

# Lobbying and regulation of influence

Day 2, Session 3

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# The lobby of the House of Commons, Westminster





# The lobby of the Willard Hotel, Washington DC



# What is a lobbyist?

**Who they work for:** inside vs. outside lobbyists

**What they call themselves:** government affairs, government relations, public affairs, public relations, etc.

**How they are defined in legislation:**

Canada (Lobbying Act, 2008): “Consultant lobbyist” — anyone who tries to “communicate with a public office holder” about policy, grants, or contracts, or arrange a meeting between a public office holder and another person

U.K. Lobbying Bill (enacted 2014): focuses on “consultant lobbyists” — those who in the course of business and for a payment personally communicate with a Minister of the Crown or permanent secretary about any function of government

E.U. (EP-Commission Transparency Register, 2011): activity/objective-based — “All activities carried out with the objective of directly or indirectly influencing the formulation or implementation of policy and the decision-making processes of the EU institutions, irrespective of the channel or medium of communication used”

U.S. (Lobbying Disclosure Act, 1995): “The term ‘lobbying contact’ means any oral or written communication (including an electronic communication) to a covered executive branch official or a covered legislative branch official that is made on behalf of a client with regard to” legislation, regulations, policies, programs, grants, nomination.”

France (regulations of the Bureau de l’Assemblée nationale, 2009): “representatives of public or private interests”

# Plan for this session



- **Theories of lobbying:** What do lobbyists do? How should they be regulated?
- **Political finance** in comparative perspective: How is money in politics regulated? How should it be?

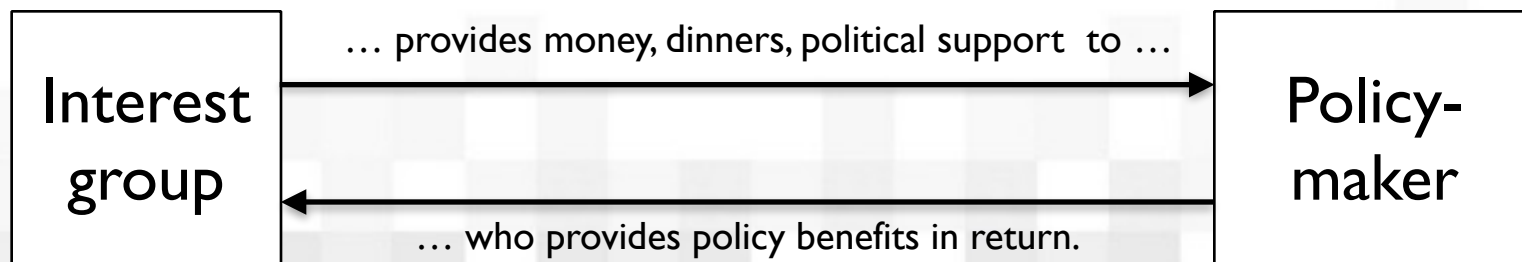
# Theories of lobbying: (I) Exchange/bribery



Interest group wants to obtain a specific policy benefit.

Policymakers want money, nice dinners, campaign contributions, etc.

Lobbying is bribery of politicians by interest groups.

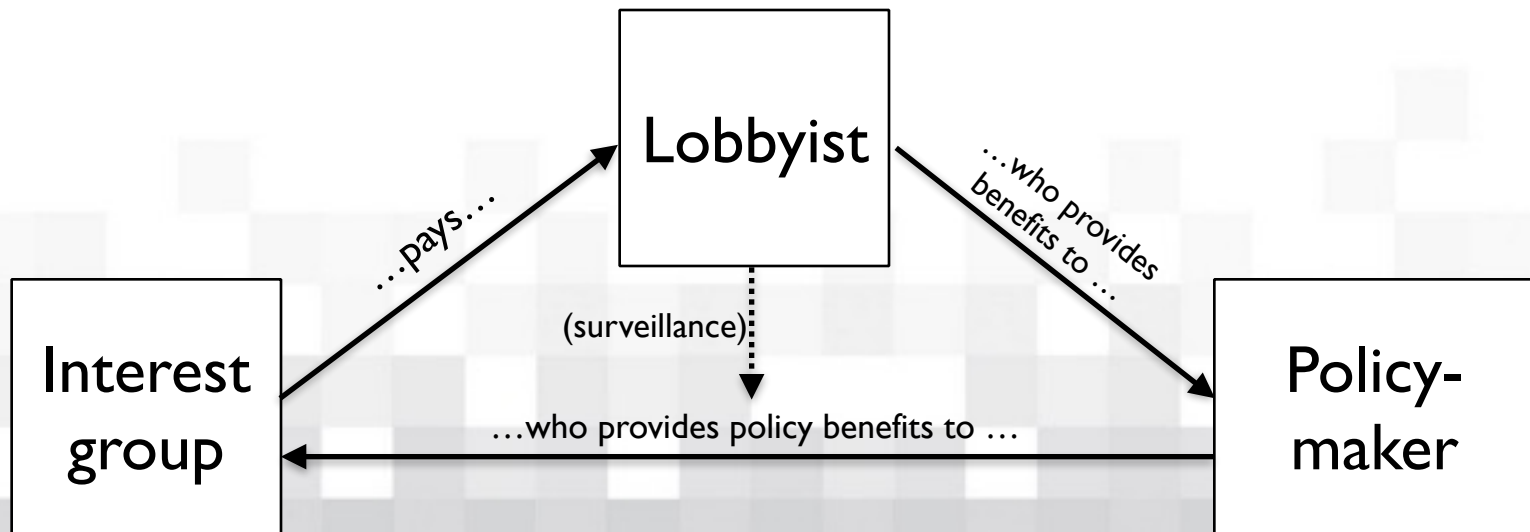


# Consultant lobbyists as agents of exchange?



Maybe consultant lobbyists act as **agents** and **intermediaries** supervising the exchange of benefits between interest groups and policymakers.

Gambetta, *The Sicilian Mafia*.

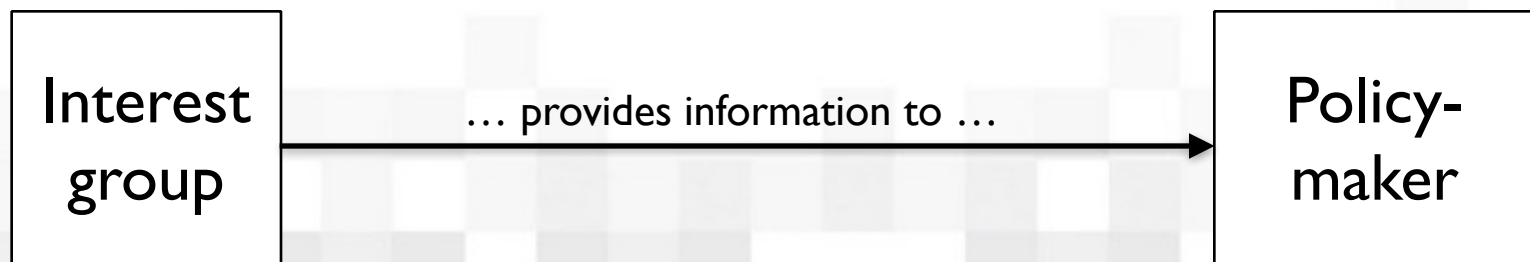


# Theories of lobbying: (2) Providing information



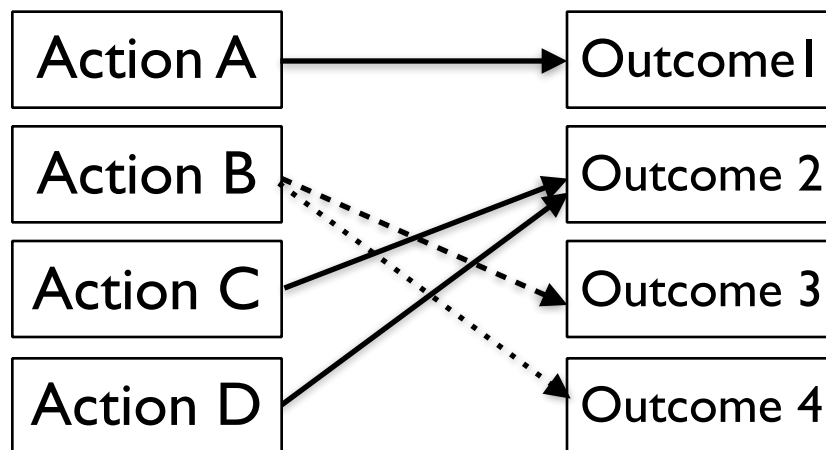
Interest group is highly informed about its field and the policies that affect it.

Lobbying is the process by which interest groups provide information that persuades policymakers to take favorable actions.





The mapping of actions to outcomes is complicated:



But should policymakers believe lobbyists' account of this mapping?

- If same goals, yes!
- If similar goals, cautiously — and with attention to reputation

# Theories of lobbying (3): Lobbying as legislative subsidy (Hall and Deardorff, 2006)



**Assumption:** Policymaking requires scarce resources: time and energy to build a coalition, gather information, manage risks, etc.

**Claim:** Interest groups subsidize the work of sympathetic policymakers.

Fits with:

- pattern of “lobbying allies”
- lobbyists acting as “adjunct” or additional staff

# Relationships and lobbying: evidence from the U.S.



**Blanes i Vidal et al (2013):** When a member of Congress retires, lobbyists connected to that member earn less lobbying revenue.



Jordi Blanes i Vidal



Marianne Bertrand

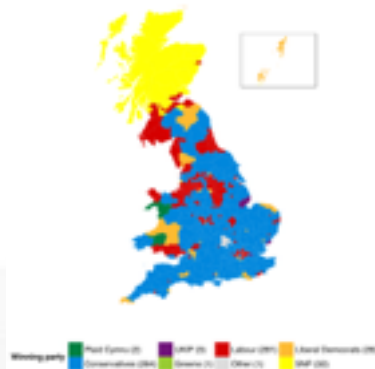
**Bertrand et al (2014):** When a member of Congress changes the issues she works on, lobbyists who are connected to that member also change the issues they work on.

*What does this imply about our theories of lobbying?*

# Overview of political finance

Financing of campaigns and parties differs greatly across countries (Pinto-Duschinsky, 2002).

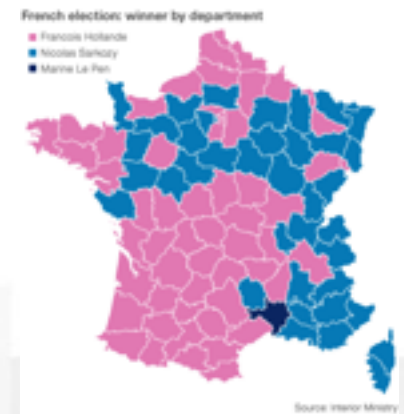
Three important cases:



Spending highly regulated,  
but not contributions

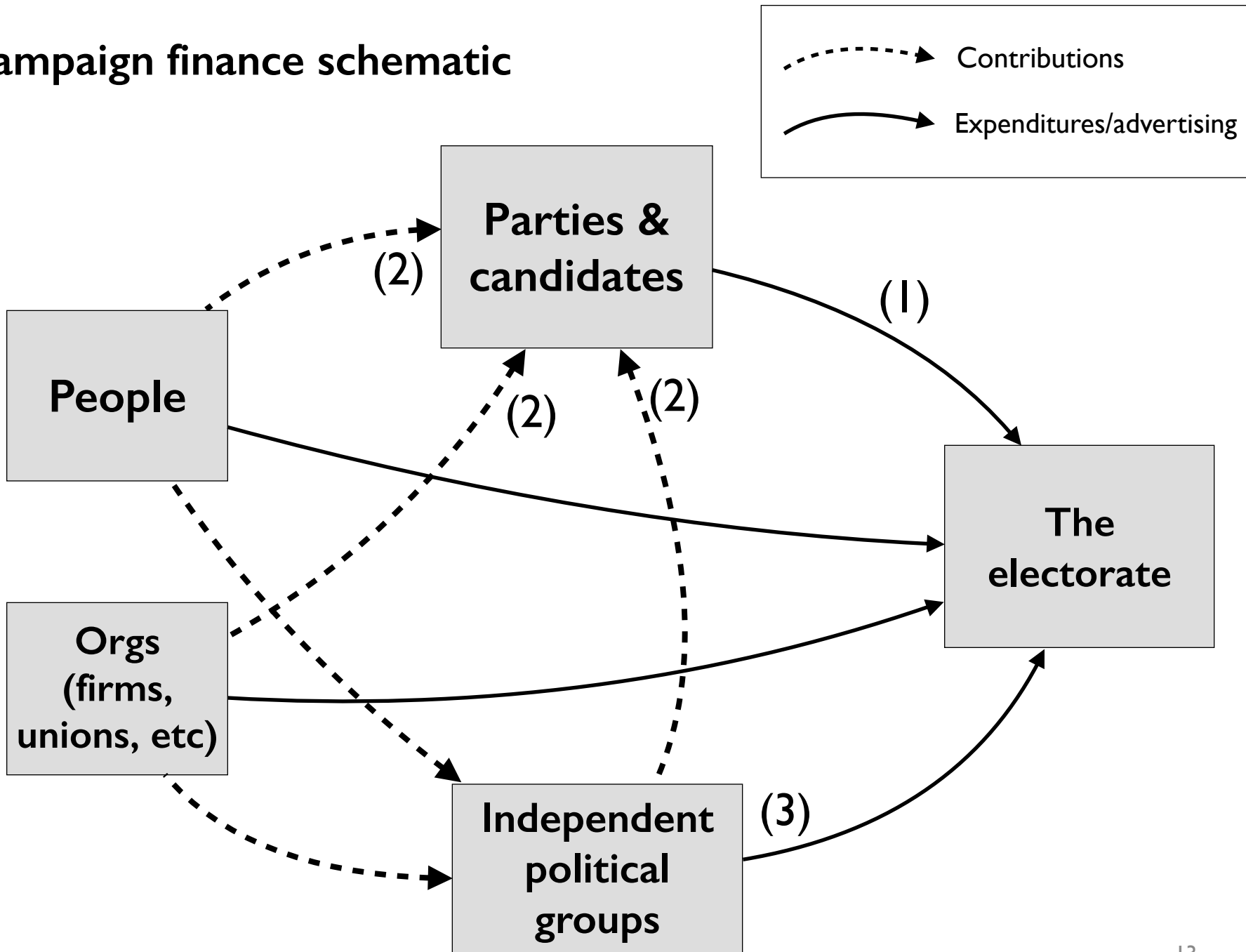


Contributions highly  
regulated, but not spending



Contributions and spending  
highly regulated

# Campaign finance schematic





# Comparison of campaign finance: spending limits for parties and candidates (I)



- US: no limits on spending, unless participating in public funding schemes
- UK: limits on candidate spending since 1883. Ban on political advertising on radio and TV [but big subsidies via *party political broadcasts*]
- France: limits on spending by candidates, no limits on party spending; ban on paid political advertising



# Comparison of campaign finance: limits on contributions to parties and candidates (2)



- US: Limits on contributions from individuals (everything disclosed); total ban on contributions from corporations & unions (but not from their Political Action Committees, i.e. PACs)



Michael Gooley, Trailfinders CEO: gave £1.5M to Conservatives in less than a year. (Photo: Linda Nyland, via [guardian.co.uk](https://www.guardian.co.uk))

- UK: No real limits; disclosure for donations above £7500 to party
- France: Similar to U.S. (limit of 7,500 euros), with less disclosure

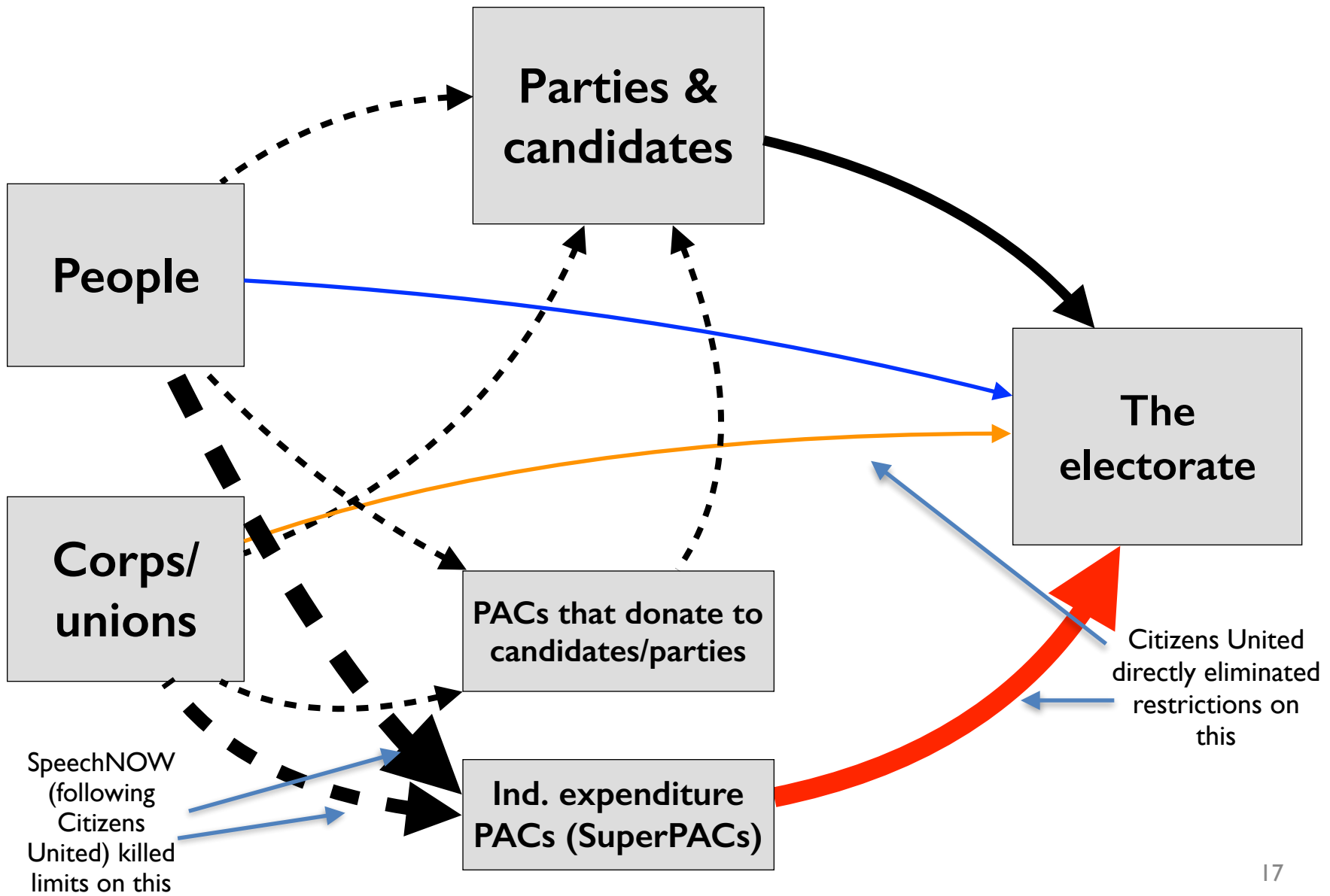
# Comparison of campaign finance: independent expenditures (3)

- US: post-Citizens United, no limits, some disclosure
- UK: post-Bowman decision, £500 limit in independent spending in a particular constituency; £1m for national campaign
- France: limits on independent expenditures => recent rise of “micro-partis” or “partis de poche” organized around individuals



Phyllis Bowman, anti-abortion activist

# USA schematic (3)



NAME OF COMMITTEE (In Full)

**Priorities USA Action**

Full Name (Last, First, Middle Initial)

**A. George Soros**

Mailing Address 888 7th Ave

Fl 33

City

New York

State

NY

Zip Code

10106-0001

FEC ID number of contributing  
federal political committee.

C

Name of Employer

Soros Fund Management

Occupation

President

Receipt For:

☐

Primary

☐

General

☐

Other (specify) ▼

Aggregate Year-to-Date ▼

1000000.00

Date of Receipt

06

25

2015

Transaction ID : VNVXSDZA3F0

Amount of Each Receipt this Period

1000000.00

Full Name (Last, First, Middle Initial)

**B. Steven Spielberg**

Mailing Address 1515 Amalfi Dr

City

Pacific Palisades

State

CA

Zip Code

90272-2754

FEC ID number of contributing  
federal political committee.

C

Name of Employer

Dreamworks Animation

Occupation

Co-Founder

Receipt For:

☐

Primary

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General

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Other (specify) ▼

Aggregate Year-to-Date ▼

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Date of Receipt

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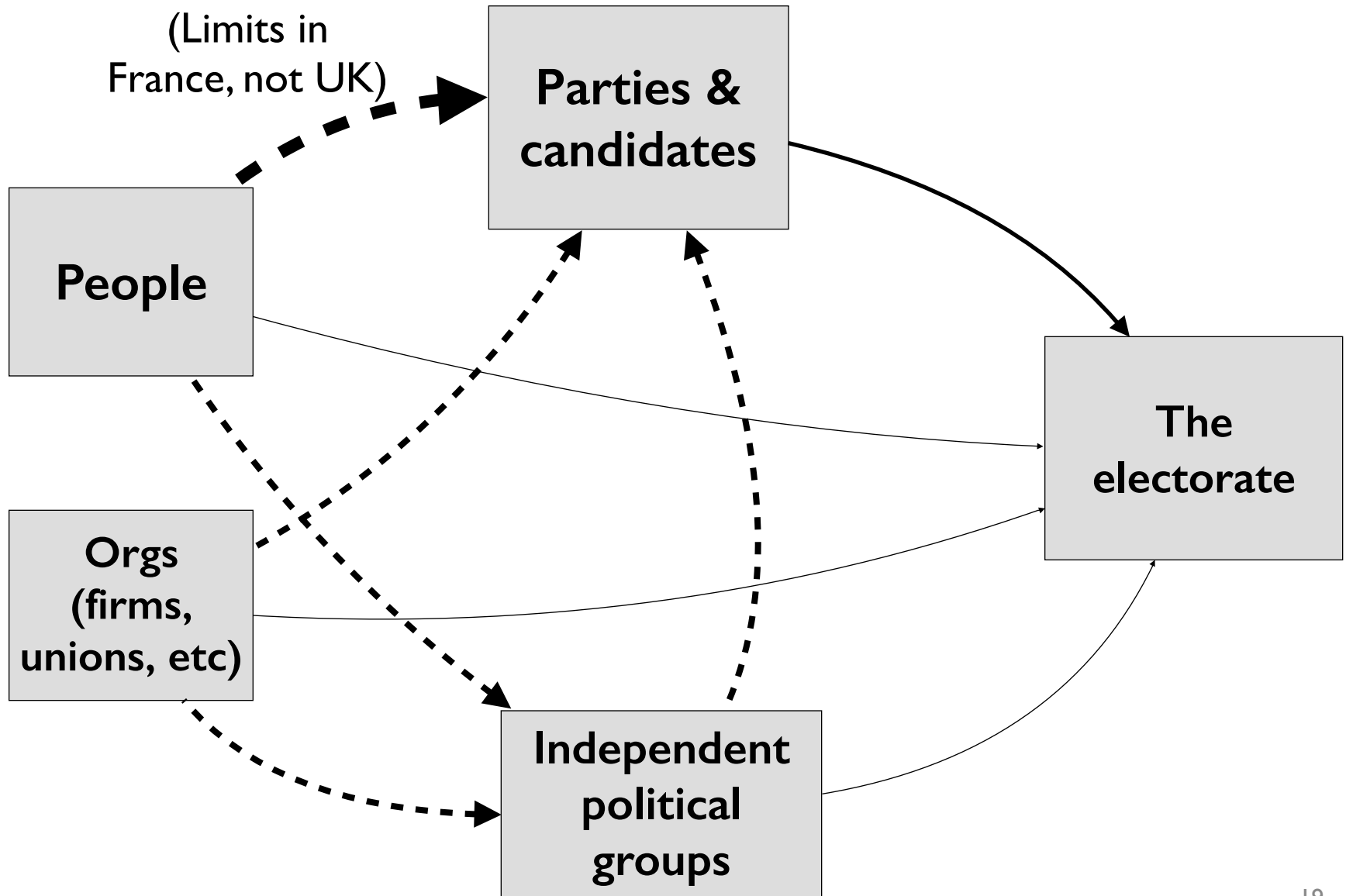
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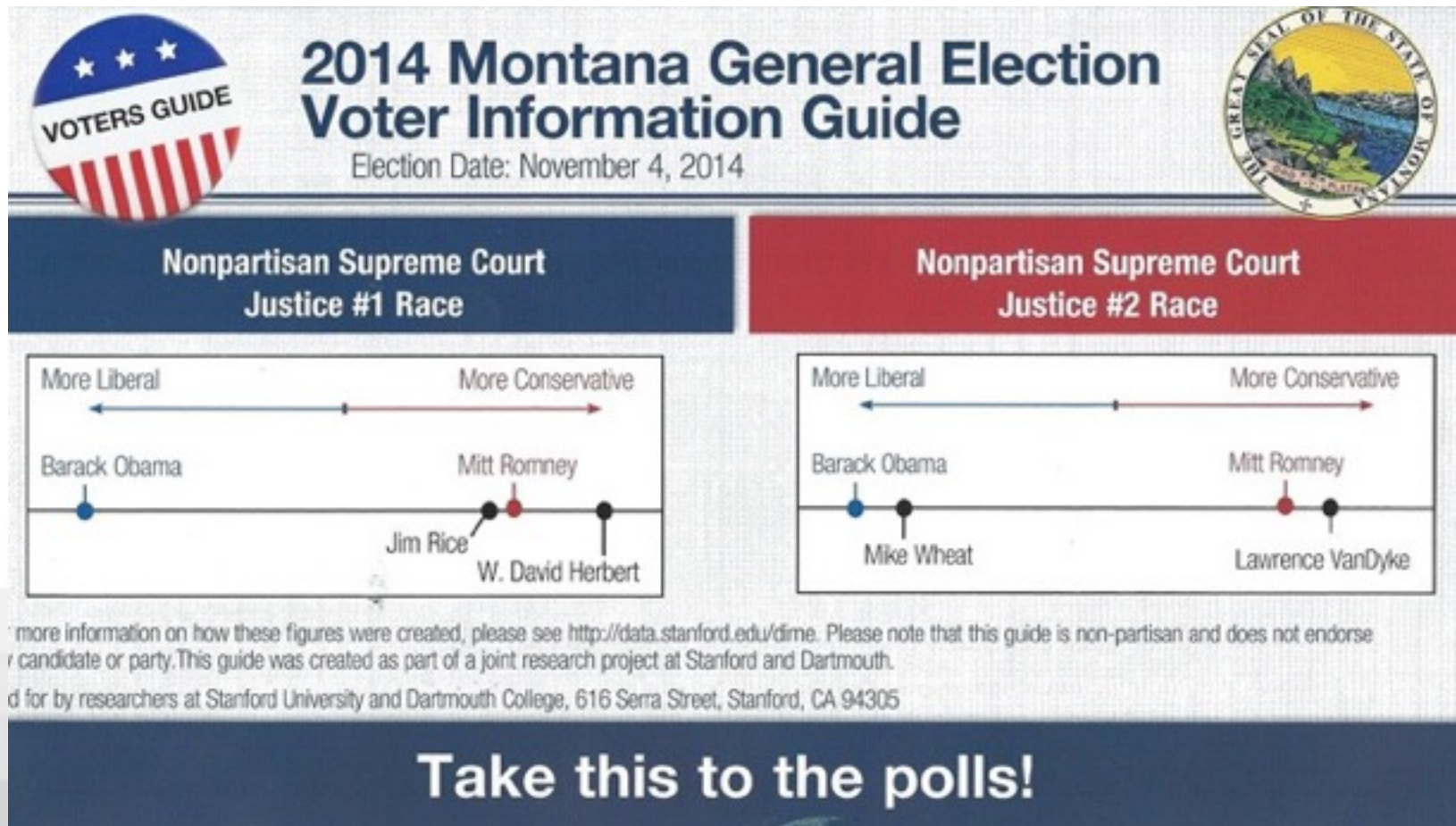
# UK/France schematic



# A story about campaign finance disclosure and political science research



Letter sent to 100,000 Montana households in 2014 election:



# Questions about the regulation of lobbying



What is the appropriate public policy response to lobbying if lobbying is:

- bribery/exchange?
- information provision?
- legislative subsidy?

How do we know which it is?

# Questions about the regulation of money in politics:



- How would Olson regulate elections?
- Can regulation restrain the influence of money in politics, or merely displace it?
- Caps and bans — less effective than changes in the policymaking process?
- Are political contributions a form of expression that should be protected?