionaire. They will help solve social security's financial crisis and save taxpayers trillions of dollars over the long run, but there is no free lunch. There are short-term costs that will require tough choices by the president and Congress.

Although we should not minimize the difficulties of transition financing it is also important to remember that the financing of the transition is a one-time event that will actually reduce the government's future liabilities. The transition leads the government to need additional revenue forward in time, but depending on the transition's ultimate design it will not increase the amount of spending necessary. In effect, it is a case of "pay a little now or pay a lot later".

In conclusion, social security reform is not an option, it is a necessity. Polls show that the American people are ahead of their political leaders in being willing to address the need for fundamental change. It is time for Congress to act (Ibid, 2013).

3.1.2. State Welfare System

The welfare state has been existent for over one hundred years, welfare state is not just system or set of benefits of justice but welfare system is the coalitions of cooperative

actions (Ibid, 2013). Palmer¹⁹ noted that states are the backbone of welfare reform. They are responsible for the innovative pilot programs after which federal legislation was modeled and for the successful administration of welfare reform (Ibid, 2013). In Cato Institute American states have not done enough because of that states should adopt the following policies. A welfare state "is a concept of government in which the state plays a key role in the protection and promotion of the economic and social being well of its citizens. It is based on the principles of equality of opportunity, equitable distribution of wealth and public responsibility for those unable to avail themselves of the minimal provisions for a good life (Investopedia 2013).

Commonly, general view on welfare system is that government is in welfare system responsible for helping for the poor and minorities. But Palmer clarified that technically welfare system did not support poor or minorities, even it creates dependency in societies (Cato Institute, 2013). Palmer added; welfare system is responsible for the current crisis it caused unsustainable life, to solve this issue we need very serious radical changes have to be made in system, not just twist it, Palmer concluded, welfare system is no longer valuable.

¹⁹ Tom G. Palmer is a senior fellow at the Cato Institute, and director of Cato University, the Institute's educational arm. Palmer is also the executive vice president for international programs at the Atlas Economic Research Foundation, and is responsible for establishing operating programs in 14 languages and managing programs for a worldwide network of think tanks. Before joining Cato he was an H. B. Earhart Fellow at Hertford College, Oxford University, and a vice president of the Institute for Humane Studies at George Mason University. He frequently lectures in North America, Europe, Eurasia, Africa, Latin America, India, China and throughout Asia, and the Middle East on political science, public choice, civil society, and the moral, legal, and historical foundations of individual rights. He has published reviews and articles on politics and morality in scholarly journals such as the *Harvard Journal of Law and Public Policy*, *Ethics*, *Critical Review*, and *Constitutional Political Economy*, as well as in publications such as *Slate*, the *Wall Street Journal*, the *New York Times*, *Die Welt*, *Caixing*, *Al Hayat*, the *Washington Post*, and *The Spectator of London*. He is the author of *Realizing Freedom: Libertarian Theory, History, and Practice*, published in 2009, and the editor of *The Morality of Capitalism*, published in 2011.

Mainly, Cato Institute posed special issue on American welfare system they emphasize on following reforms:

- **Family Caps**

Welfare benefits are most often calculated based on family size because of that many states passed family cap policies which deny additional and extra benefits or reduce the cash grant to families who have additional children while on assistance (NCSL, 2013).

Cato Institute noted that government should impose a family cap which would deny increased temporary assistance for needy families' benefits to women on welfare who have additional children (Cato Institute, 2013).

- **Teens at Home**

Under this policy mainly emphasize on young girls and boys that not engage during school times and they hopefully it suggests being with young boys. Nearly 55 percent of welfare expenditures are attributable to families that began with a birth to a teenager (Cato Hand Book Policy, 2005: 66).

- **Work Policy**

The main issue for Cato Institute to submit policies in support of workers to be engaged with mainly related to work issues. Welfare policy makers advise workers that engage with work related issues because of that Cato Institute as well seek such policies (Handbook Policy, 2005: 69).

- **Diversion**

Generally, diversion programs fall into one of three categories. Most common are diversion programs that provide lump-sum payments in lieu of welfare benefits. Those programs assist families facing an immediate financial crisis or short-term need. The

family is given a single cash payment in the hope that the immediate problem can be taken care of without going on welfare. In fact, a family is usually precluded from going on welfare for a period of time after accepting a diversion payment (Ibid, 2005: 72).

- **Time Limits**

Time limits first emerged at the state level and subsequently became a central feature of federal welfare policy in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA) which imposed a 60-month time limit on federally funded assistance for most families (Cato Institute, 2013). Before welfare reform, pride and self-determination were the main forces driving recipients off welfare. Unfortunately, many recipients were comfortable with the lifestyle welfare benefits provided and saw no need to work their way out of the system.

Many experts believe, time limits have played a key role in reshaping welfare but the knowledge base about this type policy change is still thin. Few families have reached the federal time limit and it is too early to draw conclusions about how states will respond as more families reach limits or how families will fare without benefits over the long-term, in varying economic conditions (MDRC, 2013). State policies need to be changed as more and more recipients begin to reach their time limits, especially if state budgets continue to be stretched (Cato Institute, 2013).

- **Sanctions**

Sanctions are not successful because they throw recipients off welfare; rather they serve as a threat of actual consequences for failing to meet requirements or reaching time limits. Only about 6 percent of those leaving welfare have done so because of sanction enforcement. The percentage of the caseload affected by sanctions varies widely among the states. For example, in an average month in 1998, almost 30 percent of case closures

in North Carolina were due to sanctions, while less than 1 percent of closures in California, Oklahoma, and Nebraska were sanction related (Ibid, 2013).

Michael Tanner²⁰ noted; that welfare system creates problem for United States of America. Tanner noted welfare state caused budget deficit for united state, as in chart 3.1 we configure (Ibid, 2013). In fever to deficit Tanner added that the only countries that in huge deficit than the United States of America is Greece and Italy, in this case United States of America comes in third among the countries of the world that has face to deficit

²⁰ Cato Institute senior fellow, Michael Tanner heads research into a variety of domestic policies with a particular emphasis on health care reform, social welfare policy, and Social Security. Most recently, Tanner co-edited *Replacing Obamacare: the Cato Institute on Health Care Reform*, a compilation of the Cato Institute's work over the past several years on health care reform and Obamacare, with contributions by over a dozen national experts, including Tanner himself. He is also the author of numerous books on public policy, including *Leviathan on the Right: How Big-Government Conservatism Brought Down the Republican Revolution* (2007), *Healthy Competition: What's Holding Back Health Care and How to Free It* (Second Edition, 2007), *The Poverty of Welfare: Helping Others in Civil Society* (2003), and *A New Deal for Social Security* (1998). Tanner's writings have appeared in nearly every major American newspaper, including the *New York Times*, *Washington Post*, *Los Angeles Times*, *Wall Street Journal*, and *U.S.A Today*. He writes a weekly column for National Review Online, and is a contributing columnist with the *New York Post*. A prolific writer and frequent guest lecturer, Tanner appears regularly on network and cable news programs. Under Tanner's direction, Cato launched the Project on Social Security Choice, which is widely considered the leading impetus for transforming the soon-to-be-bankrupt system into a private savings program. *Time Magazine* calls Tanner, "one of the architects of the private accounts movement," and *Congressional Quarterly* named him one of the nation's five most influential experts on Social Security. The *New York Times* refers to him as "a lucid writer and skilled polemicist." Before joining Cato in 1993, Tanner served as director of research of the Georgia Public Policy Foundation and as legislative director for the American Legislative Exchange Council.

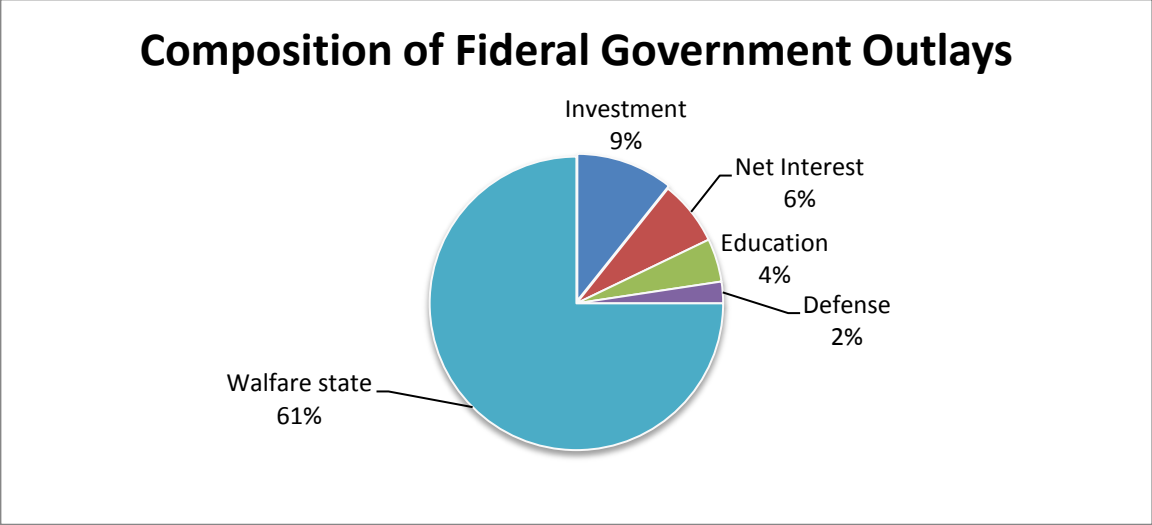


Chart 3.1: U.S Budget Distributions

3.1.3. Taxes and Spending (The Federal Budget)

Cato Institute emphasizes some specific issues on taxes and spending reform. The institute clarified Congress should balance the budget without raising taxes, reduce domestic, reform social security by moving towards a system of individual savings accounts, reform Medicare to cut costs, and freeze Medicaid spending at current levels and distribute the funds to states as unrestricted block grants, establish a “sunset” commission to automatically review all federal programs on a rotating basis and purpose major reforms and terminations, change the rules of the budget process to make it easier to keep spending under control; and institute a strong spending cap that does not allow government spending to grow faster than population plus inflation (Cato Institute, 2013). However, in the wake of the financial crisis, commentators have recommended a transaction tax (Tobin tax) on financial markets. The potential consequences of such a

tax could be hazardous to the financial markets affected, as well as in conference (Ibid, 2013).

Cato Institute has examined the question of tax and economic growth, whether taxes or high rate of taxes effect economic growth or not? The question then come to mind that how taxes effect economic growth? This is mentioned that high delay sealing products and it reduces the growth of the country indeed the United States of America has high taxes rate (Ibid, 2013).

3.1.4. Campaign Finance Reform

Campaign finance reform is the political effort in the United States to change the involvement of money in politics, primarily in political campaigns? Although it attempts to regulate campaign finance by legislation date back to 1867, the first successful attempts nationally to regulate and enforce campaign finance originated in the 1970s (Wikipedia, 2013). In this case Cato Institute mentioned that Congress should: repeal the prohibition on soft money fund raising in the campaign reform, eliminate taxpayer funding of presidential campaigns, reject proposals to mandate electoral advertising paid for by the owners of the television networks, reform the Federal Election Commission to bring it under the rule of law, and deregulate the current campaign financial system (Cato Hand book policy, 2005: 97).

The campaign finance laws have made our politics less competitive by favoring incumbents over challengers, thereby striking at the very heart of democratic government. As James Madison said in *Federalist* no. 51, dependence on the people is the primary control on government (Ibid, 2005: 97).

3.1.5. Regulation of Electronic Speech and Commerce

The internet is a set of protocols that computers use to allow people, businesses and other entities to communicate among themselves faster than ever before. Many attempts at internet regulations are analogous to regulating the English language because people sometimes use it to do harmful or anti-social things (Cato Institute, 2013). The internet is also worldwide, which means that no country can control the content of the internet or the behavior of the online world. Governments have a legitimate role to play in the development of national strategies to support electronic speeches and commerce. Electronic commerce is perceived as an important element of most developed economies. As a result, many governments are taking an active role in determining regulatory environment surrounding the implementation and development of electronic business (Ibid, 2013). The internet allows people to communicate about the things that interest them and there is no doubt that sex is a fascinating subject for many people. It means that the internet contains a lot of frank contents relating to sex and eroticism, including content that caters to some quite peculiar interests, because of the potential exposure of children to the materials that many people find immoral or offensive, Congress has made repeated attempts to regulate internet speech.

The countries that do not have a strong a custom of free dialogue such as the United States; governments have tried to censor controversial speakers such as racists or businesses that sell artifacts of Nazism. The cure for injurious speech is not restriction but more freedom for speech to counter obnoxious ideas.

Considerable points for Cato institute to examine government policies toward internet and commerce. Cato Institute has special offer to American congress. Cato mentioned that American congress should observe the following policies:

- Resist the urge to regulate offensive content on the Web
- Allow the market to address privacy, security, and marketing concerns

- Let technical solutions have the primary role in suppressing internet pathologies such as spam, spyware, and unwanted pop-ups
- Make certain that “internet governance” remains minimal administration of technical standards and not broad social or economic regulation
- Reject preemptive regulation of new technologies such as Radio-frequency identification R.F.I.D
- Reject legislation or regulation that protects incumbent businesses or business models from competition.
- Avoid burdensome and unconstitutional internet tax collection schemes (Cato Institute, 2013).

3.1.6. Tobacco and the Rule of Law

The Center for Disease Control and Prevention (CDC) believes that adequate funding of tobacco control programs by all 50 states would reduce the number of adults who smoke by promoting quitting, preventing young people from ever starting, reducing exposure to second hand smoke, and eliminating disparities in tobacco use among population groups (Ibid, 2013). Tobaccos and tobaccos companies played crucial role in American political and economical life.

Tobacco conflict was one of the main reasons of the war with Great Britain and finally caused American freedom. However tobacco was banned and taxation is one of the hotdog issues in American Congress. Interest groups mainly act into Congress to change policies toward themselves. Tobacco trade is big business for both the raw material (tobacco leaves) and the finished product (manufactured cigarettes). Brazil is the largest exporter of tobacco leaf and the Russian Federation and the USA are the largest importers. Some countries that grow tobacco such as the USA also import foreign tobacco as well as exporting their own tobacco leaves. Interestingly, the USA exports

approximately the same amount of tobacco that it imports. Because US tobacco is globally popular and tends to be more expensive than tobacco in other countries, the value of US tobacco leaf exports are about double that of the same quantity of imports (WHO, 2013). In American political and social life, there are different theories and views about tobacco for instance DOJ's theory.²¹ Cato Institute also posed special theory on tobacco, and target congress that congress should enact:

- deny funding for the Justice Department's racketeering suit against cigarette makers
- enact legislation to abrogate the multistate tobacco settlement
- reject proposed legislation to regulate cigarette manufacturing and advertising (Ibid, 2013).

Cato Institute emphasizes that "Congress can take affirmative steps to counteract those abuses of executive power: Firstly, by denying funds for DOJ's ongoing lawsuit and, secondly, by enacting legislation that abrogates the multistate tobacco settlement" (Cato Handbook policy, 2005: 243).

The aims of the Cato Institute in American government toward tobacco and alcohol are banned.

- To disrupt and eliminate criminal and terrorist organizations by identifying, investigating and arresting offenders who traffic in contraband cigarettes and illegal liquor.
- To conduct financial investigations in conjunction with alcohol and tobacco diversion investigations in order to seize and deny further access to assets and funds utilized by criminal organization and terrorist organizations.

²¹DOJ (the United States federal department responsible for enforcing federal laws (including the enforcement of all civil rights legislation); created in 1870)

- To prevent criminal encroachments of the legitimate alcohol and tobacco industries by organizations trafficking in counterfeit/contraband cigarettes and illegal liquor.
- To assist local, state, and other Federal law enforcement and tax agencies in order to thoroughly investigate the interstate trafficking of contraband cigarettes and liquor (ATF, 2013).

3.1.7. US Department of Education

Basically, education is the main aim of a government and democratic governments are careful to this issue. Governments for having better action towards education mainly posed policies.

An education ministry is a national or sub national government agency politically responsible for education. US Education Department (ED) founded in 1980 by combining offices from several federal agencies. ED's mission abstractly, is to promote student achievement and preparation for global competitiveness by fostering educational excellence and ensuring equal access. Enacts policies in federal financial aid agency for the education and distributes as well as monitors those funds. Collecting data on America's schools and disseminating research. The national attention focuses on key educational issues. Prohibiting discrimination and ensuring equal access to education (ED.Gov, 2013).

Education according to Cato Institute principles based on private lives, they posed that families are best guided to act crucial decisions parents are best suited to make important decisions for the caring and education of their children. Cato Institute seeks to transfer the education from public debate in favor of the basic right of parents' to private lives. It emphasizes to abolish education department and education must be presented by the private sector as mentioned in the constitution. Cato Institute draws pictures of that why

Congress and state should abolish the education department in bundle of policies that Cato Institute, suggested to the Congress. Cato Institute numeral added the reasons that why the state should abolish the department of education:

- The Constitution provides no authority whatsoever for the federal government to be involved in education. Eliminating the department on those grounds would help to reestablish the original understanding of the enumerated powers of the federal government.
- No matter how brilliantly designed a federal government program may be, it creates a uniformity among states that is harmful to creativity and improvement. Getting the federal government out of the picture would allow states and local governments to create better ways of addressing education issues and problems.
- If education were left at the local level, parents would become more involved in reform efforts. Differences in school's effectiveness among states and communities would be noted, and other regions would copy the more effective programs and policies.
- The contest between Congress and state legislatures to demonstrate who cares more about education would be over, allowing members of Congress to focus on areas and problems for which they have legitimate responsibility.
- Since most information about the problems and challenges of education is present at the local level, Congress simply does not have the ability to improve learning in school classrooms thousands of miles away. These problems are best understood and addressed by local authorities and parents.
- The inevitable pattern of bureaucracy is to grow bigger and bigger. The Department of Education should be eliminated now, before it evolves into an even larger entity consuming more and more resources that could be better spent by parents themselves.
- The \$57.3 billion spent each year by the Department of Education could be much better spent if it were simply returned to the American people in the form of a tax cut. Parents themselves could then decide how best to spend that money.

- The Department of Education has a record of waste and abuse. For example, the department reported losing track of \$450 million during three consecutive General Accounting Office audits.
- The Department of Education is an expensive failure that has added paperwork and bureaucracy but little value to the nation's (Cato Institute, 2013).

Cato Institute seeks the ways to free education from government bureaucracy, and researches show the only solutions for it is to have free education.

3.1.8. Privatization

Basically, privatization comes against state queue. Privatization in the United States took a different form from the entire of the world. In other countries privatization involved selling off public assets but in the United States privatization largely consisted of contracting out public duties to private organizations (Close up, 2013). There are several features of privatization in the United States that distinguish it from privatization elsewhere. In contracting-out services the US government retains control of planning, financing and monitoring functions that allow it to shape how these services are provided. Thus, in the United States private providers are subject to more government oversights and regulations than in other countries where by virtue of their ownership of formerly public assets private entities have more discretion in service delivery. Another distinguishing feature of privatization in the United States is the preeminent role of state and local governments (University of Michigan, 2013).

The debates for privatization of public elements owned operations are the estimated increases in the efficiency that result can form private operations. The controversies on privatization come to mind that it brings high proliferation then publications. Cato Institute noted; in American political life in many federal government activities are

commercial in nature and could be carried out by private firms in competitive markets. In some cases, private companies are currently prevented from offering services to the public because of government restrictions. For example, the US Postal Service has a legal monopoly on first-class mail. Such restrictions should be repealed. In other cases, the government performs services that are readily available in the private sector. For example, The United States Postal Services (USPS) parcel delivery competes with private parcel services (Cato Institute, 2013).

In 2009 Cato Institute in policy report published a series of issues on privatization that "in recent decades, governments on every continent have sold state owned assets, such as airports, railroads, and energy utilities. The privatization revolution has overthrown the belief widely held in the 20th century that governments should own the most important industries in the economy. Privatization has generally led to reduced costs, higher-quality services and increased innovation in formerly moribund government industries (Cato Handbook Policymaker, 2009: 73). Mainly, Cato Institute focused on federal privatization, furthermore Cato noted that privatization of federal assets makes sense for many reasons. First, sales of federal assets would cut the budget deficit. Second, privatization would reduce the responsibilities of the government so that policymakers could better focus on their core responsibilities such as national security. Third, there is vast foreign privatization experience that could be drawn on in pursuing US reforms. Fourth, privatization would spur economic growth by opening new markets to entrepreneurs. For example, repeal of the postal monopoly could bring major innovation to the mail industry, just as the 1980s' breakup of AT&T brought innovation to the telecommunications industry (Ibid, 2009: 74).

Exactly, Cato Institute suggests policies to the America Congress. The United States Congress should enact the following roles:

- End subsidies to passenger rail and privatize Amtrak, which would allow the company to innovate, invest and terminate unprofitable routes

- Privatize the US Postal Service and repeal restrictions on competitive mail delivery
- Privatize the air traffic control system
- Help privatize the nation's airports, while ending federal subsidies
- Help privatize the nation's seaports
- Privatize federal electricity utilities, including the Tennessee Valley Authority and the Power Marketing Administrations
- Privatize portions of the Army Corps of Engineers, such as hydroelectric dams, and transfer the remaining civilian activities to the state governments
- Sell excess federal assets, including buildings, land, and inventory

Cato Institute also has special offers on privatization of highways, airways and army engineering.

3.2. Cato Institute Policies on American Foreign Policy

Two years after the World War II, as the United States became a global power; its foreign policy began to turn into national security policy. It had brought the world into the nuclear age, established a large military presence throughout the world and resolved never to allow another Pearl Harbor. The post World War II American foreign policy was covered by Nitze views. Nitze²² emerged as a significant figure in the policy process in the aftermath of World War II Shaping the atmosphere at the time where escalating tensions between the United States and the Soviet Union and growing concern at home over the menace of communist subversion.

²²Paul Henry Nitze (January 16, 1907 – October 19, 2004) was born in Amherst, Massachusetts, but moved with his family when his father was named head of the department of Romance Languages and Literature at the University of Chicago. The Nitzes were a prosperous and cultivated family of German descent. They traveled frequently to Europe and maintained ties with family in Germany. Nitze was a high-ranking United States government official who helped shape Cold War defense policy over the course of numerous presidential administrations (Academy of Achievement, 2013).

Cato's foreign policy vision is guided by the idea of American national defense and security strategy being appropriate for a constitutional republic not an empire. Cato's foreign policy scholars question the presumption that an interventionist foreign policy enhances the security of Americans in the post Cold War world and maintain instead that interventionism has consequences including the formation of countervailing alliances, the proliferation of weapons of mass destruction and even terrorism. The use of US military force should be limited to those occasions when the territorial integrity, national sovereignty or liberty of the United States is at risk (Cato Institute and Guide Star, 2013).

Cato Institute's foreign policy covers a series of issues such as Central and South Asia counterterrorism and homeland security, defense budget policy, East Asia, Europe, general strategy and US foreign policy, Latin America and Caribbean, NATO/transatlantic issues, North Africa, Middle East, and the Persian Gulf, private military contracting, Sub-Saharan Africa, trade and foreign policy (Cato Institute, 2013).

We will briefly focus on Cato Institute's foreign policies that suggest for American Congress including Al Qaeda dismantling and other military and economical policies.

3.2.1. Dismantling Al - Qaeda

Al -Qaeda attack on 9/11 changed the United States foreign policy. US defensive policies settle responsive arguments in the foreign debates. Precisely, Al- Qaeda's network remains unclear but what Al- Qaeda's leader express and other member of these groups continue to threaten the American interest in all around the world. American foreign policy towards Al-Qaeda is the effort to monitor, disrupt, dismiss and dismantle Al-Qaeda groups before they can cause large-scale destructions to American interests in the United States and also around the world (Asian.com, 2013). Cato Institute in its

handbook policy maker (2000: 569) obviously, cleared for Senate and Congress that: "to use all necessary and appropriate force against those nations, organizations or people who determines planned, authorized, committed or aided the terrorist attacks that occurred on September 11, 2001, not to wage an amorphous war on terrorism or evil or to unnecessarily conflate the terrorist threat with rogue regimes that seek weapons of mass destruction."

But message of Cato Institute is that American government should only focus on terroristic objects. American government does not employ terrorist concepts as a relative case for other aggressive objects. Cato Institute has defined American war against Al-Qaeda as a We call it a "war on terrorism," but a more correct description would be a "war against the terrorists who attacked the United States on September 11, 2001." It might even be called the "un-war" because it is unlike any previous war we have fought. Our enemy does not wear uniforms or command military forces (Ibid, 2005: 570). Cato Institute called this war as a different war because of its different nature.

Why United States of America did not Succeed in Afghanistan?

To comes with the question of why the United States of America fail to manage and success on war with terror in Afghanistan. Cato Institute held a conference on tenth of February 2008 to examine the correlation of United States unsuccessful mission in Afghanistan. Malou Innocent²³ and Ted Galen Carpenter²⁴ examined factors that why the United States did not have success in Afghanistan? Malou Innocent observes the relationship between Afghanistan and Pakistan and its effect on war in terror that begun ten years before. Firstly, the question is why the border between Afghanistan and

²³ Malou Innocent is a Foreign Policy Analyst at the Cato Institute. She is a member of the International Institute for Strategic Studies, and her primary research interests include Middle East and Persian Gulf security issues and U.S. foreign policy toward Pakistan, Afghanistan, and China.

²⁴ Ted Galen Carpenter is senior fellow for defense and foreign policy studies at the Cato Institute. Dr. Carpenter served as Cato's director of foreign policy studies from 1986 to 1995 and as vice president for defense and foreign policy studies from 1995 to 2011.

Pakistan remain lowest and weak. Malou announced this point that Indian role and Indian military training in Afghanistan and Karzai's relation with India all the reason joint cause to Pakistan support Taliban and Al- Qaida. Hence the American diplomacy ISI²⁵ ground training Taliban. According to the CIA reports 157 training campus has established for Taliban in Pakistan also 400 logistic bases that directly or indirectly is coordinated by the ISI (Ibid, 2013).

Ted Galen Carpenter; continued with the question of why Taliban and Al- Qaida regrouped. Ted complains that why American did not succeed in Afghanistan? He noted; firstly, the reason that American fully attention on Afghanistan because they rout troops and resources to Iraq. Other reasons are American alliance did not do well but some countries such as Britain and Canada. Most of coalition forces bases located on north part of Afghanistan and they just did civil services. Other factor is in fact Drug traffic. Afghanistan supplies more than 90% of world drug. However, national and international factors handed in drug traffics (Ibid, 2013).

Cato Institute suggests special issues to American politician that American war against Al- Qaida not to be used as a cover towards other countries around the world. Because of that:

- American government and American defense ministry focus on the war on terrorism only on the Al Qaeda terrorist network and not expand it to other groups or countries that have not attacked, or do not represent a direct terrorist threat to the United States.
- American state should finish the job of aggressively hunting down Al Qaeda's leadership that fled to Pakistan from Afghanistan.

²⁵ Inter-Services Intelligence or simply by its initials ISI: is the premier Intelligence service of the Islamic Republic of Pakistan, operationally responsible for providing critical national security and intelligence assessment to the Government of Pakistan.

- American government recognizes that much of the war on terrorism will not involve on large-scale military action but will emphasize diplomatic, intelligence, and law enforcement cooperation with other countries.
- United States must act with global coalition and work with foreign governments to apprehend Al Qaeda operatives in other countries.
- Approve the use of U.S. Special Forces for specific operations against Al Qaeda operatives when foreign governments are unable or unwilling to take action themselves.
- Government should make domestic counterterrorism to find Al Qaeda operatives in the United States the top priority for the Federal Bureau of Investigation (Ibid, 2013).

3.2.2. American Allies and War: Afghanistan and Iraq

The United States pledges to defend NATO allies towards possible dangers. The question comes to mind why NATO allies did not support United States of America in Iraq or not fully member support in war against Al- Qaida. For finding the reasons of American allies that not support or contribute with the United States of America in Iraq, Jason Davidson²⁶ presented evidence why Britain, France and Italy provide or refuse military support for US led uses of force.

In a conference that was held in Cato Institute center on May 2011, Jason noted that for governments in alliance special reasons are matter; these reasons are alliance value, threat, prestige and electoral politics:

- **Alliance Value**

²⁶ Jason W. Davidson, Associate Professor of Political Science at the University of Mary Washington

It shows that governments in an alliance seek their privileges either its useful for national benefits or not because of that in 2003 when British government decided to enter in coalition with the United States against Iraq. Tony Blair valued American government and entered into war.

- **Threat**

For alliances the main thing is how the case is viewed. Is it threat for national benefits or not, for instance, the war against Al- Qaida came big threat for NATO members, because of that all countries came to side of the United States in war against terror in Afghanistan.

- **Domestic Politics**

In fact domestic case or electoral issue is also the main part of alliance for a government because it will change election results. Two factors are important: the public opinion and domestic opposition or the party (Cato Institute, 2013).

3.2. 3. The Relationship between Intelligence and Policy

After 9/11 and Iraq War some hot changes came with the relationship between intelligence community and policy making process. It means that it became very complicated Paul R. Pillar faced up to the intelligence myths. Americans have come to rely on to explain national tragedies; including the belief that intelligence drives major national security decisions and can be fixed to avoid future failures. Pillar believes, these assumptions waste critical resources and create harmful policies, diverting attention away from smarter reform and they keep Americans from recognizing the limits of obtainable knowledge. Pillar has examined the impact of intelligence service on policy making and noted that intelligence service has important role in providing mainly in technically and operations level (Columbia University Press, 2013). Pillar revisits US

foreign policy during the Cold War and highlights the small role intelligence played in those decisions and he demonstrates the negligible effect that America's most notorious intelligence failures had on US policy and interests. He then reviews in detail the events of 9/11 and the 2003 invasion of Iraq, condemning the 9/11 commission and the George W. Bush administration for their portrayals of the role of intelligence. Pillar offers an original approach to better informing US policy, which involves insulating intelligence management from politicization and reducing the politically appointed layer in the executive branch to combat slanted perceptions of foreign threats. Pillar concludes with principles for adapting foreign policy to inevitable uncertainties (Ibid, 2013).

Joshua Rovner²⁷ is the author of *Fixing the Facts*, a book issued on intelligence service activities. Somehow, Rovner explicit that intelligence has been central to the major controversy in the last decades, 9/11 and Iraq war the latest issues configure in The United States of America intelligent service. The main issue that Rovner comes with during in a conference in Cato Institute conference hall was the issue of policy makers and intelligence service that how policy maker's response to the intelligence demands through policies. There are three basic options for policy makers towards intelligence demands, they are as follow:

- **Accepting Intelligence Demands**

In favorite of intelligence service, in this case decisions and policies make alongside of intelligence demands that intelligence needs and demands include in policies and policy makers accept intelligence.

- **Ignoring Intelligence Demands**

In this situation, intelligence demands ignore or do not accept by policy makers or accept a part of it and ignore the other parts. In this sense this happens in very sample

²⁷ Associate Professor, Strategy and Policy, U.S. Naval War College, Author, *Fixing the Facts: National Security and the Politics of Intelligence* (Cornell, 2011).

reasons because policy makers have their own views. There are a lot of reasons that why policy makers not accept intelligence service demands.

- **Politicization of Intelligence Services**

Politicization of intelligence services is the process of manipulations of intelligence to reflect policy preferences. In this case policy makers don't simply accept intelligence elements for their discussions and nor reject it. Precisely, push back the intelligence community directly or indirectly to predetermine conclusion. This is huge problem in relation of intelligence community with the policy makers; finally, it causes problems for intelligence community (Cato Institute, 2013). Meanwhile, Joshua Rovner seeks the compound communication between intelligence and policy to seek solution for the politicization. Major episodes in history of American foreign policy have been closely tied to the manipulation of intelligence estimates.

Rovner describes how the Johnson administration dealt with the intelligence community during the Vietnam War? How President Nixon and President Ford politicized estimates on the Soviet Union? And how pressure from the George W. Bush administration contributed to flawed intelligence on Iraq? He also compares the US case with the British experience between 1998 and 2003 and demonstrates that high-profile government inquiries in both countries were fundamentally wrong about what happened before the war.

Intelligence community is a soft source for policy makers when policy makers gain it and follow in its policies they will make strong policy (Rovner, 2011).

3.2. 4. Immigration

America was founded, shaped and built in large measure by immigrants seeking freedom and opportunity. Since 1820, more than 70 million immigrants have entered into the

United States legally, and each new wave stirred controversy in its day. In the mid-1800s, Irish immigrants were scorned as lazy drunks too beholden to the pope in Rome. At the turn of the century, a wave of “new immigrants” Poles, Italians, Austro-Hungarians and Russian Jews was believed to be too different to ever assimilate into American life (Cato Handbook policy, 2003: 649). Nowadays also the same issue arises about immigrants but current attitude toward immigration are as wrong as their counterparts were in previous period.

Cato Institute scholars noted; immigration is not undermining the American experiment; it is an integral part of it. We are a nation of immigrants. Successive waves of immigrants have kept our country demographically young, enriched our culture and added to our productive capacity as a nation, enhancing our influence in the world. In here question comes to mind about economic benefits of immigrations? For finding about benefits of immigrants for the United States of America economic growth, on March 21, 2013 a conference under *Economic benefits of Immigration* held in Cato Institute center to examined the impact of immigrants on American political and economical life (Ibid, 2003: 649). William Cobb ²⁸(Cato Institute, 2013) noted; "general view on immigrant is that American people believe that immigrants took our jobs and it caused jobless situations in US and also general view on immigrants suppose that immigrants caused welfare tragedy too. He noted, but it is false in a Variety reasons, the reality thoughts on immigrants are quite different.

The main issue is how immigrants expand economic size? Shikha Dalmia²⁹ noted; those who do research on immigrants see changes about immigrations. Immigrants are good for the economy, they are for diminishing they are good for competitive age to stay in a

²⁸ Senior Director of External Affairs, Cato Institute.

²⁹ Shikha Dalmia is a senior policy analyst at Reason Foundation, a nonprofit think tank advancing free minds and free markets.

global economy but the controversy about the immigrants is that they lose skills they steal jobs because they work hard, also they steal welfare because of some of immigrants are not working. She emphasized; for American economy the main point is market needs it determines which kinds of immigrants are capable is useful. In this case Canada did well; they recognized high skill immigrants such as doctors or what market need. Also she clarified that case of lower or higher skill of immigrants; both classes are capable for American economy growth because the composition of market economy business allowed each of the groups for working. She exemplified the case of lower skill immigrants that immigrants were doing well for ordinary works. They work hard and receive less but native citizens need high payment (Ibid, 2013). Actually immigrant workers with high skills that come to work do not come to compete with native workers. In fact, they come for compliments. In economic pluralist she poses, we can say immigrants and natives are not substitutes, evidences proving this case.

As a conclusion, the migrants do not threaten American natives' jobs, the reason is the increase of skills in market for example, and they are adding new languages in the market. Lower skill immigrants create positive occasions for high skill native women; because women are busy with office works and low skill migrants work in houses instead of women. The majority of studies suggest that immigration does not exert significant effects on native labor market outcomes. Even large, sudden inflows of immigrants [such as in the Mariel boat incident in 1980] were not found to reduce native...employment significantly (Reason Foundation, 2013).

In 1996, the National Research Council (NRC) performed the most comprehensive study comparing immigrant taxes with immigrant welfare consumption before welfare reform barred immigrants authorized and unauthorized from receiving all means-tested federal benefits such as food stamps, the Children's Health Insurance Program and Temporary Assistance for Needy Families. Nevertheless, the study found:

- On average, a typical immigrant, along with his descendants, represents a positive \$80,000 fiscal gain to the government in terms of net present value. (A \$105,000 positive impact at the federal level and \$25,000 negative impact at the state level.)
- An immigrant with more than a high school education, along with his descendants, represents a \$198,000 fiscal gain.
- An immigrant with a high school diploma, along with his descendants, represents a \$51,000 fiscal gain.
- An immigrant with less than a high-school diploma, along with his descendants, represents a \$13,000 loss (Ibid, 2013).

Cato Institute posed reforms on immigrant's law and emphasized that immigration issue should be a reform and because of that Cato Institute posed sufficient issue for Congress and advise American Congress to change the law; hence Cato Institute reform proposal for Congress is:

- Congress should expand, or at least maintain, current legal immigration quotas.
- Congress should focus border-control resources on efforts to keep terrorists out of the country.
- The Authorities should create a temporary worker visa for less-skilled immigrants from Mexico and other countries to work in the United States to meet labor shortages and reduce incentives for illegal immigration.
- Allow workers already in the United States illegally to apply for temporary legal status provided they pose no threat to national security.
- Repeal the arbitrary cap on H1-B visas for highly skilled workers.
- Reverse the recent decline in the number of refugees accepted by the United States (Cato Handbook policy, 2003: 649).

CONCLUSION

This thesis has emphasized on the role of Cato Institute as a case of interest groups in American political life. We consider the impact of Cato Institute on American national and international policies. The methods which I used include qualitative research.

Through this study I went to shed light on such questions as how Cato Institute enacts its policies to impact government, what values Cato Institute has as a liberal organization, and what are the ways that Cato Institute can adopt with current daily politics?

Cato Institute defines its internal and foreign policies with the establishing of its branches and departments within its structure. It defines the areas of its internal studies as "health, welfare system, security, privatization, transportation, agriculture, tax cuts, budget, education, human rights, liberty, and rule of law." However Cato Institute defines its activities on such international issues as "defense, environment, war, international economic and peace and immigration." Having experts on these issues Cato Institute analyzes current daily issues to determine its policies toward a specific issue. As a liberal organization Cato Institute has always taken a liberal position concerning these issues.

In regarding to its internal activities one of the findings about Cato Institute is its constitutionalism that it emphasizes United States constitution defines government's attitude and power. America constitution defines individual rights very clearly. In other words, one can say that the basis of American constitution is human rights. Although it also defines the responsibilities of the citizens it mostly emphasizes on human rights. An important attempt of Cato Institute is to restrict government, in this respect, because it emphasizes on rule of law and on limited government.

Market economy is another main purpose of Cato Institute. Cato Institute defines its economic policies around free market economy and for this reason it is against government's welfare system. Government's interference in economic system is always criticized by the Cato policy makers. Cato researchers and commentators define governmental responsibilities upon people's life as trustee.

My findings light out that Cato Institute does not engage with the lobbying effort, not it supports any political candidates. It always keeps its position not to engage with political competition. One of the main characteristics of Cato Institute is that it is not associated with any political organization or party.

Cato Institute is committed in expanding civil society while reducing political society because in civil society individuals are allowed to select their needs. Also in such societies individual attitudes are by choices of themselves. Cato Institute has tried to increase the understanding of general knowledge of the society. For this reason Cato Institute posed policies based on limited government, rule of law, liberty and free market economy. Cato Institute mostly acts on legal system to bring liberal reforms. So the question must be answered is whether Cato Institute policies are acceptable for all Americans or not? The answer is no because the US society does not accept Cato Institute policies and advices in some issues such as gay marriages.

In respect to the issues concerning foreign policy Cato Institute sometimes support Democrat Party but sometimes the Republicans. For instance Cato Institute supported George W. Bush's war against Al-Qaida. But although it supported Bush's politics in this regard it never hesitated to criticize Bush. The main issue for Cato foreign policy is that it believes on globalization in all parts of life. In Cato's mind globalization defines as all things you like or all the things you do not have interest in. In global perspective the development of a country is beneficial for the others especially for the neighbors. Cato Institute believes that free market economy is the best economy for the world. It

means that world is on the right path of economical life and crisis is a natural issue of this system. Cato Institute emphasizes on free markets also which support diversity and natural liberty.

The question is that can free trade support or promotes peace in the world? The answer for Cato is clearly positive. Cato Institute believes that free trade supports and promotes peace in the world because evidences so far have proved this. According to Cato Institute the trade can create interconnections among different societies and nations and it paves the way for peaceful activities across the world. Across the globe free markets and trade have supported to reduce poverty.

The main question for Cato Institute is what should be done to promote political liberty and economical growth around the world? Cato Institute's liberal position across the world includes economic, free market, peace, human rights, war restriction, freedom and many other factors.

One of the considerable issues for me is about Cato Institute's views on global warming. Cato asks about why the world always focuses on its negative side. For Cato any environmental change should have both positive benefits and negative effects of it. For example, some predict and observations confirm that human-induced warming takes place primarily in winter, lengthening the growing season. Satellite measurements now show that the planet is greener than it was before it warmed. There are literally thousands of experiments reported in the scientific literature demonstrating that higher atmospheric carbon dioxide concentrations cause by human activity dramatically increase food production. So why do we only hear one side about global warming? (Cato Institute, 2013).

Cato Institute struggles to settle democracy and constitutionalism as a global phenomenon. The question is whether democracy is enough for peace, or does democracy guarantee peace for the world? To answer this question just democracy is not

enough to bring peace to the world, because histories are witnesses of this issue that even democratic countries caused conflict around the world. For instance India's and Pakistan's Kargil War³⁰ is a war between two democratic countries. One can ask if we can bring peace for a country through democracy. Weak political institution, worst economy, Per capita income, disrupt legislation system, meanwhile weak political institutions create both a motive and opportunity for elites to use the system for their powers as Slobodan Milosevic did.

Moreover, Cato Institute settles its economic policies considering free economic as a basic principle of perfect economic system. For this purpose it complains about government's controls on your ability to make a better living, to feed and clothe your family, to get a promotion and to choose where you will live. These all make you remain dependent on government and government officials. According to Cato Institute centralized economies do not allow the institutions of democracy to develop in the world. When you liberate people from governmental dependence the institution of freedom will develop. People are more likely to speak out against the government once they no longer feel constrained by economy (Cato Institute, 2013).

Cato Institute, as the last point, quests why America has not been successful in the war on terrorism in Afghanistan and is still in war there. Despite a long war against Taliban, it has found ground in Afghanistan and Islamists have gotten back to Pakistan. It is a fact that Al Qaeda has been displaced and greatly weakened. But it is clear that US attempts to create a stable regime in Afghanistan has failed. It is a matter of fact that American's attempt at nation-building in countries like Afghanistan has failed because of social and cultural issues. Cato Institute draws attention to the local cultural values in developing democratic and liberal values in a society.

³⁰ The Kargil War or Kargil conflict was occurred between India and Pakistan on May and July 1999 in Kashmir.

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