

Title: Capturing Business Power Across the States with Text Reuse

Abstract:

Political scientists have long puzzled over questions of business power in capitalist democracies like the United States. Despite the importance of these issues, scholars have struggled to develop systematic methods of observing and classifying business's preferences for policy, as well as business's influence on the legislative process. In this paper, we develop a new dataset for studying the influence of business on public policy decisions across the American states. Compiling and digitizing nearly 1,000 leaked legislative proposals made by a leading business lobbying group in the states, along with digitized versions of all state legislation introduced or enacted between 1995 and 2013, we use a two-stage supervised classifier to categorize state bills as either sharing the same underlying concepts or specific language as business-drafted model bills. Over this period, we estimate that legislators derived 10,370 introduced bills and 1,573 enacted bills from the business proposals we have gathered (corresponding to about 0.8% and 0.7% of all introduced and enacted bills, respectively). Legislators were especially likely to enact business-backed proposals related to education, health care, and agriculture, energy, and the environment. We find these business-backed bills were more likely to be introduced and enacted by legislatures lacking policy resources, such as those without full-time members, with few staffers, and with shorter sessions, consistent with the strategy that national business lobbying groups have pursued across the states. We also show that enactment of business-derived bills lowers states' top income tax rates and increases state income inequality. In all, our paper provides a uniquely detailed picture of business influence across the states over the past two decades, as well as offering a model for other scholars to use to measure the power of interest groups in the policymaking process. Our findings thus have important implications for work on inequality, interest group lobbying, and American political economy.