

Lobbying Expenditures on Migration: a Descriptive Analysis

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Abstract

In this article we carry out a descriptive analysis of lobbying expenditures on migration in the USA between 1998 and 2005. While political action committees (PAC) contributions and lobbying are in general positively correlated, our results suggest that this is not the case when it comes to lobbying on migration. As a result, any analysis of the role of lobbying in migration should not focus on PAC contributions alone. Comparing lobbying on migration and trade, we find that substantially more resources are spent on the latter than on the former. Finally, lobbying on migration appears to be more concentrated than lobbying on trade both across sectors and across organizations.

Keyword: international migration

1 Introduction

Only a small minority of voters in the main destinations of immigrant flows favours more open migration policies. Based on the National Identity Module of the International Social Survey Programme (ISSP), in 1995, less than 10% of the respondents were in favour of increasing the number of immigrants to their country.¹ The fraction of voters in favour of further immigration was also very low in 2003 (Mayda 2006). According to the ISSP survey carried out in that year,² only 11% of respondents were in favour of increasing the number of foreigners allowed into the country (Facchini and Mayda 2008).³ More recently, a survey carried out by the German Marshall Fund revealed that, in 2011, in five European countries⁴ only 4% of the population felt that there were too few immigrants—that is, only 4% of the population was presumably in favour of a more open policy stance—while 47% felt that there were too many of them.⁵

¹ The 1995 ISSP survey covered more than 20 high- and middle-income countries.

² The 2003 ISSP survey covered 33 high- and middle-income countries.

³ In particular, in the USA, the fraction of voters in favour of increasing the number of immigrants to the USA was 8% in 1995 and 10% in 2003.

⁴ France, Germany, Italy, Spain, and UK.

⁵ The corresponding percentages in the USA were in the same year 4% and 44%.

Given the extent of opposition to immigration revealed by public opinion surveys, one might wonder why governments allow migration to take place at all. In fact a simple median-voter model,⁶ applied to the voters' preferences we observe in the data, would predict close-to-zero flows, while actual arrivals are non-trivial in number. How can this 'public opinion puzzle'—as has been labelled in the political science literature (Freeman 1992; Joppke 1998)—be explained? Why are policymakers willing to let the size of migration be much larger than desired by the majority of their voters? One very likely explanation of the discrepancy between voters' opinions and the actual size of migration flows is that the political process through which heterogeneous voters' preferences are aggregated is richer than a simple referendum (where each voter has the same weight). In particular domestic interest groups, many of which are pro-migration, are likely to play an important role.⁷ In fact, there is abundant anecdotal evidence supporting this view dating back to the great migration of the 19th century as well as to more recent developments. In the past, active subsidization of immigration has been demanded and obtained by business associations in many labour-scarce countries, as documented by Timmer and Williamson (1996). In her study of the political economy of the introduction of the 1917 Literacy Test provision in the USA, Goldin (1994) points out that capital owners were against this restrictive measure and actively lobbied against it.

More recently, business lobbies have been in favour of migration both in the USA and in Europe. For instance, during the 'dot com' boom at the end of the 90s, high-tech firms have intensively and successfully lobbied the US Congress to increase the number of H-1B visas.⁸ At the same time, US hospitals and healthcare providers have been able to secure an increase in the number of H-1C visas awarded to foreign nurses. Finally, after the 2006 US midterm elections, the vice-president of Technet, a lobbying group for technology companies, stressed that the main goal of the

⁶ In the median voter model, policies are chosen according to the preferences of the majority (e.g., in a referendum).

⁷ Note that, in standard labour-economics models, immigration produces net gains in the destination country as gains to the capital owners from cheap labour outweigh losses to the workers (Borjas 1995). Therefore, another explanation of the public opinion puzzle is that, besides political considerations, policymakers also care about social welfare.

⁸ The H-1B is a non-immigrant visa that enables US employers to temporarily hire foreign workers in specialty occupations, which typically require the attainment of a bachelor's degree as a minimum. The work permit lasts for 3 years, is tied to the initial sponsor, and the current cap is set at 85,000 per year. Writing at the peak of the boom Goldsborough (2000) pointed out: 'Immigration policy today is driven by businesses that need more workers, skilled and unskilled, legal and illegal [...] During the annual debate on H-1B visas two years ago, Silicon Valley executives trooped before Congress, warning of a Y2K computer disaster unless the number of H-1B visas was increased'.

reforms proposed by her group was the relaxation of migration policy constraints.⁹ New visa categories have also been introduced in the USA as the result of lobbying activities. An interesting example is the case of H-2R visas. In 2005, the quota for H-2B visas was filled with none of them going to the seafood industry in Maryland.¹⁰ This industry started heavy lobbying of the Maryland senator Barbara A. Mikulski, who was able to add a last-minute amendment to the Tsunami Relief Act (P.L. 109-13) of 11 May 2005 (Cox News, 4 May 2006). As a result, a new visa category was introduced, H-2R visas. The requirements for H-2R visas are the same as for H-2B visas, but there is no quota. As long as the individual has held an H-2B visa in one of the previous three fiscal years, he can get an H-2R visa. This has substantially expanded the number of temporary, non-agricultural workers allowed to enter the USA.

In Europe, pro-migration business interest groups appear to play a similar role. For example, in the UK, associations like the Business for New Europe group¹¹ have issued statements suggesting that ‘...the UK should continue with its open door policy’, on the eve of the discussion on introducing a cap on migration from Bulgaria and Romania, once the two countries became members of the European Union (Agence France Press, 30 August 2006).

Note that not all interest groups are in favour of migration. Labour unions, for example, have historically been an important political force against free migration. However, the evidence in the literature is that anti-migration pressures by interest groups have become less effective over time.¹²

While anecdotal evidence on the role played by interest groups is abundant, systematic empirical analyses are scarce. The only studies in the literature, which empirically investigate the political economy of migration policy, with a specific focus on lobbying activity, are Hanson and Spilimbergo (2001); Facchini and Mayda (2008); Facchini et al. (2011), and Kerr et al. (2014) (details of each paper are described in Section 2). In particular, Facchini et al. (2011) analyse the impact of lobbying activity on migration policy in the USA using a newly available

⁹ CIO, 19 December 2006, available at <http://www.cio.com/article/27581/>

¹⁰ H-2B visas are for temporary workers in unskilled, seasonal, non-agricultural occupations (e.g., in the planting-pine-trees industry; the resort industry, the seafood industry, the gardening industry in the North of the USA).

¹¹ This is a UK-based pressure group. The heads of the supermarket chain Sainsburys and the head of the European division of the investment bank Merrill Lynch were among the signatories.

¹² See, e.g., Facchini and Mayda (2008). This article’s results are consistent with the fact that, in recent years, US labour unions have substantially toned down the rhetoric against migration.

data set on lobbying expenditures on immigration. While the data set provides information at the firm level, Facchini et al. only focus on variation across sectors (since data on the number of visas—which they use as the dependent variable—and on other relevant economic variables are only available at that level).

In this article, we use the same data set as [Facchini et al. \(2011\)](#) and carry out a descriptive analysis of lobbying expenditures on migration, in the USA, both across sectors and across lobbying organizations, between 1998 and 2005.¹³ The data set, developed by the Center for Responsive Politics (CRP), contains information on the policy area targeted by lobbying activities. As a result, we can quantify the lobbying expenditures that are channelled towards shaping immigration policy. This represents a significant improvement in the quality of the data relative to the previous literature which has used, instead, political action committees (PAC) campaign contributions.¹⁴ First, PAC contributions represent only a small fraction (10%) of targeted political activity, the remainder being made up by lobbying expenditures. Second, PAC contributions cannot be disaggregated by issue and, thus, cannot be easily linked to a particular policy. Finally, we compare our findings on lobbying on migration to results on lobbying on trade.

Several interesting points emerge from our analysis. First, while PAC contributions and lobbying are in general positively correlated, our results suggest that this is not the case when it comes to lobbying on migration. As a result any analysis that focuses on the role of pressure group activity in affecting migration should take advantage of these new data on lobbying, rather than relying only on PAC contribution data. Second, while overall lobbying expenditures increased steadily over our sample period, lobbying on both migration and trade appears to fluctuate more. Third, the total amount spent on lobbying for immigration and trade never exceeded 6% of the total lobbying contributions, and the total amount contributed with the purpose of shaping trade policy was typically four to six times larger than the amount contributed to shape migration policy (see [Table 1](#)). Fourth, turning to the sectoral distribution of lobbying activities, we argue that lobbying on migration is substantially more concentrated in a few sectors than lobbying on trade. Finally, we observe

¹³ The political environment has changed significantly since 2005. For example, the groups applying for H-1B visas have changed significantly since the early 2000s, with a shift towards Indian firms. Consider, e.g., the Citizens United decision in 2010 which allowed corporations and unions to spend unlimited sums on ads and other political tools to convince people to vote for/against a candidate.

¹⁴ See, e.g., [Goldberg and Maggi \(1999\)](#) and [Gawande and Bandyopadhyay \(2000\)](#).

Table 1 Targeted political activity (in millions of US dollars)

Election cycle	1999–2000	2001–2002	2003–2004
Contributions from PACs	326	348	461
Overall lobbying expenditures	2,949	3,330	4,048
Of which expenditures for immigration	32	24	33
Of which expenditures for trade	143	153	150
Total targeted political activity	3,275	3,678	4,509

Source: CRP. ‘Overall lobbying expenditures’ are equal to the sum of lobbying expenditures of all firms on any issue. ‘Expenditures for immigration’ (trade) are equal to lobbying expenditures on migration (trade) of organizations spending money on immigration (trade).

that a similar pattern emerges when we examine the contributions of individual organizations.

The rest of the article is organized as follows. Section 2 reviews papers in the literature which focus on the political economy of migration policy in general and, in particular, on the role played by interest groups. Section 3 describes the data set on lobbying expenditures on migration. Section 4 carries out the descriptive analysis of the data set on lobbying expenditures. Finally, Section 5 concludes.

2 Related Literature

The literature on the political economy of migration policy is very thin and mainly theoretical. [Benhabib \(1996\)](#); [Ortega \(2005\)](#), and [Facchini and Testa \(2009\)](#) develop models in which migration policy is the outcome of majority voting, while [Facchini and Willman \(2005\)](#) and [Epstein and Nizan \(2006\)](#) theoretically focus on the role played by pressure groups.

In a seminal contribution, [Benhabib \(1996\)](#) considers the human capital requirements that would be imposed on potential immigrants by an income-maximizing polity under majority voting. Output is modelled using a constant returns to scale production function combining labour with human and/or physical capital. The median voter chooses to admit individuals who supply a set of factors that are complementary to his/her own endowment. As a result, if the median voter is unskilled, he/she will choose a policy that sets a lower bound on the human-capital labour ratio of the immigrants, that is, only skilled foreigners will be admitted. On the other hand, if the median voter is highly educated, he/she will set an upper bound on the skill level of the immigrants, and thus will be in favour of admitting only individuals with low levels of education. Since

in practice it is difficult to enforce this upper bound, the policy chosen by a skilled median voter is likely to be free migration. The main shortcoming of this analysis is that the constant returns to scale assumption might lead to counterintuitive results. In fact, while the optimal policy prescribes bounds on the skill profiles of the individuals to be admitted, it does not say anything about the actual size of the inflows. This is clearly at odds with the policies followed by countries around the world.

A different solution to this problem has been proposed by [Ortega \(2005\)](#), who extends Benhabib's model to a dynamic setting to explore the trade-off between the short run economic impact of immigration and its medium to long run political effect.¹⁵ In particular, while immigration has an effect only on the labour market in the current period, in the future it also shapes the political balance of the destination country, as the descendants of migrants gain the right to vote. As a result, on the one hand, skilled natives prefer an immigration policy that admits unskilled foreign workers since, due to complementarities in production, this policy increases skilled wages. On the other, the arrival of unskilled immigrants and the persistence of skill levels across generations can give rise to a situation in which unskilled workers gain the political majority and, therefore, vote for policies that benefit them as a group. Thus, through the political channel, skilled natives (and a skilled median voter) prefer an immigration policy that admits skilled foreign workers. The interplay between these two forces allows Ortega to characterize the equilibrium migration quotas, that is, to derive a prediction in terms of the size of migration inflows.

The paper that is most closely related to our analysis is [Facchini and Willmann \(2005\)](#). Using the menu auction framework pioneered by [Bernheim and Whinston \(1986\)](#), the authors model the determination of policies towards international factor mobility as the result of the interaction between organized groups and an elected politician. Using a one-good multiple factors framework, the model highlights how policies depend on both whether a production factor is represented or not by a lobby and on the degree of substitutability/complementarity between factors.

A small theoretical literature has also emerged explicitly modelling the role played by organized groups in shaping migration policy in a setting with imperfectly competitive factor markets. [Amegashie \(2004\)](#) models migration policy as the result of an all pay auction in which the auctioneer is represented by the government and the participants are a firm and a union. [Bellettini and Berti Ceroni \(2008\)](#) consider instead a model in which

¹⁵ See also [Ortega \(2010\)](#).

entrepreneurs and a union interact with an elected politician to determine the number of foreign workers to be admitted. Their main result is that, if the government chooses the level of immigration to maximize a weighted average of the welfare of workers and entrepreneurs, the presence of a union ends up hurting the very same workers which the union is meant to represent and protect. This result is based on a second best argument: the government attempts to reduce the labour market distortion introduced by the union by allowing a number of immigrants in the country that is larger than the one it would have admitted in the presence of a competitive labour market. This leads to a reduction in the union wage that can no longer compensate workers for the unemployment risk generated by the presence of the union.

From an empirical point of view, very few papers focus on political-economy determinants of migration policy. [Facchini and Steinhardt \(2011\)](#) investigate the determinants of the voting behaviour of House members on immigration policy measures introduced in the USA between 1973 and 2006. This paper uncovers the important role played by the labour market characteristics of the district electing the representative. Other studies investigate the role of lobbying, using data at the industry or occupational level. [Facchini et al. \(2011\)](#) offer the first systematic empirical analysis of the role of interest groups in shaping contemporary US migration policy. Using a newly available data set for the years between 2001 and 2005, in which lobbying expenditures can be directly linked to immigration policies, the paper finds that sectors where pro-immigration business groups are more active (that contribute more) tend to be allocated a larger number of work and related visas. On the other hand, in sectors in which anti-immigration labour unions are more powerful, lower numbers of immigrants are admitted. The estimates of the paper suggest that a 10% increase in the size of migration lobbying expenditures (per native worker) by business groups is associated with a 3.1% larger number of visas (per native worker), while a 1-percentage-point increase in union density—for example, moving from 10 to 11 percentage points, which amounts to a 10% increase in the union membership rate—reduces it by 3.1%. The results are robust to endogeneity concerns, which are addressed by introducing a number of industry-level control variables (for example, output, prices, origin country effects), by performing a falsification exercise and, finally, by using an instrumental-variable estimation strategy.

[Facchini and Mayda \(2008\)](#) focus, instead, on cleavages across occupation/skill lines, rather than across sectors. Using a panel covering the period 1994–2005 and differentiating labour according to both skill levels and occupations, the paper finds systematic evidence suggesting that the lobbying activity of organized labour leads to a reduction in the inflow of foreign workers in the same occupation/education cell—this

effect is driven by substitutability—and to an increase in the inflow of foreign workers in different occupation/education cells—this effect is driven by complementarity. This suggests that, for example, politically organized doctors will lobby the government and succeed in decreasing the number of foreign doctors to the USA and in increasing the number of foreign nurses. Another paper that provides indirect empirical evidence on the role played by lobbying in shaping US migration policy is [Hanson and Spilimbergo \(2001\)](#). [Hanson and Spilimbergo \(2001\)](#) focus on US border enforcement and show that it softens when sectors using illegal immigrants expand. The authors suggest that ‘sectors that benefit greatly from lower border enforcement, such as apparel and agriculture, lobby heavily on the issue, while remaining sectors that benefit modestly or not at all are politically inactive’ (p. 636).

Finally, unlike other empirical studies which focus on the effect of lobbying on outcomes, [Kerr et al. \(2014\)](#) analyse the determinants of lobbying and are among the first to provide systematic evidence on the dynamics of lobbying activities. The paper finds evidence of persistence, that is, whether or not a firm lobbied in the past has a significant effect on whether it lobbies in the current period. A priori, there are reasons to believe that lobbying should exhibit significant entry and exit over time.¹⁶ However, this is not what the authors find. The authors argue that this persistence is due to barriers to entry into lobbying that firms face. They assess this argument using a number of different estimation approaches. They also study how firms respond to a predetermined policy change, that is, the expiration of the increase in the H-1B visa cap that occurred in 2004. The data show that firms dependent on skilled immigration and active in lobbying adjust their lobbying behaviour towards immigration-specific issues in response to the decline. On the other hand, firms that were not previously lobbying do not start lobbying in response to the policy shift.

To conclude, very few works have focused on the political economy of migration policy, especially from an empirical point of view. This is even more surprising if we compare migration to another facet of international economic integration, namely, international trade. A vast theoretical and empirical literature considers the political-economy determinants of trade policy, trying to understand the forces that work against and in favour of free trade.¹⁷ This is despite the fact that, as trade restrictions have been drastically reduced, the benefits from elimination of existing trade barriers

¹⁶ For example, the maxim that ‘a week is a lifetime in politics’ suggests that firms might only lobby when legislation directly affecting them is actively being considered.

¹⁷ See [Rodrik \(1995\)](#); [Helpman \(1997\)](#), and [Gawande and Krishna \(2003\)](#) for excellent surveys of the trade literature.

are much smaller than the gains that could be achieved by freeing international migration.¹⁸

3 Data on Lobbying Expenditures

In the USA, special interest groups can legally influence the policy formation process by offering campaign contributions to political candidates for election purposes or by hiring organizations which lobby incumbent members of Congress and of federal agencies on their behalf. Starting already in 1911, after a vigorous campaign initiated by President Theodore Roosevelt to limit the influence of business in politics, legislation was passed to require disclosure of contributions directed to political candidates for campaign purposes (Ansolabehere et al. 2003). The data on campaign contributions have been widely used in the political science and international economics literatures and are collected by the Federal Election Commission.

The activities of lobbying organizations have instead remained much more obscure. Only in 1995, with the introduction of the Lobbying Disclosure Act (LDA), lobbying organizations and their clients have been required to provide a substantial amount of information on their government relations activities. In particular, starting from 1996 all lobbyists must file semi-annual (and more recently quarterly) reports with the Secretary of the Senate's Office of Public Records (SOPR), listing the name of each client (a firm, a labour union, or other organization¹⁹) and the total income they have received from each of them. At the same time, all lobbying organizations with in-house lobbying departments are asked to file similar reports to the SOPR. Importantly, legislation requires the disclosure not only of the dollar amounts actually received/spent, but also of the (general) policy issues for which lobbying has taken place. Table A1 shows a list of 76 (general) issues at least one of which has to be entered by the filer. The filer can list more than one issue. In that case, it has to use a separate page of the form for each code selected. The list of issues includes immigration (IMM), trade (TRD), etc.²⁰ For each general issue, the filer also may (but does not necessarily have to) list the specific

¹⁸ A World Bank study estimates that the benefits to poor countries of rich countries allowing only a 3% rise in their labour force by relaxing migration restrictions is US\$300 billion per year (Pritchett 2006).

¹⁹ When we refer to either firms, labour unions or other organizations which hire lobbyists (either in house or externally), we will call them 'lobbying organizations'. On the other hand, we will call external lobbyists (e.g., those whose offices are located on K Street in Washington DC) 'lobbying firms'.

²⁰ Surprisingly, the list of issues also includes names of some industries, e.g., apparel, computer, and tobacco.

issue(s) for which it lobbied during the semi-annual period (for example, specific issues could be particular bills before Congress or specific executive branch actions).²¹

Lobbying firms are required to provide a good-faith estimate, which can be rounded to the nearest \$20,000, of all lobbying-related income in each 6-month period. Likewise, lobbying organizations with in-house lobbying departments are required to provide a good-faith estimate, which can be rounded to the nearest \$20,000, of all lobbying-related expenditures in a 6-month period. A lobbying firm or lobbying organization that, respectively receives or spends less than \$10,000 in any 6-month period, does not have to state its income or expenditures. If lobbying is not disclosed in such cases, the figure is reported by CRP as zero. However, as [Kerr et al. \(2014\)](#) argue, the measurement error induced by reporting requirements is likely to be minimal.

The data on lobbying incomes/expenditures are compiled by CRP in Washington D.C. using the semi-annual lobbying disclosure reports filed with SOPR and posted to its website (www.crp.org). The reports used in this article cover lobbying activity that took place from 1998 through 2005. Annual lobbying incomes and expenditures are calculated by adding mid-year totals and year-end totals. Whenever a lobbying report is amended, income/expense figures from the amendment are generally used instead of those from the original filing. Often, however, CRP staff determines that the income/expense figures on the amendment are not accurate. In those instances, figures from the original filing are used.

Occasionally, income that an outside lobbying firm reports receiving from a lobbying organization is greater than the organization's reported lobbying expenditures. Many such discrepancies can be explained by the fact that the lobbying organization and the outside lobbying firm use different filing methods (see Appendix A for a detailed description of different filing methods). When both organizations use the same method, discrepancies are generally due to filer error. In cases not already resolved in previous reports and where the discrepancy exceeds the \$20,000 that can be attributed to rounding, the lobbying organization's expenditures rather than the lobbying firm's reported income are used.

²¹ According to the Lobbying Disclosure Act, the term 'lobbying activities' refers to 'lobbying contacts and efforts in support of such contacts, including preparation and planning activities, research and other background work that is intended, at the time it is performed, for use in contacts, and coordination with the lobbying activities of others'. Lobbying could take place by setting up an in-house lobbying department or by hiring external consultants. While setting up a whole office for in-house operations is likely more expensive, if a firm employs a lobbyist externally the new hire still has to spend a significant amount of time learning the particular needs and characteristics of their new client and how items currently on the agenda will affect them specifically.

The only exception is when an organization reports no lobbying expenditures, while the outside lobbying firm lists an actual payment. In such cases, the figure reported by the lobbying firm is used.

In cases where the data appear to contain errors, official Senate records are consulted and, when necessary, the CRP contacts SOPR or the lobbying organizations for clarification. The CRP standardizes variations in names of individuals and organizations to clearly identify them and more accurately represent their total lobbying expenditures.²²

Table A2 shows a sample form filled by Microsoft for lobbying activity between January and June 2005. Only three selected pages of the form are shown in the table. Page 1 shows the name and details of Microsoft, the period covered by the report (1 January–30 June 2005), and the expenses incurred by Microsoft for lobbying activity during this period (US\$4.5 million).²³ The lobbying expenditure is listed once on the first page of the form and the amount is not split between the issues. Microsoft lists ‘Method C’ as the reporting method, that is, reported amounts use the Internal Revenue Code (IRC) definition of lobbying activities. This method is available to any registrant that is subject to Section 162(e) of the IRC (see Appendix A for a discussion of this point).²⁴

The other two pages of the form in **Table A2** show two general issues for which Microsoft engaged in lobbying activity during the 6-month period—immigration (IMM) and trade (TRD). Microsoft lists seven other issues in its report—for example, taxation (TAX)—which are not shown in the **Table A2**. For immigration, the specific issues listed by Microsoft are H-1B visas, L-1 visas, and Program Electronic Review Management regulations. For trade, some of the specific issues listed include the Dominican Republic-Central America-United States Free Trade Agreement Implementation Act, software piracy and procurement issues in China, interpretation and enforcement of the World Trade Organization agreement on intellectual property (The Agreement on Trade-Related Aspects of Intellectual Property Rights), etc.

As mentioned in Section 1, the availability of lobbying expenditure data allows for a significant improvement in the measurement of the intensity

²² Please note that, in our data set, lobbying organizations only appear once in each year. In addition, in cases where both a parent and its subsidiary organizations lobby or hire lobbyists, the Centre attributes lobbying spending to the parent organization. Therefore, the lobbying totals reported by the Centre for a parent organization may not reflect its original filing with the Senate, but rather the combined expenditures of all related entities. Moreover, when companies merge within any 2-year election cycle, their lobbying expenditures are combined and attributed to the new entity.

²³ Note that each report contains only an indication of the total spent by the organization, and not of the amount spent for a specific issue. For details on how we compute our estimates of the amounts contributed for each purpose, see Section 4.

²⁴ The grass-roots and state lobbying expenses are not subtracted from this amount.

of pressure groups' activities compared to the previous literature which has used, instead, PAC campaign contributions. As shown in [Table 1](#), between 1999 and 2004,²⁵ interest groups have spent on average about US\$3.8 billion per political cycle on targeted political activity, which includes PAC campaign contributions and lobbying expenditures.²⁶ Lobbying expenditures represent by far the bulk of all interest groups money (close to 90%).²⁷ Therefore, there are two advantages in using lobbying expenditures rather than PAC contributions to capture the intensity of the activity of pressure groups. First, PAC contributions represent only a small fraction of interest groups' targeted political activity (10%). Second, linking campaign contributions to particular policy issues is very difficult and often requires some ad hoc assumptions.²⁸ Overall, our data suggest that immigration and trade are two significant issues over which pressure groups carry out their activities, representing together between 4.5% and 5.9% of the total lobbying expenditures in the political cycles covered in our analysis (see [Table 1](#)).

The importance of complementing the PAC data with the lobbying data can be seen by examining the three scatter plots illustrated in [Figure 1](#)—which is based on averages over the three election cycles that occurred between 1999 and 2004. The first links overall lobbying expenditures (that is, on all issues) and PAC contributions; the second depicts the relationship between lobbying expenditures associated with immigration policy²⁹ and PAC contributions, whereas the third illustrates the link between lobbying expenditures on trade policy and PAC contributions. A few interesting patterns emerge. The first panel shows a positive and significant correlation between overall (that is, on any issue) lobbying

²⁵ [Table 1](#) and [Figure 1](#) are based on data for the full political cycles included in our sample period, i.e., the 1999–2000, the 2001–2002, and the 2003–2004 political cycles.

²⁶ We follow the literature that excludes, from targeted-political-activity figures, 'soft money' contributions, which went to parties for general party-building activities not directly related to Federal campaigns; in addition, soft money contributions cannot be associated with any particular interest or issue (see [Milyo et al. 2000](#); [Tripathi et al. 2002](#)). Soft money contributions have been banned by the 2002 Bipartisan Campaign Reform Act.

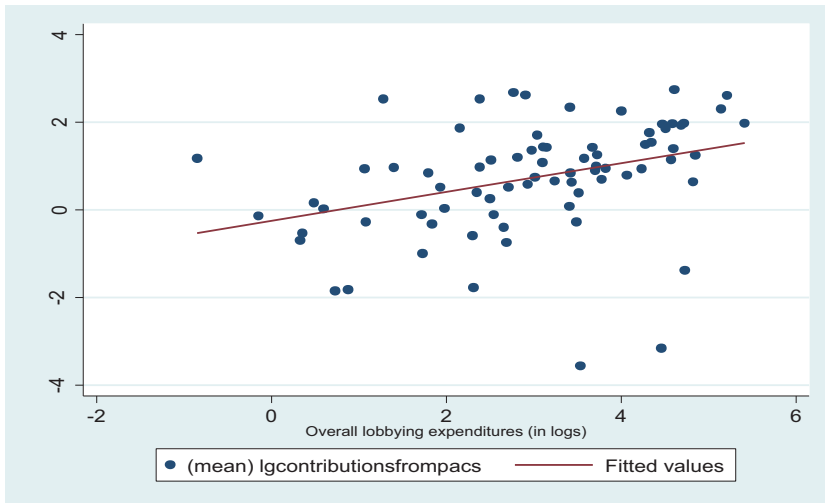
²⁷ In a recent survey of the literature [de Figueredo and Richter \(2014\)](#) argue that, in the 2011–2012 political cycle, PAC contributions amounted to approximately 750 million dollars per year, whereas the total lobbying expenditures by organized groups reached 3.5 billion dollars. In other words, while the latter continue to represent the vast majority of interest groups money, the most recent figures suggest that PAC contributions have become relatively more important, representing approximately 18% of the total.

²⁸ For instance, in their pioneering work on the estimation of [Grossman and Helpman \(1994\)](#) protection for sale model, [Goldberg and Maggi \(1999\)](#) have used threshold levels for PAC expenditures to identify whether a sector is politically organized or not, from the point of view of trade policy determination.

²⁹ In the terminology of the following section, these correspond to 'total lobbying expenditures'.

Lobbying Expenditures on Migration

Overall lobbying expenditures



Immigration lobbying expenditures

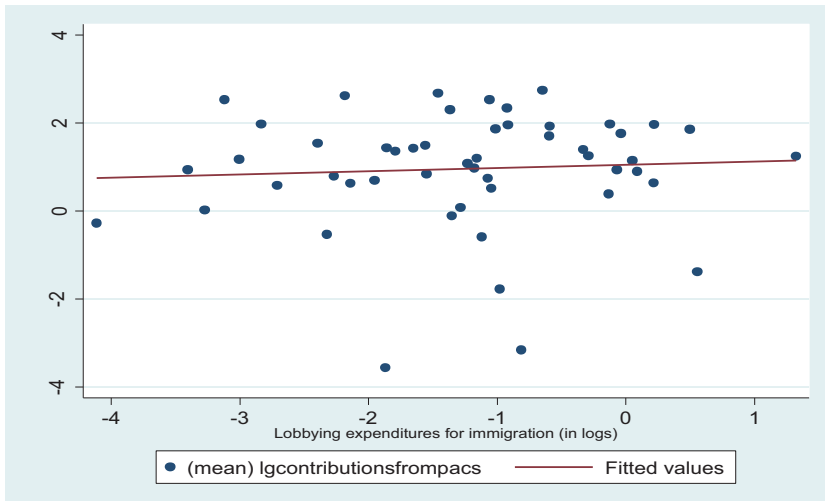


Figure 1 Scatter Plots between lobbying expenditures and campaign contributions from PACs (mn US\$), 1999–2004. The ‘overall lobbying expenditures’ are equal to the sum of firm-level lobbying expenditures on any issue of all firms/business associations/unions in all industries, year by year. ‘Immigration lobbying expenditures’ in the middle panel correspond to ‘total lobbying expenditures’ in [Figure 3](#). See end of [Figure 3](#). Trade lobbying expenditures are defined as ‘total trade lobbying expenditures’.

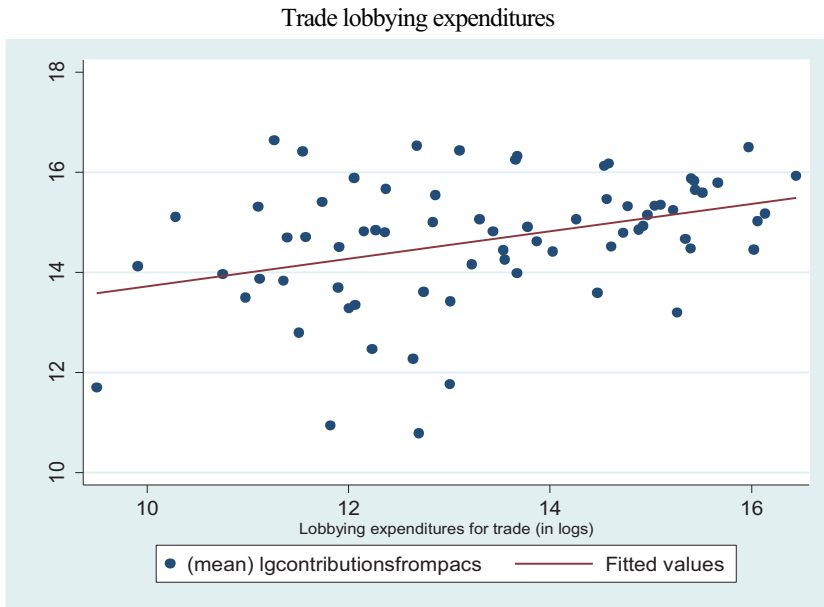


Figure 1 Continued.

expenditures and PAC contributions across sectors. This result is consistent with findings in the political science literature suggesting that PAC contributions are integral to groups' lobbying efforts, that is, they allow them to gain access to policymakers (Tripathi et al. 2002). A similar pattern can be also identified while looking at the relationship between lobbying on trade policy and PAC contributions (see also Ludema et al. 2011). In contrast, the very low correlation between PAC contributions and lobbying expenditures for migration policy, emerging from the central panel, is striking. It suggests that, if we were to use only the data on PAC contributions as a proxy for interest groups' activity on migration policy, we would obtain misleading results. Further details about the construction of the data set on lobbying expenditures are discussed in the Appendix A.

4 Descriptive Analysis of the Data on Lobbying Expenditures

In this article, we use data at the lobbying-organization level on lobbying expenditures of lobbying organizations (that is, firms, labour unions, or other organizations) from the CRP data set. In the case of a lobbying organization which 'self-files' (that is, an organization with an in-house lobbying department), the CRP uses the figure in its report, which includes

Lobbying Expenditures on Migration

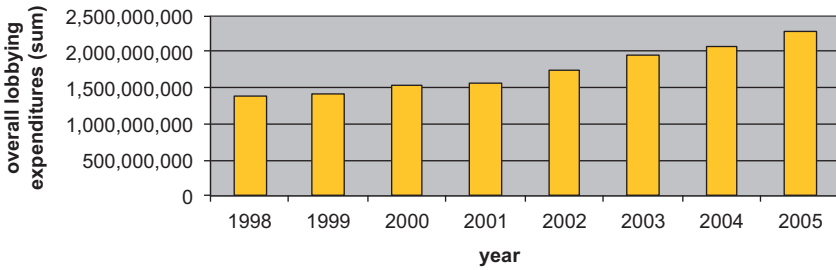


Figure 2 Overall lobbying expenditures, year by year (1998–2005). The ‘overall lobbying expenditures’ are equal to the sum of lobbying expenditures on any issue of all organizations in all industries by year. The ‘total lobbying expenditures’ are equal to the sum of lobbying expenditures on any issue of organizations spending money on immigration and trade in all industries, by year. The ‘lobbying expenditures on migration and trade’ are equal to lobbying expenditures only on respectively migration or trade by organizations spending money on these issues, in all industries by year.

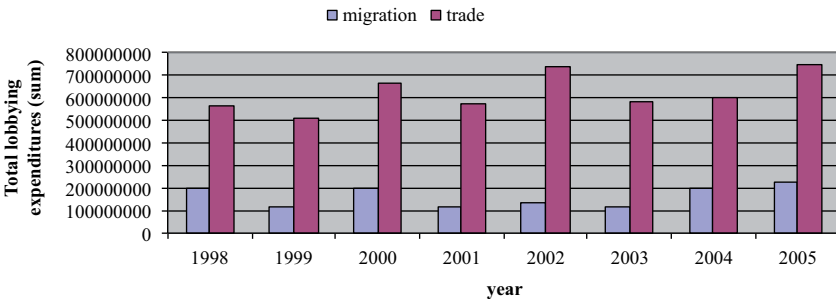


Figure 3 Total lobbying expenditures by organizations lobbying on migration and trade, by year. The ‘overall lobbying expenditures’ are equal to the sum of lobbying expenditures on any issue of all organizations in all industries by year. The ‘total lobbying expenditures’ are equal to the sum of lobbying expenditures on any issue of organizations spending money on immigration and trade in all industries, by year. The ‘lobbying expenditures on migration and trade’ are equal to lobbying expenditures only on respectively migration or trade by organizations spending money on these issues, in all industries by year.

both in-house and external lobbying expenditures for the period. In the case of an organization which does not ‘self-file’, the CRP uses the sum of its contracts with outside lobbying firms to represent its lobbying expenditures for the period.

Figures 2–4 show the evolution of lobbying expenditures over time. Figure 2 shows ‘overall lobbying expenditures’, while Figures 3 and 4 show respectively ‘total lobbying expenditures’ and ‘lobbying

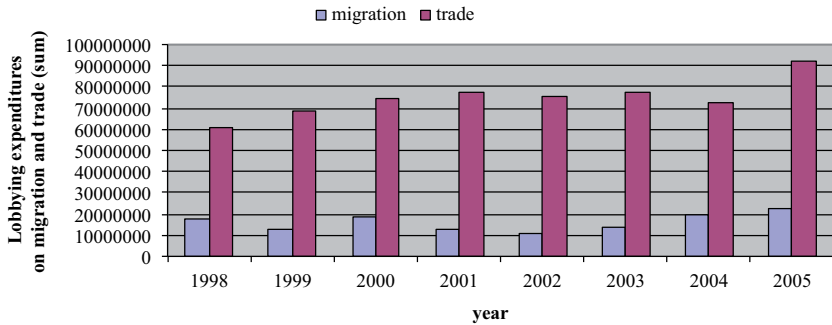


Figure 4 Lobbying expenditures on migration and trade. The ‘overall lobbying expenditures’ are equal to the sum of lobbying expenditures on any issue of all organizations in all industries by year. The ‘total lobbying expenditures’ are equal to the sum of lobbying expenditures on any issue of organizations spending money on immigration and trade in all industries, by year. The ‘lobbying expenditures on migration and trade’ are equal to lobbying expenditures only on respectively migration or trade by organizations spending money on these issues, in all industries by year.

expenditures’ on migration and—as a benchmark—on international trade.³⁰ The ‘overall lobbying expenditures’ are given by the sum of lobbying-organization-level lobbying expenditures on any issue of all organizations active in lobbying in all industries, year by year. Thus, this is an indicator of how aggressively organizations carry out lobbying activity in general in the economy. The ‘total lobbying expenditures’ (on immigration or trade) are equal to the sum of lobbying expenditures on any issue by organizations spending money on respectively migration or trade, in all industries, year by year. The ‘lobbying expenditures’ (on immigration or trade) are instead equal to lobbying expenditures only on respectively migration or trade by organizations spending money on these issues, in all industries, year by year. ‘Lobbying expenditures’ (on immigration or trade) are computed using a two-step procedure. First, only those organizations are considered which list respectively migration or trade in their lobbying report. Second, the total expenditure of these organizations is split equally among all the issues they lobbied for.³¹ ‘Lobbying expenditures’ represent the most direct measure of lobbying activity related to the

³⁰ Figures 3 and 4 use data from the fourth column (sum) of Tables 2 and 4, respectively.

³¹ Recall that the lobbying expenditure of a firm is listed only once in the lobbying report, on the first page, and the reported amount is not split between the issues the firm lobbies for. Thus, to be as neutral as possible, in the empirical analysis we split the total amount on the first page equally among issues.

specific issue. On the other hand, ‘total lobbying expenditures’ represent an upper bound of lobbying expenditures on the specific issue, since they also include all lobbying expenditures on other issues. The motivation for interpreting ‘total lobbying expenditures’ as an upper bound of lobbying expenditures on respectively migration or trade is that lobbying expenditures are to a certain extent fungible across issues.

Overall lobbying expenditures have grown by more than 50% from US\$1.4 bn in 1998 to US\$2.3 bn in 2005. According to [Figure 2](#), the increase has been steady over the years. Total lobbying expenditures on immigration have grown by approximately 15% from US\$196 mn in 1998 to US\$227 mn in 2005, whereas total lobbying expenditures on trade have increased by 32% from US\$564 mn in 1998 to US\$745 mn in 2005. [Figure 3](#) shows an irregular pattern over the 1998–2005 period, but spending on immigration and trade appear to be positively correlated. Finally, according to [Figure 4](#), lobbying expenditures on migration have grown by more than 25% from US\$18 mn in 1998 to US\$23 mn in 2005, whereas lobbying expenditures on trade have increased by more than 50% over the same period, that is, from US\$60 mn in 1998 to US\$92 mn in 2005. [Figure 4](#) shows again an irregular pattern over time and the correlation between expenditures on immigration and trade is lower when we use this measure.

It is not clear how to interpret the fact that interest groups’ activity on migration was lower in 2003, compared to 2000 (see [Figures 3 and 4](#)). One possibility is that this decrease is due to the September 11 attacks, which likely affected migration political-economy dynamics. In other words, it might be that lobbying expenditures on migration reacted to (decreased due to) the new political climate in the USA. Alternatively the decrease in lobbying activity over 2000–2003, followed by the increase in 2004–2005, could be related to the changes in the H-1B visa quotas over those years. The national cap in H-1B visas was 115,000 in 2000, 195,000 in 2001–2003, 65,000 in 2004, and 85,000 in 2005. Thus we can identify a major break in migration policy in 2004, with policy being much more open in 2000–2003 and much more closed in 2004–2005. Thus these few years of data suggest that lobbying expenditures on migration were low in the years in which the H-1B cap was high and vice versa. However, it is also possible to interpret the data as suggesting that the H-1B cap was high when previous years’ lobbying expenditures on migration were high and vice versa. Both the robustness of these patterns and the direction of causality are beyond the scope of this article and should be analysed in future research (see, for example, [Kerr et al. 2014](#)).

[Tables 2–4](#) provide more detailed information on lobbying activity on immigration and trade, year by year. These tables focus on the restricted sample of organizations which indicated immigration (or trade) as an issue

Table 2 Total, that is, on any issue, lobbying expenditures of organizations spending money on immigration and trade, by year

Year	Immigration				Trade			
	Mean	N	Sum	SD	Mean	N	Sum	SD
1998	893,178	220	196,000,000	1,876,152	878,372	642	564,000,000	2,031,008
1999	736,333	159	117,000,000	1,294,313	735,493	694	510,000,000	1,428,041
2000	880,145	231	203,000,000	2,054,638	707,860	935	662,000,000	1,552,776
2001	641,461	179	115,000,000	1,267,866	763,889	752	574,000,000	1,604,979
2002	651,462	212	138,000,000	1,421,388	761,280	976	743,000,000	1,666,063
2003	683,794	174	119,000,000	1,375,422	865,700	671	581,000,000	1,819,264
2004	894,266	220	197,000,000	1,888,383	885,300	675	598,000,000	1,872,284
2005	850,357	267	227,000,000	1,738,925	933,013	798	745,000,000	2,098,886
Total	789,762	1662	1,310,000,000	1,673,093	810,135	6143	4,980,000,000	1,762,520

in their lobbying report in the years included between 1998 and 2005. Over the entire period, organizations lobbied for migration purposes 1662 times (some of these observations correspond to the same lobbying organization in different years), whereas they did so 6143 times for trade issues, that is, approximately four times more often. For example, in 1998 there were 220 (642) organizations which hired lobbyists (in house or external) for migration (trade) purposes. These numbers went up and down over the years but do show an overall positive trend. According to [Table 2](#), over this period, on average a firm in this sample spent approximately US\$790,000 on lobbying on migration in a given year, and slightly more than that on trade, that is, US\$810,000. Note that these numbers—as clarified above—include lobbying on any issue by these organizations (‘total lobbying expenditures’), that is, they are an upper bound of how much an organization in this sample spent to influence these two policy areas. [Table 3](#) gives instead information, more specifically, on ‘lobbying expenditures’ on migration and trade of the same group of organizations. Over this period, on average an organization in this sample spent approximately US\$78,000 on migration in a given year and US\$97,000 on trade policy in a given year. We will focus our comments on [Table 3](#) since it provides the most direct evidence on migration and trade lobbying. Between 1998 and 2005, a total of US\$130 mn were spent on lobbying specifically targeted at shaping US migration policy and US\$598 mn to shape trade policy.

[Table 4](#) focuses on an even more restricted sample, that is, lobbying organizations spending only on immigration or trade. In other words, these are the organizations which indicate only, respectively, migration or trade in their lobbying report. Over the 1998–2005 period, organizations lobbied only on migration 98 times, and only on trade 621 times. For example, in 1998 there were 12 organizations who hired lobbyists exclusively for migration purposes, whereas 63 did so for trade. This number

Table 3 Lobbying expenditures on migration and trade of organizations spending money on immigration and trade, by year

Year	Immigration				Trade			
	Mean	N	Sum	SD	Mean	N	Sum	SD
1998	82,432	220	18,100,000	109,517	94,040	642	60,400,000	156,036
1999	83,089	159	13,200,000	121,003	99,120	694	68,800,000	150,365
2000	82,616	231	19,100,000	144,621	79,304	935	74,100,000	130,065
2001	71,659	179	12,800,000	114,784	102,587	752	77,100,000	161,651
2002	52,266	212	11,100,000	69,299	77,347	976	75,500,000	124,888
2003	76,852	174	13,400,000	112,179	114,595	671	76,900,000	190,322
2004	87,179	220	19,200,000	121,108	107,521	675	72,600,000	177,309
2005	86,240	267	23,000,000	173,099	115,749	798	92,400,000	256,102
Total	78,168	1662	130,000,000	126,706	97,312	6143	598,000,000	171,620

Table 4 Lobbying expenditures on migration and trade of organizations money ONLY on immigration and trade, by year

Year	Immigration				Trade			
	Mean	N	Sum	SD	Mean	N	Sum	SD
1998	122,333	12	1,468,000	120,950	105,701	63	6,659,190	148,258
1999	125,375	12	1,504,500	128,109	137,834	88	12,100,000	208,591
2000	176,983	10	1,769,830	225,844	107,746	85	9,158,380	170,347
2001	124,476	10	1,244,761	81,363	161,000	85	13,700,000	216,186
2002	126,000	10	1,260,000	82,084	155,361	72	11,200,000	177,954
2003	104,333	12	1,252,000	64,215	153,417	72	11,000,000	192,329
2004	110,598	14	1,548,370	73,986	129,509	59	7,641,000	171,498
2005	93,520	18	1,683,355	77,483	107,309	97	10,400,000	144,180
Total	119,702	98	11,700,000	110,740	131,906	621	81,900,000	181,337

went up to 18 in 2005 for migration and to 97 for trade. On average, between 1998 and 2005, organizations spending only on immigration disbursed approximately US\$120,000 in a given year, whereas the corresponding figure for lobbying only on trade was slightly higher at US\$132,000. If we compare these numbers to the corresponding numbers in Table 3, we can see that lobbying expenditures on migration of organizations exclusively interested in migration are higher than for organizations doing lobbying on migration and other issues (and the same holds

true for trade). The numbers in Table 4 are important because they give us the exact expenditure on respectively migration and trade of organizations which exclusively lobby on these issues, therefore these values are not affected by even splitting (see footnote 26).

The CRP matches each lobbying organization in its data set to an industry. (Note that it is CRP that assigns aggregator groups to different sectors in the analysis. For example, the US Chamber of Commerce is assigned to the industry ‘business associations’, which is the case for other aggregator groups, like the National Federation of Independent Business and the Alliance for Health Care Competitiveness.) Tables 5–9 show summary statistics by sector—using the CRP industry classification—on average over the 1998–2005 period. These tables again focus on the restricted sample of lobbying organizations which wrote down respectively immigration or trade as an issue in their lobbying report. Table 5 presents ‘total lobbying expenditures’ while Table 6 shows ‘lobbying expenditures’. In both tables, we present industries ranked by the ‘sum’ column, that is, the column that gives the total expenditure in each sector over the period. We will focus our discussion on Table 6.

Several interesting results emerge in Table 6. First, Table 6 shows clearly who the top spenders are—among industries—in terms of lobbying on respectively immigration or trade between 1998 and 2005. Moreover, it also allows us to study how concentrated lobbying activities are. Calculating the CR4 index,³² we can see that the four most active sectors represent approximately 29% of the total expenses on migration. Turning to trade, they represent approximately 21% of the total, suggesting that lobbying on this issue is substantially more diffused than lobbying on migration.

Computers/Internet is the very top spender on lobbying for both issues over the period considered. The Computers/Internet industry spent approximately a total of US\$16.8mn on migration and a total of US\$38.5mn on trade in the years 1998–2005. Over the same period, on average a firm in this industry spent US\$136,000 for lobbying on immigration in a given year,³³ and US\$118,000 for lobbying on trade.

Among the top spenders on migration, we also find Education, Air Transport, Automotive, Hospitals/Nursing Homes, Miscellaneous Manufacturing & Distributing, and Agricultural Services/Products. The

³² The CR4 index is a measure of concentration. In our context it is defined as lobbying carried out by the four top lobbying sectors as a share of the total lobbying on a given issue.

³³ Note that each of the 123 observations for the Computers/Internet industry in Table 6 corresponds to a given lobbying organization in a given year (thus, if an organization files in two different years, it counts twice).

Table 5 Total (that is, on any issue) lobbying expenditures of organizations spending money on immigration and trade, by industry, top 50, CRP classification, in 1998–2005

Immigration				Trade			
Industry (CRP classification)	Mean	N	Sum	Industry (CRP classification)	Mean	N	Sum
Computers/Internet	1,503,544	123	185,000,000	Computers/Internet	1,003,548	325	326,000,000
Automotive	3,059,453	28	85,700,000	Insurance	1,694,670	162	275,000,000
Miscellaneous Manufacturing and Distributing	2,056,955	39	80,200,000	Automotive	1,407,872	164	231,000,000
Agricultural Services & Products	2,180,490	28	61,100,000	Defence Aerospace	2,433,202	85	207,000,000
Telephone Utilities	6,611,470	9	59,500,000	Business Associations	1,100,278	184	202,000,000
Business Associations	3,879,333	15	58,200,000	Air Transport	1,424,875	127	181,000,000
Education	190,244	296	56,300,000	Chemical & Related Manufacturing	582,402	261	152,000,000
Pharmaceuticals/Health Product	1,896,738	28	53,100,000	Agricultural Services and Products	635,948	211	134,000,000
Oil & Gas	1,908,955	27	51,500,000	Commercial Banks	2,660,327	45	120,000,000
Telecom Services & Equipment	2,833,410	16	45,300,000	Forestry & Forest Products	673,280	124	83,500,000
Air Transport	1,158,382	35	40,500,000	Electronics Mfg & Services	516,330	141	72,800,000
Business Services	1,273,613	31	39,500,000	Food Processing & Sales	365,513	194	70,900,000
Defence Aerospace	2,234,696	14	31,300,000	Beer, Wine & Liquor	593,631	114	67,700,000
Hospitals & Nursing Homes	533,982	55	29,400,000	Electric Utilities	568,532	119	67,700,000
Miscellaneous Unions	614,175	42	25,800,000	Defence Electronics	655,549	64	42,000,000
Electronics Manufacturing & Services	560,446	44	24,700,000	Crop Production & Basic Processing	140,027	297	41,600,000
Industrial Unions	1,065,288	22	23,400,000	Industrial Unions	624,747	61	38,100,000
Human Rights	237,941	92	21,900,000	Food & Beverage	421,876	85	35,900,000
Miscellaneous Issues	329,859	65	21,400,000	Business Services	916,595	37	33,900,000
				(continued)			

(continued)

Table 5 Continued

Immigration				Trade			
Industry (CRP classification)	Mean	N	Sum	Industry (CRP classification)	Mean	N	Sum
Republican/Conservative	1,188,388	18	21,400,000	Accountants	1,122,641	28	31,400,000
Civil Servants/Public Officials	217,090	74	16,100,000	Finance/Credit Companies	671,986	42	28,200,000
Food & Beverage	580,574	27	15,700,000	Hospitals & Nursing Homes	1,518,127	15	22,800,000
Public Sector Unions	1,305,572	12	15,700,000	Mining	228,280	93	21,200,000
Recreation/Live Entertainment	400,652	35	14,000,000	Lawyers/Law Firms	367,815	56	20,600,000
Accountants	1,487,111	9	13,400,000	Civil Servants/Public Officials	192,579	103	19,800,000
Health Professionals	504,724	26	13,100,000	Building Materials & Equipment	268,860	70	18,800,000
Securities & Investment	840,653	14	11,800,000	Dairy	223,632	63	14,100,000
Transportation Unions	704,750	16	11,300,000	Home Builders	475,447	22	10,500,000
Tobacco	11,200,000	1	11,200,000	Miscellaneous Energy	188,240	54	10,200,000
Lawyers/Law Firms	451,698	24	10,800,000	Construction Services	265,730	35	9,300,553
TV/Movies/Music	814,715	13	10,600,000	General Contractors	302,003	30	9,060,093
Commercial Banks	2,710,000	3	8,130,000	Education	160,042	56	8,962,375
Food Processing & Sales	289,719	28	8,112,117	Health Services/HMOs	650,898	13	8,461,674
Real Estate	1,594,000	5	7,970,000	Livestock	268,034	31	8,309,065
Finance/Credit Companies	1,954,750	4	7,819,000	Casinos/Gambling	343,571	21	7,215,000
Lodging/Tourism	334,565	23	7,695,000	Building Trade Unions	222,126	29	6,441,667
Forestry & Forest Products	1,097,865	7	7,685,058	Human Rights	234,164	27	6,322,422
Beer, Wine, & Liquor	824,192	9	7,417,729	Lodging/Tourism	541,364	11	5,955,000
Defence Electronics	911,063	8	7,288,500	Environment	200,679	28	5,618,997
Sea Transport	901,833	8	7,214,663	Misc Business	161,526	29	4,684,264
Insurance	2,193,333	3	6,580,000	Foreign & Defence Policy	135,667	25	3,391,674
				(continued)			

(continued)

Table 5 Continued

Immigration				Trade			
Industry (CRP classification)	Mean	N	Sum	Industry (CRP classification)	Mean	N	Sum
Non-profits, Foundations, & Phila	218,667	30	6,560,000	Misc Communications/Electronics	227,692	13	2,960,000
Crop Production & Basic Processing	286,767	20	5,735,332	Health Professionals	212,964	11	2,342,600
Chemical & Related Manufacturing	423,868	12	5,086,420	Lobbyists	133,200	15	1,998,000
Building Materials & Equipment	702,763	7	4,919,342	Environmental Svcs/Equipment	102,000	10	1,020,000
Other-Other	314,092	15	4,711,383	Fisheries & Wildlife	91,667	6	550,000
Dairy	337,154	13	4,383,000	Democratic/Liberal	189,782	2	379,564
Casinos/Gambling	528,750	8	4,230,000	Clergy & Religious Organizations	107,573	2	215,145
Retail Sales	574,286	7	4,020,000	Gun Control	80,000	2	160,000
Health Services/HMOs	312,604	12	3,751,250	Gun Rights	120,000	1	120,000

Table 6 Lobbying expenditures on migration and trade of organizations spending money on these issues, by industry, CRP classification, in 1998–2005

Immigration				Trade			
Industry (CRP classification)	Mean	N	Sum	Industry (CRP classification)	Mean	N	Sum
Computers/Internet	136,511	123	16,800,000	Computers/Internet	118,326	325	38,500,000
Miscellaneous Issues	135,655	65	8,817,561	Business Associations	204,296	184	37,600,000
Education	23,449	296	6,940,910	Insurance	195,374	162	31,700,000
Air Transport	160,333	35	5,611,670	Automotive	123,363	164	20,200,000
Hospitals & Nursing Homes	93,761	55	5,156,856	Air Transport	153,032	127	19,400,000
Miscellaneous Manufacturing & Distributing	130,663	39	5,095,843	Forestry & Forest Products	156,055	124	19,400,000
Automotive	170,844	28	4,783,620	Chemical & Related Manufacturing	70,007	261	18,300,000
Pharmaceuticals/Health Product	154,597	28	4,328,723	Crop Production & Basic Processing	50,649	297	15,000,000
Telephone Utilities	477,450	9	4,297,054	Defence Aerospace	174,845	85	14,900,000
Human Rights	46,574	92	4,284,772	Beer, Wine, & Liquor	116,766	114	13,300,000
Business Associations	266,488	15	3,997,322	Agricultural Services & Products	58,772	211	12,400,000
Business Services	119,143	31	3,693,440	Food Processing & Sales	63,449	194	12,300,000
Telecom Services & Equipment	227,018	16	3,632,281	Electronics Mfg & Services	82,099	141	11,600,000
Oil & Gas	132,035	27	3,564,937	Commercial Banks	212,084	45	9,543,785
Agricultural Services & Products	117,524	28	3,290,668	Electric Utilities	66,679	119	7,934,787
Electronics Mfg & Services	56,069	44	2,467,027	Food & Beverage	77,077	85	6,551,511
Health Professionals	88,351	26	2,297,130	Mining	60,913	93	5,664,865
Recreation/Live Entertainment	55,684	35	1,948,928	Accountants	147,665	28	4,134,612
Civil Servants/Public Officials	25,811	74	1,910,011	Building Materials & Equipment	56,017	70	3,921,162
Miscellaneous Agriculture	146,390	13	1,903,071	Industrial Unions	55,549	61	3,388,463

(continued)

Table 6 Continued

Immigration				Trade			
Industry (CRP classification)	Mean	N	Sum	Industry (CRP classification)	Mean	N	Sum
Accountants	202,036	9	1,818,323	Lawyers/Law Firms	57,713	56	3,231,953
Defence Aerospace	115,031	14	1,610,429	Misc Business	109,081	29	3,163,359
Food & Beverage	58,898	27	1,590,238	Dairy	48,622	63	3,063,186
Lodging/Tourism	68,771	23	1,581,738	Business Services	74,604	37	2,760,356
Foreign & Defence Policy	57,051	27	1,540,387	Defence Electronics	41,394	64	2,649,237
Industrial Unions	68,433	22	1,505,519	Finance/Credit Companies	51,970	42	2,182,731
Lawyers/Law Firms	61,535	24	1,476,848	General Contractors	71,716	30	2,151,465
Miscellaneous Unions	34,949	42	1,467,840	Foreign & Defence Policy	68,420	25	1,710,488
Republican/Conservative	80,404	18	1,447,275	Civil Servants/Public Officials	15,509	103	1,597,455
Other-Other	92,101	15	1,381,522	Construction Services	44,967	35	1,573,860
Food Processing & Sales	45,527	28	1,274,768	Hospitals & Nursing Homes	101,890	15	1,528,356
Securities & Investment	82,844	14	1,159,817	Misc Energy	27,485	54	1,484,180
Sea Transport	137,926	8	1,103,407	Casinos/Gambling	63,006	21	1,323,128
Non-profits, Foundations & Phila	36,201	30	1,086,036	Livestock	39,577	31	1,226,884
Public Sector Unions	73,265	12	879,185	Miscellaneous Communications/ Electronics	76,821	13	998,667
Building Materials & Equipment	114,839	7	803,870	Health Services/HMOs	68,245	13	887,181
TV/Movies/Music	61,529	13	799,876	Lodging/Tourism	79,920	11	879,124
Finance/Credit Companies	189,953	4	759,811	Education	15,692	56	878,751
Dairy	51,375	13	667,869	Home Builders	38,307	22	842,757
Forestry & Forest Products	91,482	7	640,377	Environment	29,751	28	833,023
Miscellaneous Business	106,315	6	637,891	Human Rights	19,412	27	524,114

(continued)

Table 6 Continued

Immigration				Trade			
Industry (CRP classification)	Mean	N	Sum	Industry (CRP classification)	Mean	N	Sum
Health Services/HMOs	52,987	12	635,841	Building Trade Unions	14,574	29	422,653
Crop Production & Basic Processing	31,696	20	633,918	Lobbyists	27,397	15	410,952
Transportation Unions	36,871	16	589,932	Health Professionals	25,678	11	282,460
Chemical & Related Manufacturing	47,622	12	571,459	Fisheries & Wildlife	32,917	6	197,500
Retail Sales	79,548	7	556,833	Environmental Svcs/Equipment	11,881	10	118,808
Beer, Wine, & Liquor	61,299	9	551,695	Clergy & Religious Organizations	20,725	2	41,449
Defence Electronics	62,699	8	501,596	Democratic/Liberal	14,599	2	29,197
Commercial Banks	166,791	3	500,373	Gun Control	13,333	2	26,667
Tobacco	486,957	1	486,957	Gun Rights	20,000	1	20,000

patterns in this table are consistent with anecdotal evidence. Except for the Air Transport industry, these are all sectors which use large numbers of immigrants. For example, many university professors and researchers are foreign-born. There is great demand for foreign nurses in the USA given the low supply of native-born nurses. Finally, the agricultural sector is completely dependent on the work of immigrant (unskilled) labour. Note though that only Air Transport and Automotive appear also among the top 10 spenders on trade policy, highlighting the presence of important differences in the relevance of trade and immigration for specific sectors of the economy.

Interestingly, [Table 6](#) highlights that the sector with the highest number of ‘organizations’ lobbying on migration over the period is Education: in 1998–2005, universities/educational institutions carried out lobbying activity on migration 296 times (some of these observations correspond to the same university in different years). For example, Harvard University, Georgetown University, and New York University are all in the data set, often for multiple years. However, on average, between 1998 and 2005, a university/educational institution did not spend much on migration lobbying in a given year (approximately US\$23,000).

[Tables 7](#) and [8](#) (like [Table 4](#)) focus on a more restricted sample, that is, ‘organizations’ spending lobbying money only on respectively immigration ([Table 7](#)) or trade ([Table 8](#)). In other words, these are the organizations which indicate only respectively migration or trade as a policy issue in their lobbying report. [Tables 7](#) and [8](#) presents the amounts of lobbying expenditures on migration for these organizations, industry by industry, in the 1998–2005 period. One of the industries with organizations carrying out lobbying activity exclusively on migration is Human Rights, where we observe 11 instances in which money was spent for this purpose. This selected group of organizations in the Human Rights industry spent a total of US\$1.8mn on lobbying for migration. Since migration is the only policy issue in the reports of these organizations, we know for sure that all this money was targeted at shaping migration policy. Turning to trade policy, we can see that Forestry and Forest Products and Steel production were industries with organizations lobbying exclusively on trade policy, spending respectively a total of US\$10.1mn and US\$9.2mn on lobbying for trade. Interestingly, lobbying activity on trade took place much more frequently, that is, 28 and 58 times respectively.

Finally, in [Tables 9](#) and [10](#), we focus more directly on data at the lobbying-organization level. First, notice that lobbying on trade and migration is positively correlated at the lobbying-organization level ([Figure 5](#)). In [Table 9](#), we collapse the data on ‘total lobbying expenditures’ and ‘lobbying expenditures’ on respectively migration and trade across years at the lobbying-organization level. In other words, we sum

Table 7 Lobbying expenditures on migration for organizations spending money ONLY on immigration, by industry, CRP classification, in 1998–2005

Industry (CRP classification)	Mean	<i>N</i>	Sum
Miscellaneous Issues	216,182	21	4,539,830
Human Rights	161,818	11	1,780,000
Foreign & Defence Policy	132,091	8	1,056,725
Lawyers/Law Firms	73,269	14	1,025,761
Miscellaneous Agriculture	178,000	4	712,000
Business Services	79,714	7	558,000
Health Professionals	114,500	4	458,000
Other-Other	57,500	4	230,000
Miscellaneous Services	212,500	1	212,500
Food Processing & Sales	100,000	2	200,000
Education	36,000	5	180,000
Civil Servants/Public Officials	80,000	2	160,000
Hospitals & Nursing Homes	52,667	3	158,000
Miscellaneous Unions	40,000	3	120,000
Securities & Investment	33,333	3	100,000
Pharmaceuticals/Health Product	80,000	1	80,000
Food & Beverage	40,000	1	40,000
Pro-Israel	40,000	1	40,000
Recreation/Live Entertainment	20,000	2	40,000
Savings & Loans	40,000	1	40,000
Total	119,702	98	11,700,000

the values of the two variables, respectively, from all the lobbying reports corresponding to a given organization across all the 8 years between 1998 and 2005. [Table 9](#) shows the top 50 organizations in terms of lobbying expenditures on respectively migration and trade in 1998–2005.

Note that the main difference between [Table 6](#) and [Table 9](#) is that [Table 6](#) provides information at the year-lobbying-organization level on average for each industry while [Table 9](#) gives information at the lobbying-organization level summed over the 8 years. So, for example, the US\$136,511 value for the average in the Computers/Internet industry in [Table 6](#) gives the average amount spent by a lobbying organization—for lobbying on immigration—in this sector in 1 year between 1998 and 2005. On the other hand, the US\$3,564,231 value for ‘lobbying expenditures on migration’ for Microsoft Corporation in [Table 9](#) gives the sum of expenditures on migration by Microsoft in all the 8 years.

As already argued while discussing the sector-level results of [Table 6](#), lobbying on migration appears to be substantially more concentrated than lobbying on trade. In the former case, the top 4 organizations contributed

Table 8 Lobbying expenditures on trade for organizations spending money ONLY on trade, by industry, CRP classification, in 1998–2005

Industry (CRP classification)	Mean	<i>N</i>	Sum
Business Associations	155,035	82	12,700,000
Miscellaneous Manufacturing & Distributing	123,713	87	10,800,000
Forestry & Forest Products	360,757	28	10,100,000
Steel Production	158,966	58	9,220,000
Crop Production & Basic Processing	84,371	62	5,231,000
Mining	174,778	18	3,146,000
Retail Sales	92,102	30	2,763,055
Misc Business	161,188	17	2,740,194
Food Processing & Sales	151,656	18	2,729,805
Chemical & Related Manufacturing	87,185	27	2,354,000
Electronics Mfg & Services	115,000	20	2,300,000
Computers/Internet	168,750	12	2,025,000
General Contractors	700,000	2	1,400,000
Agricultural Services & Products	77,647	17	1,320,000
Building Materials & Equipment	98,846	13	1,285,000
Oil & Gas	177,143	7	1,240,000
Pharmaceuticals/Health Product	67,742	17	1,151,612
Foreign & Defence Policy	140,000	8	1,120,000
Lawyers/Law Firms	109,564	10	1,095,638
Food & Beverage	76,429	14	1,070,000
Real Estate	306,667	3	920,000
Beer, Wine & Liquor	77,500	8	620,000
Automotive	76,875	8	615,000
Textiles	54,545	11	600,000
Printing & Publishing	89,167	6	535,000
Tobacco	225,000	2	450,000
Electric Utilities	120,000	3	360,000
Recreation/Live Entertainment	90,000	4	360,000
Telephone Utilities	150,000	2	300,000
Miscellaneous Issues	50,300	5	251,500
Business Services	110,000	2	220,000
Miscellaneous Transport	73,333	3	220,000
TV/Movies/Music	70,000	2	140,000
Air Transport	40,000	3	120,000
Telecom Services & Equipment	40,000	3	120,000
Fisheries & Wildlife	100,000	1	100,000
Lobbyists	50,000	1	50,000
Securities & Investment	22,000	2	44,000
Miscellaneous Energy	40,000	1	40,000
Dairy	20,000	1	20,000
Poultry & Eggs	20,000	1	20,000
Republican/Conservative	20,000	1	20,000
Sea Transport	20,000	1	20,000
Total	131,906	621	81,900,000

Table 9 Top 50 organizations in terms of lobbying expenditures on migration and trade, in 1998–2005

Firm	Total lobbying exp	Lobbying exp on migration	Firm	Total lobbying exp	Lobbying exp on trade
Microsoft Corp	48,220,000	3,564,231	US Chamber of Commerce	77,432,880	10,400,000
Motorola Inc	33,293,458	2,660,473	Northrop Grumman	76,916,386	7,142,483
Business Roundtable	37,460,000	2,514,167	Pharmaceutical Rsrch & Mfrs of America	86,202,000	6,953,933
American Farm Bureau Federation	49,589,013	2,505,281	Sprint Corp	47,276,585	6,675,330
United to Secure America	5,110,000	2,276,667	Business Roundtable	88,240,000	6,013,287
American Hospital Assn	13,420,000	2,236,667	Emergency Cmte for American Trade	5,940,000	5,550,000
Intel Corp	27,210,000	2,225,185	Boeing Co	68,273,310	5,408,107
Federation for Amer Immigration Reform	2,200,000	2,200,000	Investment Co Institute	37,777,000	5,317,040
Verizon Communications	33,110,000	2,197,689	Securities Industry Assn	52,307,518	4,615,882
Texas Instruments	17,122,728	2,004,260	Textron Inc	36,460,000	4,576,115
National Assn of Manufacturers	40,080,585	1,966,480	Coalition for Fair Lumber Imports	5,946,980	4,556,585
US Border Control	3,741,110	1,850,650	Citigroup Inc	51,115,000	4,313,765
Disney Worldwide Services	26,738,800	1,790,415	Merck & Co	41,672,294	4,180,079
American Council on Intl Personnel	1,670,000	1,670,000	BellSouth Corp	32,583,435	4,170,843
American Electronics Assn	18,804,902	1,599,212	British Columbia Lumber Trade Council	5,000,000	4,160,000
EDS Corp	17,045,832	1,579,240	General Electric	122,100,000	4,027,142
IBM Corp	29,852,000	1,528,373	IBM Corp	47,372,000	3,907,789
Delta Airlines	14,280,000	1,364,444	Distilled Spirits Council	21,275,708	3,893,704

(continued)

Table 9 Continued

Firm	Total lobbying exp	Lobbying exp on migration	Firm	Total lobbying exp	Lobbying exp on trade
Hebrew Immigrant Aid Society	1,255,225	1,255,225	AT&T	49,963,499	3,842,748
Eli Lilly & Co	16,690,000	1,195,061	Microsoft Corp	54,720,000	3,814,231
Accenture	11,899,000	1,176,559	American International Group	44,618,300	3,808,708
National Council of Agric Employers	2,535,000	1,146,071	American Council of Life Insurers	33,613,948	3,806,847
International Council of Cruise Lines	7,214,663	1,103,407	Abbott Laboratories	32,326,000	3,653,557
Continental Airlines	5,235,927	1,069,416	National Foreign Trade Council	10,806,000	3,470,167
DaimlerChrysler	19,295,905	1,059,511	Motorola Inc	43,000,369	3,397,518
SBC Communications	13,344,729	1,053,865	Advanced Medical Technology Assn	23,842,974	3,357,162
Shell Oil	15,917,789	1,051,698	Eli Lilly & Co	39,596,890	3,341,846
Commonwealth of the N	3,800,000	1,020,533	Philip Morris	75,528,000	3,304,895
Mariana Islands					
General Motors	23,440,000	1,012,967	Tailored Clothing Assn	3,600,000	3,220,000
Human Rights Campaign	8,272,498	1,007,668	Ford Motor Co	58,510,808	3,092,824
Major League Baseball	8,372,801	912,806	Altria Group	39,505,000	2,963,544
Commissioner's Ofc					
Christian Coalition	15,380,000	911,157	AFLAC Inc	19,920,000	2,918,095
Chevron Corp	8,550,000	855,000	New York Life Insurance	18,960,000	2,894,881
United Airlines	4,400,000	797,333	News Corp	21,916,000	2,836,372
United Auto Workers	15,655,390	794,666	SBC Communications	45,447,736	2,824,350
Western Pacific Economic Council	2,350,000	783,333	Intel Corp	34,310,000	2,816,851

(continued)

Table 9 Continued

Firm	Total lobbying exp	Lobbying exp on migration	Firm	Total lobbying exp	Lobbying exp on trade
Agricultural Cltn for Immigration Reform	892,000	757,000	GlaxoSmithKline	24,470,000	2,810,141
Honda North America	7,850,457	738,058	Johnson & Johnson	23,665,000	2,789,786
Sun Microsystems	6,540,000	737,950	American Insurance Assn	32,796,161	2,749,042
Oracle Corp	7,500,590	735,801	Lockheed Martin	60,626,287	2,704,506
General Electric	16,900,000	734,783	Computer Systems Policy Project	6,840,400	2,685,720
Lockheed Martin	17,080,000	718,235	American Farm Bureau Federation	49,589,013	2,505,281
Natl Assn of Public Hosp & Health Sys	3,520,000	710,619	Prudential Financial	20,185,745	2,497,337
AFL-CIO	18,230,000	694,634	Pernod Ricard	7,428,000	2,496,000
Biotechnology Industry Organization	10,659,796	671,146	DaimlerChrysler	37,419,499	2,473,099
English First	4,550,000	653,143	United Defense	8,723,893	2,463,705
Abbott Laboratories	6,717,000	627,700	Bristol-Myers Squibb	36,920,579	2,408,540
Ford Motor Co	13,080,000	622,857	Debswana Diamond Co	2,420,000	2,400,000
Air Transport Assn of America	3,107,922	621,584	General Motors	60,706,192	2,381,741
Principal Financial Group	9,554,140	616,124	Hong Kong Trade Development Council	5,060,000	2,380,000

Table 10 Lobbying expenditures on migration and trade from lobbying reports of organizations where ONLY migration/trade appears as a policy issue (top 40 for trade), in 1998–2005

Firm	Lobbying exp on migration	Firm	Lobbying exp on trade
Federation for Amer Immigration Reform	2,200,000	Emergency Cmte for American Trade	5,980,000
American Council on Intl Personnel	1,670,000	British Columbia Lumber Trade Council	4,320,000
US Border Control	1,259,830	Coalition for Fair Lumber Imports	3,996,190
Hebrew Immigrant Aid Society	1,255,225	Tailored Clothing Assn	3,340,000
Agricultural Cltn for Immigration Reform	712,000	Debswana Diamond Co	2,380,000
Fragomen Del Rey et al	565,000	European-American Business Council	2,195,000
O'Grady Peyton International	556,000	British Columbia Softwood Trade Council	1,975,000
NumbersUSA.com	480,000	Japan Iron & Steel Federation	1,880,000
American Immigration Lawyers Assn	430,761	Dole Food	1,820,000
Southwestern/Great American Inc	340,000	Integrated Steel Producers Coalition	1,820,000
AIS Inc	210,000	Footwear Distribs & Retailers of America	1,413,055
Coalition for Comprehensive Imm Reform	210,000	Japan Electronics & Info Tech Industries	1,270,000
IBP Inc	200,000	Nucor Corp	1,200,000
Commission on Grads Foreign Nursing Schl	180,000	Canfor Corp	1,160,000
National Assn of Immigration Judges	160,000	Hynix Semiconductor	1,150,000
National Immigration Forum	160,000	Evans International	1,120,000
United to Secure America	150,000	Nikon Corp	1,100,000
United Farm Workers	120,000	ED&F Man	1,082,000
Assomull Mukesh	100,000	ANSAC	1,040,000
US Cmte for Refugees & Immigrants	90,000	Intellectual Property Committee	1,040,000

(continued)

Table 10 Continued

Firm	Lobbying exp on migration	Firm	Lobbying exp on trade
Eurapair International	80,000	Consuming Industries Trade Action Cln	940,000
Norbrook Laboratories	80,000	American Standard Development Co	900,000
Banner Health Care	68,000	Renova Inc	900,000
American Business for Legal Immigration	60,000	Willkie Farr & Gallagher	880,000
Just Care	60,000	European Confed of Iron & Steel Indus	840,000
Caribbean Marine Service	40,000	Orlando Food	804,184
Council of Jewish Federations	40,000	Ad Hoc Nitrogen Committee	780,000
Israel Discount Bank of New York	40,000	Koenig & Bauer	780,000
Pepper Hamilton LLP	30,000	Northwest Fruit Exporters	773,000
St Bernard Hospital	30,000	JC Bamford	720,000
Compete America	20,000	Clariant Corp	660,000
Fed of Employers & Workers of America	20,000	JD Irving Ltd	640,000
McKinsey & Co	20,000	Goss International	600,000
Six Flags	20,000	Sabic Americas	600,000
Victor Alberto Venero Garrido	20,000	New Zealand-US Business Council	580,000
Washington Soccer Partners	20,000	FSCL/Gay & Robins/RGVSG	574,000
Wu David	20,000	American-Australian Free Trade Agmt Cln	570,000
Bangladeshi-American Friendship Society	14,000	Arcelor SA	560,000

Lobbying Expenditures on Migration

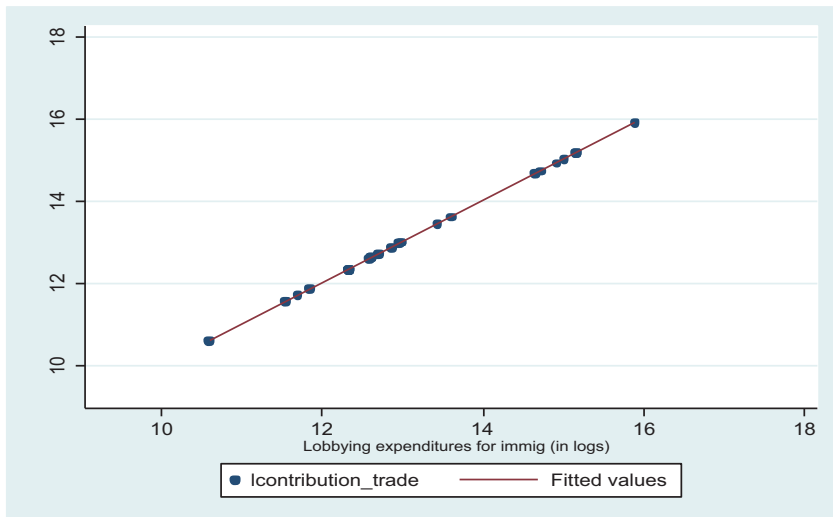


Figure 5 Correlation between lobbying for migration and trade at the lobbying organization level.

about 9% of the total amount spent on migration, whereas the top 4 contributed only 5% of the total spent on trade. The organization in the data set which invested the largest amount on lobbying on migration over the 8 years is Microsoft Corporation which, as mentioned above, spent approximately US\$3.6mn to affect migration in this period. Among the top 50 organizations, we also find the American Farm Bureau Federation and the National Council of Agricultural Employers, the American Hospital Association, Disney Worldwide Services, and, finally, also labour unions (United Auto Workers and the AFL-CIO). Turning to lobbying on trade, the right panel of [Table 9](#) shows that the US Chamber of Commerce was the top spender on the issue, with a total of US\$10.4mn. The leading defence contractor Northrop Grumman was also very active in trying to shape US trade policy. This is not surprising given the sensitive nature of a substantial share of the firm's production. Turning to information using data from lobbying reports where only migration or trade appear as an issue, [Table 10](#) shows that the majority of the organizations in these categories are either trade associations or ideology-issue groups,³⁴ and not corporations.

³⁴ For a discussion on the role played by ideology-issue groups and corporations and trade associations, see [de Figueredo and Richter \(2014\)](#).

5 Conclusions

In this article, we have used a lobbying-organization-level data set of lobbying expenditures, covering the period between 1998 and 2005, and have analysed lobbying activity specifically targeted at shaping immigration and trade. The data set uses information from lobbying reports which organizations involved in lobbying have to file since 1996, after the passage of the 1995 LDA.

Several interesting points emerge from our analysis. First, while PAC contributions and lobbying are in general positively correlated, our results suggest that this is not the case when it comes to lobbying on migration. As a result any analysis that focuses on the role of pressure group activity in affecting migration should take advantage of the rich new data on lobbying, rather than relying only on PAC contribution data. Second, while overall lobbying expenditures increased steadily over our sample period, both lobbying on migration and trade appears to fluctuate more. Third, the total amount spent on lobbying for immigration and trade never exceeded 6% of the total lobbying contributions, and the total amount contributed with the purpose of shaping trade policy was typically four to six times larger than the amount contributed to shape migration policy (see [Table 1](#)). Fourth, turning to the sectoral distribution of lobbying activities, we have argued that lobbying on migration is substantially more concentrated than lobbying on trade. Finally, we have seen that a similar pattern emerges also when we examine the contributions of individual organizations.

The analysis carried out in this article is mainly descriptive and has allowed us to highlight some important similarities and differences in the patterns of lobbying on two facets of globalization, international migration, and international trade. Neoclassical economic theory in the spirit of Heckscher and Ohlin suggests that trade and migration are substitutes, yet we have documented the existence of significant differences in the extent of pressure groups organization on these two issues, ranging from the amount of resources invested, to the number of organizations involved in lobbying, to the sectors in which these organizations are active. One interesting question that could be addressed using our data is to what extent are there differences in the returns to lobbying in these two areas. In other words, are greater monetary payoffs the main explanation for why lobbying on trade is more widespread than lobbying on migration? A second important question would instead focus on the extent to which organizations perceive migration and trade policy as political complements or substitutes. While answering these questions would enhance our understanding of the political economy of globalization, they go beyond the scope of this article and are left for further research.

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Appendix A

A1 Details about lobbying expenditures data

In addition to campaign contributions to political candidates for election purposes, each year companies, labour unions, and other organizations spend billions of dollars to hire lobbying firms which lobby incumbent members of Congress and of federal agencies on their behalf. Some special interests hire external lobbying firms; others have lobbyists working in-house.

The data on lobbying expenditures are compiled by the Center for Responsive Politics (CRP) using the semi-annual lobbying disclosure reports filed with the Secretary of the Senate’s Office of Public Records (SOPR) and posted to its website. The reports analysed by CRP cover lobbying activity that took place from 1998 through 2005.

The Lobbying Disclosure Act (LDA) of 1995 requires lobbying firms and organizations to register and to file reports of their lobbying activities with the SOPR. In general, it requires registration by any individual lobbyist (or the individual’s employer if it employs one or more lobbyists) within 45 days after the individual first makes—or is employed or retained to make—a lobbying contact with either the President, the Vice President, a Member of Congress, or any other specified Federal officer or employee, including certain high-ranking members of the uniformed services.

A registrant must file a report for the semi-annual period when registration initially occurs and for each semi-annual period thereafter, including the period during which registration terminates. Lobbying firms (that is, entities with one or more lobbyists, including self-employed individuals who act as lobbyists for outside clients) are required to file a separate report for each client covered by a registration. Organizations employing in-house lobbyists file a single report for each semi-annual period. The semi-annual report must be filed no later than 45 days after the end of a semi-annual period beginning on the first day of January and the first day of July of every year in which a registrant is registered. The LDA requires the Secretary of the Senate and the Clerk of the House of Representatives to make all registrations and reports available to the public as soon as practicable after they are received.

Under the Section 3(10) of the LDA, an individual is defined as a ‘lobbyist’ with respect to a particular client if he or she makes more than one lobbying contact on behalf of that client (that is, more than one communication to a covered official) and his or her ‘lobbying activities’ constitute at least 20% of the individual’s time in services for that client over any 6-month period. ‘Lobbying activity’ is defined in Section 3(7) of the LDA as ‘lobbying contacts or efforts in support of such contacts, including background work that is intended, at the time it was performed, for use in contacts, and coordination with the lobbying activities of others’.

Section 15 of the LDA permits those organizations that file under Sections 6033(b)(8) of the IRC and organizations that are subject to Section 162(e) of the IRC to use the tax law definitions of lobbying in lieu of the LDA definitions for determining ‘contacts’ and ‘lobbying activities’. The definition of lobbying in the tax law is broader with respect to the type of activities reported, while it is narrower with respect to the executive branch officials who are contacted. For example, the definition of lobbying under the tax code includes ‘grass-roots’, state and local lobbying, while the LDA excludes these types of lobbying from the definition of ‘lobbying activities’. Under the amendment of the LDA in 1998, registrants who use tax law definitions of lobbying must use the IRC definition for executive branch lobbying and the LDA definition for legislative branch lobbying.

There are three different filing methods listed in the form. Two options are largely identical (one for for-profit groups, the other for non-profit groups) and use the definition of lobbying provided by the IRC. The third follows the definition of lobbying contained in the LDA. As discussed above, filers using the IRC methods must report state local and grassroots lobbying costs, which are not included in the reports which follow the LDA definition. Thus, lobbying expenditures may not be strictly comparable across organizations using different filing methods.

Table A1 List of issues in lobbying reports

Code	Issue
ACC	Accounting
ADV	Advertising
AER	Aerospace
AGR	Agriculture
ALC	Alcohol & Drug Abuse
ANI	Animals
APP	Apparel/Clothing Industry/Textiles
ART	Arts/Entertainment
AUT	Automotive Industry
AVI	Aviation/Aircraft/ Airlines
BAN	Banking
BNK	Bankruptcy
BEV	Beverage Industry
BUD	Budget/Appropriations
CHM	Chemicals/Chemical Industry
CIV	Civil Rights/Civil Liberties
CAW	Clean Air & Water (Quality)
CDT	Commodities (Big Ticket)
COM	Communications/ Broadcasting/Radio/TV
CPI	Computer Industry
CSP	Consumer Issues/Safety/Protection
CON	Constitution
CPT	Copyright/Patent/Trademark
DEF	Defence
DOC	District of Columbia
DIS	Disaster Planning/Emergencies
ECN	Economics/Economic Development
EDU	Education
ENG	Energy/Nuclear
ENV	Environmental/Superfund
FAM	Family Issues/Abortion/Adoption
FIR	Firearms/Guns/Ammunition
FIN	Financial Institutions/Investments/ Securities
FOO	Food Industry (Safety, Labelling, etc.)
FOR	Foreign Relations
FUE	Fuel/Gas/Oil
GAM	Gaming/Gambling/Casino
GOV	Government Issues
HCR	Health Issues
HOU	Housing
IMM	Immigration
IND	Indian/Native American Affairs

(continued)

Table A1 Continued

Code	Issue
INS	Insurance
LBR	Labour Issues/Antitrust/Workplace
LAW	Law Enforcement/Crime/Criminal Justice
MAN	Manufacturing
MAR	Marine/Maritime/Boating/Fisheries
MIA	Media (Information/Publishing)
MED	Medical/Disease Research/Clinical Labs
MMM	Medicare/Medicaid
MON	Minting/Money/Gold Standard
NAT	Natural Resources
PHA	Pharmacy
POS	Postal
RRR	Railroads
RES	Real Estate/Land Use/Conservation
REL	Religion
RET	Retirement
ROD	Roads/Highway
SCI	Science/Technology
SMB	Small Business
SPO	Sports/Athletics
TAX	Taxation/Internal Revenue Code
TEC	Telecommunications
TOB	Tobacco
TOR	Torts
TRD	Trade (Domestic & Foreign)
TRA	Transportation
TOU	Travel/Tourism
TRU	Trucking/Shipping
URB	Urban Development/Municipalities
UNM	Unemployment
UTI	Utilities
VET	Veterans
WAS	Waste (hazardous/solid/interstate/nuclear)
WEL	Welfare

Source: SOPR

Table A2 Sample lobbying report

00000343475

Clerk of the House of Representatives
Legislative Resource Center
B-106 Cannon Building
Washington, DC 20515

Secretary of the Senate
Office of Public Records
232 Hart Building
Washington, DC 20510

RECEIVED
SECRETARY OF THE SENATE
PUBLIC RECORDS
05 AUG 15 PM 12: 53

00000343475

LOBBYING REPORT

Lobbying Disclosure Act of 1995 (Section 5) - All Filers Are Required to Complete This Page

1. Registrant Name Microsoft Corporation			
2. Registrant Address <input type="checkbox"/> Check if different than previously reported Address 1401 Eye Street, NW Suite 500 City Washington State/Zip (or Country) DC 20005			
3. Principal Place of Business (if different from line 2) City Redmond State/Zip (or Country) WA 98052			
4. Contact Name Karl Gess	Telephone (202) 263-5900	E-mail (optional) kgess@microsoft.com	5. Senate ID # 25204-12
7. Client Name <input checked="" type="checkbox"/> Self			6. House ID # 31174000

TYPE OF REPORT 8. Year 2005 Midyear (January 1-June 30) ☒ OR Year End (July 1-December 31) ☐

9. Check if this filing amends a previously filed version of this report ☐

10. Check if this is a Termination Report ☐ >> Termination Date _____ 11. No Lobbying Activity ☐

INCOME OR EXPENSES - Complete Either Line 12 OR Line 13	
<p style="text-align: center;">12. Lobbying Firms</p> <p>INCOME relating to lobbying activities for this reporting period was:</p> <p>Less than \$10,000 <input type="checkbox"/></p> <p>\$10,000 or more <input type="checkbox"/> >> \$ _____ <small>(income (nearest \$20,000))</small></p> <p>Provide a good faith estimate, rounded to the nearest \$20,000 of all lobbying related income from the client (including all payments to the registrant by any other entity for lobbying activities on behalf of the client).</p>	<p style="text-align: center;">13. Organizations</p> <p>EXPENSES relating to lobbying activities for this reporting period were:</p> <p>Less than \$10,000 <input type="checkbox"/></p> <p>\$10,000 or more <input checked="" type="checkbox"/> >> \$ <u>\$4,540,000.00</u> <small>Expenses (nearest \$20,000)</small></p> <p>14. REPORTING METHOD. Check box to indicate expense accounting method. See instructions for description of options.</p> <p><input type="checkbox"/> Method A. Reporting amounts using LDA definitions only</p> <p><input type="checkbox"/> Method B. Reporting amounts under section 6033(b)(3) of the Internal Revenue Code</p> <p><input checked="" type="checkbox"/> Method C. Reporting amounts under section 162(e) of the Internal Revenue Code</p>

Signature _____ Date 8/12/2005

Printed Name and Title Jack Krumholz - Managing Dir. of Federal Gov't Affairs Page 1 of 19

(continued)

Table A2 Continued

00000343484

Registrant Name: Microsoft Corporation
 Client Name: Microsoft Corporation

LOBBYING ACTIVITY. Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Attach additional page(s) as needed.

15. General issue area code IMM (one per page)
 16. Specific Lobbying issues
 H-1B visas
 L-1 visas
 Program Electronic Review Management System (PERM) regulations

17. House(s) of Congress and Federal agencies contacted ☐ Check if None
 Department of Commerce
 Department of Labor
 Executive Office of the President
 House of Representatives
 Senate

18. Name of each individual who acted as a lobbyist in this issue area

Name	Covered Official Position (if applicable)	New
Buckner, Merland		No
Corley, Scott		Yes
Gelmann, Matt		No
Houton, James		No
Ingle, Ed	White House	No
Krumholtz, Jack		No
Otto, Lori	Senate Republican Policy Committee	No

19. Interest of each foreign entity in the specific issues listed on line 16 above ☒ Check if None

Signature _____ Date 8/12/2005
 Printed Name and Title Jack Krumholtz - Managing Dir. of Federal Gov't Affairs Page 10 of 19

(continued)

Lobbying Expenditures on Migration

Table A2 Continued

00000343492

Registrant Name: Microsoft Corporation

Client Name: Microsoft Corporation

LOBBYING ACTIVITY. Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Attach additional page(s) as needed.

15. General issue area code TSD (one per page)

16. Specific Lobbying issues
H.R.3045, Dominican Republic-Central America-United States Free Trade Agreement Implementation Act, Special 301
Intellectual property provisions of free trade agreements with the South Africa Customs Union, Bahrain, Panama, Thailand, and Morocco
Software piracy and procurement issues in China
Interpretation and enforcement of the WTO Agreement on Trade-Related Aspects of Intellectual Property (TRIPS)
Agenda for further negotiations in Doha Development Round of WTO talks
European Commission investigation of competition in the software industry
Korean Fair Trade Commission's investigation of competition in the software industry

17. House(s) of Congress and Federal agencies contacted ☐ Check if None
Department of Commerce
Department of Justice
Department of State
Department of Treasury
Executive Office of the President
Federal Trade Commission
House of Representatives

18. Name of each individual who acted as a lobbyist in this issue area

Name	Covered Official Position (if applicable)	New
<u>Brady, Betsy</u>		<u>No</u>
<u>Buckner, Mariland</u>		<u>No</u>
<u>Corley, Scott</u>		<u>Yes</u>
<u>Gelman, Matt</u>		<u>No</u>
<u>Howton, James</u>		<u>No</u>
<u>Ingle, Ed</u>	<u>White House</u>	<u>No</u>
<u>Krumholtz, Jack</u>		<u>No</u>

19. Interest of each foreign entity in the specific issues listed on line 16 above ☒ Check if None

Signature: Jack Krumholtz Date: 8/12/2005

Printed Name and Title: Jack Krumholtz - Managing Dir. of Federal Gov't Affairs Page 18 of 19