became full social partners, working alongside government and playing a key role in implementing tripartite agreements (that is, between government, capital, and labour). In a sense, the peaks formed an unofficial coalition with the government. These arrangements, known as ‘societal corporatism’ or ‘social partnership’, offered a striking illustration of how functional interests, working in conjunction with the executive, can marginalize representation in parliament (Berger and Compston, 2002).

Throughout the democratic world, the decline of trade union membership (Table 9.1, p. 164) and the rise of pro-market thinking, international markets, and smaller service companies has diminished the standing of peak associations. In response, they have tended to become policy-influencing and service-providing bodies, rather than organizations negotiating collectively with government on behalf of their members (Silvia and Schroeder, 2007). Even if individual unions and firms still join peaks, they keep their own lobbying capability.

Even so, extensive consultation – if no longer joint decision-making – continues between the peaks and government, not least in Scandinavia. And some smaller countries, including Ireland and the Netherlands, have even developed or revived social partnerships in an effort to combine social protection with improved economic efficiency. Such structured arrangements provide a contrast to the pluralist interpretation of interest groups which we discuss in the next section.

**Pluralism, iron triangles and issue networks**

Debate on the general role of interest groups in liberal democracies has centred on the broad concept of pluralism and we begin this section by outlining this important idea. We then turn to more detailed interpretations of interest groups’ political significance, highlighting the transition from iron triangles to issue networks.

**Pluralism**

Pluralism is an American-inspired view that regards competition between freely organized interest groups as a form, rather than a denial, of democracy. In this way, pluralism offers not merely a claim about how interest groups operate, but also an understanding of liberal democracy itself. It gives us a model of the relationship between groups and government which is far removed from the European notion of social partnership mentioned in the previous section.

What is pluralism? It is a form of governance in which the state becomes an arena for competition between interest groups. The groups compete for influence over a government willing to listen to all the voices it discerns in the political debate. The government adds little of its own; it is an arbiter, not an initiator. For Arthur Bentley (1908), an American pioneer of this approach, ‘when the groups are adequately stated, everything is stated. When I say everything, I mean everything’.

Literally ‘rule by the many’, pluralism refers to a political system in which numerous competing interest groups exert strong influence over a responsive government. The state is umpire, rather than player. Each interest group concentrates on its own sector (for example, education, health care) so that no single elite dominates the political system as a whole.

All kinds of interest have their say before the court of government. Groups compete on a level playing