Lobbying/Advocacy in the US and the EU

October 22, 2014
at World Bank

James A. Thurber
Director and Professor Center for Congressional and Presidential Studies
American University
thurber@american.edu
www.american.edu/ccps
202-885-6247
Constitutional & Political Factors Influencing US Lobbying/Advocacy

- Separation of Powers & Elections/Campaign Finance
- Bicameralism
- Federalism
- First Amendment Rights/Advocacy
- Pluralism
Who is a lobbyist in the U.S.?
Who is a lobbyist?
LDA Legal Definition in the US

Two Contacts (Congress, staff and Executive Branch Executives)

20 % of time on “lobbyist activities” (contacts and efforts in support of those contacts)

Paid by Client

$5,000 income per lobbyist or $20,000 for organization (semi annually) (now indexed)

Center for Congressional and Presidential Studies
www.american.edu/ccps
<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Registered Lobbyists</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>10,406</td>
</tr>
<tr>
<td>1999</td>
<td>12,933</td>
</tr>
<tr>
<td>2000</td>
<td>12,536</td>
</tr>
<tr>
<td>2001</td>
<td>11,831</td>
</tr>
<tr>
<td>2002</td>
<td>12,113</td>
</tr>
<tr>
<td>2003</td>
<td>12,913</td>
</tr>
<tr>
<td>2004</td>
<td>13,167</td>
</tr>
<tr>
<td>2005</td>
<td>14,071</td>
</tr>
<tr>
<td>2006</td>
<td>14,495</td>
</tr>
<tr>
<td>2007</td>
<td>14,837</td>
</tr>
<tr>
<td>2008</td>
<td>14,195</td>
</tr>
<tr>
<td>2009</td>
<td>13,787</td>
</tr>
<tr>
<td>2010</td>
<td>12,965</td>
</tr>
<tr>
<td>2011</td>
<td>12,711</td>
</tr>
<tr>
<td>2012</td>
<td>12,433</td>
</tr>
<tr>
<td>2013</td>
<td>12,279</td>
</tr>
</tbody>
</table>

*The number of unique, registered lobbyists who have actively lobbied.*
Where Are the Lobbyists?

Number of Registered Lobbyists, 1998-2013

Source: Center for Responsive Politics (2014)
## Size of Lobbying Expenditures

**Tip of the Iceberg?**

Source: Clerk of the House and Secretary of the Senate, 1998-2013

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>$1.45 b.</td>
</tr>
<tr>
<td>1999</td>
<td>$1.45 b.</td>
</tr>
<tr>
<td>2000</td>
<td>$1.57 b.</td>
</tr>
<tr>
<td>2001</td>
<td>$1.64 b.</td>
</tr>
<tr>
<td>2002</td>
<td>$1.83 b.</td>
</tr>
<tr>
<td>2003</td>
<td>$2.06 b.</td>
</tr>
<tr>
<td>2004</td>
<td>$2.20 b.</td>
</tr>
<tr>
<td>2005</td>
<td>$2.44 b.</td>
</tr>
<tr>
<td>2006</td>
<td>$2.65 b.</td>
</tr>
<tr>
<td>2007</td>
<td>$2.88 b.</td>
</tr>
<tr>
<td>2008</td>
<td>$3.30 b.</td>
</tr>
<tr>
<td>2009</td>
<td>$3.50 b.</td>
</tr>
<tr>
<td>2010</td>
<td>$3.55 b.</td>
</tr>
<tr>
<td>2011</td>
<td>$3.33 b.</td>
</tr>
<tr>
<td>2012</td>
<td>$3.31 b.</td>
</tr>
<tr>
<td>2013</td>
<td>$3.21 b.</td>
</tr>
</tbody>
</table>

Center for Congressional and Presidential Studies
www.american.edu/ccps
Lobbyist vs. Advocate?

“Undercover lobbyists”?
Growth in the Number of Advocates (2012)

- **Narrow Definition:** 40,281 (number of people in the Government Affairs Directory doing advocacy)
- **Broad Definition:** 87,058 (total number of employees listed in Government Affairs Directory including support staff)
- Estimated number of people in the lobbying industry in Washington, DC area: 100,000 +
- Number of Groups in the U.S.: Over 1 million
- Who should be called a lobbyist?
Lobbying Tactics

- Fit Lobbying Tactics to Strategy/Target
- Tactics: grassroots, Astroturf, top roots, coalition building, issue advertising/television/print ads, Internet/websites, opinion shaping/survey research, think tanks, election campaign activity, direct face to face lobbying
- Manage and Coordinate Budget and Timeline and Tactics
- Permanent Lobbying Campaign
Advocacy and Policy Networks in the US

- Administrative Agencies
- White House Offices/EOP
- Appropriations
  Subcommittees
- Authorization
  Subcommittees
- Specialized Media
- Interest Groups and PACs
- State and Local
  Governments
- Tax Committees
- Think Tanks
Conclusions about Advocacy and US Politics

- Centrist solutions are being criticized by leaders in both parties/Polarization
- If one party is for it another party is against
- Central problem: getting votes for long term solutions at short term political risk
- Easier to Stop Policy than to Pass It
- Problem of “Undercover” Lobbyists/”Strategic Advisors”
- Level Playing Field/Public Interest?
Some Causes of U.S. Lobbying & Ethics Reform
Causes of U.S. Reform?
Scandal/Conflict of Interest/Corruption

- Conviction of Chairman Rep. Bob Ney
- Conviction of Duke Cunningham: bribes for earmarks
- Conviction/Overtun of Rep. Tom Delay- illegal corporate contributions for campaigns in Texas
- Indictments of members, staff and federal employees

Center for Congressional and Presidential Studies
www.american.edu/ccps
Causes of U.S. Reform?

- Increase in Campaign Spending (2008 -$5 b+; 2012 $6 b+)
- Campaign Finance & Lobbying: Bundling/Earmarks
- Proximity of Votes and Campaign Contributions
- Size of Lobbying expenditures
- Negative Public Attitudes about Lobbyists (2006 & 2008 Elections)
- Promise of Post Hill Lobbying Jobs---K Street Project
- Gifts and Travel
- Anger with Congress
- "Political Intelligence" and Insider Trading

Center for Congressional and Presidential Studies
www.american.edu/ccps
Continuing Problems: Enforcement and Transparency

- Congressional Revolving Door Loopholes
- Non-Registered Lobbyists
- Definition of Lobbyist under LDA
- Weak Enforcement of Law and Ethics
- Lack of Transparency and Poor Records

- FARA Loophole
- Weak House and Senate Ethics Committees
- Super PAC Money in Elections and Issue Campaigns
- Leadership PACs
- Travel and Gift Loopholes

Center for Congressional and Presidential Studies
www.american.edu/ccps
2012 Lobbying Expenditures
$3.3 billion

- $6.16 million per member per year
- $275 million per month
- $63.46 million per week
- $9.04 million per day
- $376,712 per hour
- $6,278 per minute
- $104.64 per second

Center for Congressional and Presidential Studies
www.american.edu/ccps
Massive Increase in Campaign Expenditures

Source: FEC, 1998-2012

All dollars spent by presidential candidates, on conventions, Senate and House candidates, political parties and independent interest groups

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998</td>
<td>$1.62 b.</td>
</tr>
<tr>
<td>2000</td>
<td>$3.08 b.</td>
</tr>
<tr>
<td>2002</td>
<td>$2.18 b.</td>
</tr>
<tr>
<td>2004</td>
<td>$4.17 b.</td>
</tr>
<tr>
<td>2006</td>
<td>$2.85 b.</td>
</tr>
<tr>
<td>2008</td>
<td>$5.29 b.</td>
</tr>
<tr>
<td>2010</td>
<td>$3.64 b.</td>
</tr>
<tr>
<td>2012</td>
<td>$6.29 b.</td>
</tr>
<tr>
<td>2014</td>
<td>$6+ b.?</td>
</tr>
</tbody>
</table>

Center for Congressional and Presidential Studies
www.american.edu/ccps
Obama on Lobbying Reform

“I intend to tell corporate lobbyists that their days of setting the agenda for Washington are over, that they have not funded my campaigns, and from the first day as president I will launch the most sweeping ethics reform in U.S. history.”
Purposes of US 1995 LDA: Transparency

• Reduce corruption
• Inform lawmakers of the interests attempting to influence them
• Increase public confidence in government
• “To tell the public who is being paid how much to lobby whom on what”
• HLOGA 2007 – Added *ethics rules* for lobbyists
Problems of Money, Conflict of Interest, Transparency and Enforcement

Center for Congressional and Presidential Studies
www.american.edu/ccps
Recent Streams of Reforms/Change

- Honest Leadership and Open Government Act of 2007 (lobbying ethics, and campaign/finance reform)
- Campaign Finance Reform/Citizens United
- Redistricting Reform (CA-2010)
- Presidential/Executive Branch Lobbying Reform
President Obama’s Reforms

- Revolving Door Restrictions (Into and Out of government)
- Restricts Gifts to Executive Branch Officials
- Lobbying TARP & American Recovery and Reinvestment Act (Stimulus) Restrictions
- Restrictions on Serving on Commissions and Advisory Councils
- More Transparency

Center for Congressional and Presidential Studies
www.american.edu/ccps
EU and OECD Lobbying Reforms
Regulation of lobbying is accelerating
Since 1946, 14 countries have regulated lobbying - 7 in the past 5 years

Lobbying timeline

1940
United States 1946

1950
Germany 1951

1960

1970

1980
Australia 1983
Canada 1989

1990

2000
Poland 2005
Hungary 2006
Israel 2008
France 2009

Mexico 2010
Slovenia 2010
Austria 2012
Italy 2012
Netherlands 2012
Chile 2014
Lobbying Regulatory Regimes in Europe

- Germany – 1951
- European Parliament – 1996
- Georgia – 1998
- Lithuania – 2001
- Hungary – 2006 (repealed in 2011)
- Macedonia – 2008 (never implemented)
- European Commission – Transparency Initiative 2008
Joint Parliament-Commission Transparency Registry

- New Focus: Transparency
- Still Structured According to Early Regimes:
  1. Voluntary, but Incentives to Register Are Quite Strong
  2. “Hall Pass” System
  3. Limited Financial Disclosures
- Good On-Line Disclosure

http://europa.eu/transparency-register/
Strong Transparency Lobby Laws Gaining Ground in Europe

• Joint Parliament-Commission Registry (debating moving to a mandatory system in 2016)
• Slovenia – Mandatory registration
  Financial disclosure
  Data are publicly available
• Austria – Mandatory registration
  Financial disclosure
  Lobbying contacts
  Internet access
Transparency drives lobbying reforms

Does transparency in lobbying increase citizens’ trust in the public decision-making process?

Source: OECD 2013 Survey on Lobbying for Lobbyists and OECD 2013 Survey on Lobbying for Legislators
Legislators and lobbyists are more open to a mandatory system - compliance

Stakeholders believe that transparency of lobbying activities should be mandatory for all lobbyists

What measures are considered effective? Incentives for compliance

There are generally no effective rewards for agreeing to comply with lobbyist codes of conduct.

Source: OECD 2013 Survey on Lobbying for Lobbyists
Closing the revolving door remains a challenge
Can a former lobbyist be hired as a government regulator or advisor?

Source: OECD 2013 Survey on Lobbying Rules and Guidelines

No - 29%
Yes - 71%
The reform journey is far from over: Few countries restrict insider lobbying

Source: OECD 2013 Survey on Lobbying Rules and Guidelines
Questions and Comments about
Lobbying/Advocacy in the US and the EU

James A. Thurber
Director and Professor Center for Congressional and Presidential Studies
American University
thurber@american.edu
www.american.edu/ccps
202-885-6247