



# **The SAGE Encyclopedia of Political Behavior**

## **Lobbying**

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Book Title: The SAGE Encyclopedia of Political Behavior

Chapter Title: "Lobbying"

Pub. Date: 2017

Access Date: June 5, 2017

Publishing Company: SAGE Publications, Inc.

City: Thousand Oaks,

Print ISBN: 9781483391168

Online ISBN: 9781483391144

DOI: <http://dx.doi.org/10.4135/9781483391144.n203>

Print pages: 448-451

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Lobbying is an effort made by individuals or groups to convey information to governmental, administrative, or regulatory officials, in an attempt to influence decision outcomes. This entry provides an overview of lobbying, describes the advocacy groups and officials involved and the incentives they face, discusses theoretical and empirical outcomes, and examines how lobbying and transparency vary across countries.

## Overview

Lobbying occurs when a government or government-like body has the power to implement a law, policy, or procedure, and individuals, firms, or groups attempt to exert influence in the decision. John Figueiredo and Brian Richter suggest that lobbyists can convey information through a combination of statistics, facts, arguments, messages, forecasts, threats, commitments, and signals to politicians, staffs, and agencies. Lobbying activities are broad and varied, and include testifying in front of administrative hearings and tribunals, meetings with officials, aiding in the drafting of legislation, the solicitation or direct writing of letters and petitions, and potentially other favors like dinners, flights, and so on. Although sometimes compared pejoratively to bribery and blackmail, lobbying as defined here is limited to a set of legal activities, used to directly convey information. It is important to note, however, that boundaries between legal and illegal activities can be fuzzy, and laws on what constitutes a permissible form of lobbying vary across institutions and countries.

Lobbying is a channel through which citizens express their positions on issues to elected or appointed representatives. Other channels include campaign contributions, publicly endorsing particular candidates, grassroots political campaigns, and media campaigns and advertising. Although a donation to an elected representative is likely money spent to advocate for one's position, lobbying is differentiated from direct campaign contributions. Instead, lobbying is the attempt to sway a decision by providing an official with information. There is speculation that the term *lobbying* originated from advocates waiting in lobbies and halls outside of legislative and administrative offices in an attempt to influence the officials meeting inside during breaks.

## Who Lobbies?

While individuals and firms can undertake direct lobbying efforts, a more specialized organization, known as an advocacy group, is often a key player. Also referred to as interest groups, constituency groups, pressure groups, or special interest groups, these are coalitions of firms, individuals, and other organizations formed to lobby one or more governmental, administrative, or regulatory organizations on issues of mutual interest. Examples of advocacy groups in the United States include the Sierra Club, which lobbies for environmental and conservation policies; the National Rifle Association (NRA), which lobbies for gun ownership protections; the U.S. Chamber of Commerce, which lobbies for the interest of its business members; and the AARP (formerly the American Association of Retired Persons), which advocates for persons ages 50 and above.

Self-interest is the motivation for interest groups to engage in lobbying. In the United States, most lobby groups represent firms and trade organizations whose financial well-being is directly affected by the officials the groups lobby. Alternatively, individuals, groups, or firms may lobby in favor or against a particular issue to capture indirect benefits; for instance, environmental groups lobby for outcomes consistent with the preferences of their individual

members. However, lobbying is expensive, so parties with more to gain or lose when officials make decisions are more likely to participate in lobbying and spend more money lobbying. Questions of fairness naturally arise. Pressure groups may try to secure benefits at the expense of the general public through direct revenue transfers, targeted regulation, or reduced stringency of regulation or taxation. This *rent-seeking behavior* occurs because pressure groups may advocate for narrow self-interest—very profitable to a few—while the general public lacks a comparable advocate—marginally expensive to many.

In the United States, lobbying to legislators and administrative agencies has become a substantial industry, with firms specializing in advocacy for hire. These firms and the individuals working for them are referred to as lobbyists, as are individuals who work exerting influence directly for an advocacy organization. Many lobbyists are trained as lawyers and are often retired politicians, staffers, and agency officials whose knowledge of the law and connections allow them to market their influence to a variety of advocacy groups, firms, and individuals. Thus, professional lobbyists often advocate on behalf of groups, firms, and individuals, rather than on issues in their own self-interest. Firms involved in lobbying the U.S. federal government are referred to as K Street lobbyists due to the large number that locate on that street in Washington, D.C. They are often criticized for having undue influence over policy. While firms engaged in lobbying are likely to locate in Washington, D.C., the nature of lobbying is such that these firms may be advocating on behalf of the Northeastern banking industry, airplane manufacturing unions in Seattle, a foreign government, or any of a large number of other interests.

The Center for Responsive Politics, a nonpartisan research group located in Washington, D.C., tracks lobbying and campaign contributions in the United States. They use information available through the 1995 Lobbying Disclosure Act (LDA) to show that in 2012, \$3.31 billion was spent on federal lobbying. In contrast, direct campaign contributions for the 2012 election cycle, a 2-year total of spending that included the most expensive presidential campaign in history, totaled around \$2.3 billion. For that same election cycle, Super PACs, expenditure-only campaign committees that rose to prominence after the U.S. Supreme Court ruling in *Citizens United*, raised around \$828 million. These figures indicate the prominent role lobbying plays in American politics.

### The Lobbying Process

The lobbying process takes place under the rules, if any, that govern the decision making of officials. The rules establish the amount of discretion an official has and over what margins these decisions affect constituents. Officials may consider both external factors, the effects on others, and internal factors, such as personal beliefs, in making a decision. External factors include the benefits and costs of the decision to society; the distribution of these benefits and costs on individuals, groups, or firms; the effect on voting behavior; and the effect on campaign contributions. Internal factors include morals and beliefs; loyalty to or trust in a person, group, or firm; and the proclivity for risky versus safe actions. To inform their decisions, officials may solicit input from affected parties, which in turn creates a setting for groups to advocate for a particular outcome.

A complex set of incentives face an official, and they vary depending on the type of position. An elected official faces reelection pressure and may undertake decisions in an attempt to maximize votes. However, maximizing votes may involve more than taking the most popular political position, as interest groups can work to mobilize or suppress voting, mail or televise advertisements for or against a candidate, and solicit donations. A regulatory agency official

overseen by elected officials has different incentives. Anthony Downs describes bureaucratic officials as interested in power, income, prestige, security, convenience, loyalty, pride in excellent work, and desire to serve the public interest. Advocacy groups can exert influence over agency officials by providing them with information to help them achieve excellence in their work, appealing for them to do the right thing, or even by the promise of later employment.

While there is a quid pro quo element to the lobbying process—favours granted by interest groups are often done with the expectation that the official will be supportive of the group—there is not always a direct or explicit agreement. Often, lobby groups seek access to officials through gifts, events, and donations. The expectation is not necessarily that officials will support a particular policy position, but rather that these groups will have a forum to directly advocate for their position. Individuals, groups, and firms can use this forum to attempt to sway the official into making a particular decision. Ultimately, the official makes the final decision. However, given the limited information available to politicians and agency officials regarding citizen demands, policy costs, and distributions, there is often reliance on interest groups as sources of information on benefits and costs and to generate political support for taking action. Legislation or rules may be drafted in close consultation with advocacy groups. For instance, in 2014, the Environmental Protection Agency worked with environmental lobbyists to craft its Clean Power Plan, and lobbyists for large banks drafted key legislation in 2013 to roll back provisions of earlier banking laws.

### Is Lobbying Good or Bad?

Lobbying may be viewed as beneficial or harmful, depending on the level of independence exerted by an official, the question being considered, and the groups involved. For instance, the American Medical Association (AMA) might lobby a legislature making a decision about vaccination rules to convey information about the position on vaccinations of American doctors, and most citizens would view this as beneficial. If the same legislature were considering regulations on greenhouse gas emissions, however, the input of America's Power, a pro-coal lobbyist, might be viewed more skeptically.

Gary Becker suggested that competition among interest groups could lead to more efficient political decisions. Lobbyists spend money to purchase desired outcomes, and the competition among interest groups is analogous to competition among buyers and sellers of goods and services in a market. In this competitive process, no party gains all that it desires as politicians balance group demands and weigh the tax costs facing the broad electorate. The key aspect of this view is that lobbying can improve outcomes. Consider politicians determining an acceptable level of emissions who only visit with lobbyists from the emitting firm. The lobbyists' message would likely downplay the health effects of the emissions. If an environmental organization were also able to lobby the politician, these lobbyists could provide an alternative message, emphasizing the health effects on the politicians' constituents. The outcome of the competitive lobbying process is likely to reveal more information and lead to better decisions.

Countervailing lobbying power, however, is not always observed. The classic example from Bruce Yandle is termed *Bootleggers and Baptists* in reference to the apparent inconsistency of both interested lobby groups supporting Sunday liquor prohibitions. In fact, when each group's incentives are considered, the outcome makes sense. Baptists dislike alcohol and strongly advocate for its prohibition. Bootleggers sell alcohol illegally and therefore benefit as the sole proprietors of alcohol on Sundays. In this case, apparently opposed interests lobby

for the same law: alcohol prohibition. The general public, which must spend more and buy illegal alcohol, or abstain completely, is made worse off.

There is evidence that, on many issues, opposing interests lobby on both sides, creating the countervailing forces Becker describes. However, individuals do not have a strong interest in most policies and may be affected only slightly. This limits the time and energy devoted to lobbying by the general public. The general public faces a *collective action problem*, wherein each person benefits too little to lobby individually. Because coordinating across millions of people to join forces to lobby is difficult and expensive, individuals will not be represented by lobbyists in most cases. Concentrated interests, who individually benefit enough to make lobbying worthwhile, can extract concessions at the expense of the general public.

### The Effect of Lobbying

Empirical analysis of a number of institutional settings on a variety of policy issues has shown that expenditures by lobby groups have resulted in policy outcomes benefiting the lobbying organization. Settings where lobbying has been shown to affect outcomes include trade policy and tariffs, taxation, and budgets and appropriations. Lobbying effects are not limited to groups that benefit via direct financial avenues. For instance, lobbying by environmental interest groups has been shown to have an effect on which species are listed under the Endangered Species Act and the extent to which areas are protected by environmental rules. Lobbying can affect policy outcomes by increasing the knowledge of an official, changing the calculus of the political effect of a decision, or creating a financial or other direct incentive for the decision maker.

Lobbying may also lead to agency officials becoming closely linked to industry groups in a process called *agency capture*. Capture occurs when industry lobbyists and regulators have repeated interactions over time, leading the agency to favor the industry in its rulings. Eventually, the regulator may cease to view itself as separate from the industry it regulates. A recent example of capture occurred in the years preceding the Deepwater Horizon (BP) Oil Spill in 2010. The agency tasked with regulating oil firms, the Minerals Management Service (MMS), became closely linked to the industry. Agency officials received sports tickets, meals, and other gifts from industry lobbyists. MMS officials often found work in the oil industry after leaving their positions. In return, agency officials rubber-stamped regulatory filings and environmental compliance audits. The closeness of the relationship contributed to lax regulatory oversight, identified as a factor in the spill. Many of the actions occurred in the gray area between legal and illegal activity, and some convictions relating to lying and conflict of interest occurred. The MMS was ultimately disbanded and split into three agencies in an attempt to avoid future issues of capture.

### Lobbying and Transparency Across Countries

The culture of lobbying varies across countries by the transparency with which it occurs, the degree to which it is regulated, and the extent to which lobbying relationships are formalized. In some countries, political officials and corporations interact directly. Companies in many countries have in-house political and governmental relations departments, while others utilize law firms specializing in lobbying activities. Political institutions are directly related to the extent of lobbying, with lobbying more common in countries exhibiting political stability and those with parliamentary systems. Several authors have suggested that in countries transitioning toward democracy and market economies, lobbying serves as an important

substitute to corruption, replacing bribes as a key instrument of policy influence.

Because disclosure rules in the United States make data publicly available for analysis, a good deal of literature has focused on American lobbying. The United States and Canada both have mandatory reporting systems for lobbyists, with the stringency of the rules often increased after public reports of questionable or illegal lobbying activities surface. While European countries impose strict limits on political-campaign contributions, they have less stringent lobbying disclosure rules. Still, rules governing lobbyists have emerged in response to scandal in Europe as in the United States. Lobbying became an issue in Britain in the 1990s when members of Parliament (MPs) were paid in exchange for asking planted questions in parliamentary sessions.

Elements of lobbying regulation that vary by country include (1) which lobbyists are required to register, (2) the information lobbyists are required to disclose when they register, (3) which public officials must disclose meetings with interest groups, (4) the extent to which laws are enforced and penalties are harsh, and (5) the existence and content of a lobbyist code of conduct. In Europe, lobby registries have been put in place in Lithuania (2001), Poland (2005), Hungary (2006, repealed in 2011), the European Commission (2008), Macedonia (2008), France (2010), Slovenia (2010), and Austria (2011). As of the mid-2010s, new laws and bills regulating lobbying are being drafted and debated in Brazil, Chile, Ireland, Spain, and the United Kingdom.

In Latin America, lobbying has long been synonymous with corruption and back-room deals. In the past, the region has been characterized by strong centralized governments with close ties to business interests. These governance issues are similar to those in other developing countries throughout the world, and some relationships between business groups and leaders are more akin to corruption than lobbying. As public participation in these governments has increased, there have been enhanced efforts at political transparency to formalize a legal lobbying culture. The first law in Latin America regulating lobbying was enacted in 2003 in Peru. In 2009, Chile also passed a bill to create integrity and transparency in the lobbying process.

An emerging area of lobbying is the international public lobbying that occurs when a country lobbies for its national political agenda at multinational political institutions such as the European Union (EU) or the United Nations (UN). Brussels is currently the second largest lobbying arena in the world behind Washington, D.C., and along the Rue Belliard, Brussels's version of K Street, lobbyists attempt to influence the European Commission. The increasing complexity and authority of the European parliament has necessitated more information collection and hence the growth of a lobbying industry. As of 2010, there were approximately 30,000 lobbyists in Brussels attempting to influence EU policies.

Undoubtedly, interest groups and lobbying play an important role in shaping political outcomes across the world. While lobbying can become problematic when groups use influence to gain special advantages at the expense of the general public, solutions are not obvious. The complete elimination of lobbying would likely lead advocacy groups and firms to substitute direct bribery and corruption. Formal registries and transparency rules offer one potential avenue to reveal more information to the general public on who lobbies, while still allowing groups to convey information to officials.

**See also** [Bureaucratic Politics](#); [Bureaucratic Structure](#); [Collective Action](#); [Economics and Political Behavior](#); [Free Rider Problem](#); [Political Participation](#); [Rent-Seeking Behavior](#); [Social](#)

## [Welfare](#)

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<http://dx.doi.org/10.4135/9781483391144.n203>  
10.4135/9781483391144.n203

### **Further Readings**

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