Who Becomes a Lobbyist? Comparative Evidence from the US and Germany

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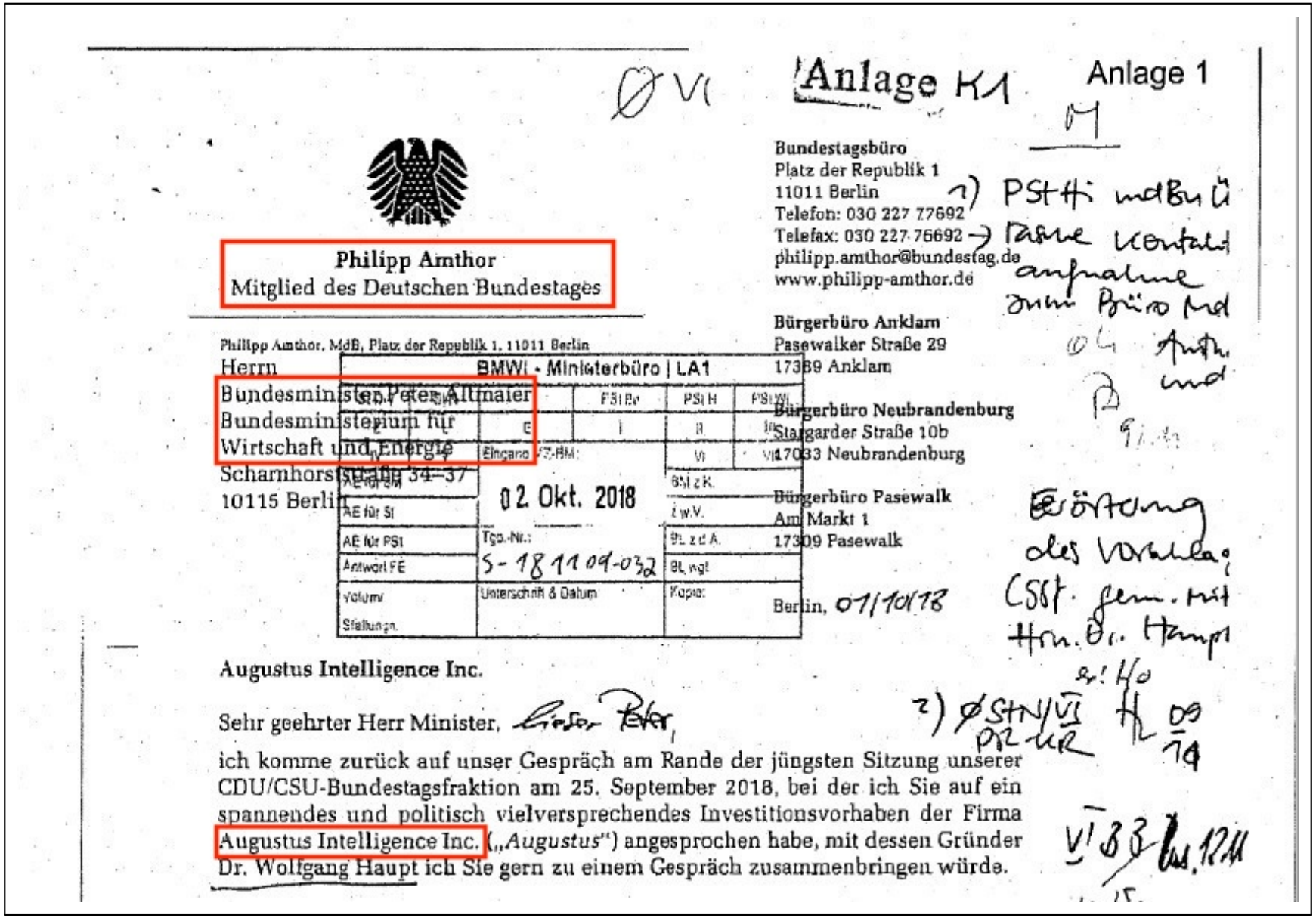

Anlage K1

Anlage 1

Philipp Amthor
Mitglied des Deutschen Bundestages

Philipp Amthor, MdB, Platz der Republik 1, 11011 Berlin

Herrn
Bundesminister Peter Altmaier
Bundesministerium für
Wirtschaft und Energie
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10115 Berlin

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BMWi - Ministerbüro | LA1

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Berlin, 01/10/18

Augustus Intelligence Inc.

Sehr geehrter Herr Minister, lieber Peter,

ich komme zurück auf unser Gespräch am Rande der jüngsten Sitzung unserer CDU/CSU-Bundestagsfraktion am 25. September 2018, bei der ich Sie auf ein spannendes und politisch vielversprechendes Investitionsvorhaben der Firma Augustus Intelligence Inc. („*Augustus*") angesprochen habe, mit dessen Gründer Dr. Wolfgang Haupt ich Sie gern zu einem Gespräch zusammenbringen würde.

Self-Selection into becoming a Lobbyist

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  - Extensive Research on lobbyists' skills and connections (Bertrand, Bombardini and Trebbi, 2014; Blanes, Draca and Fons-rosen, 2012; McCrain, 2018)

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Lobbyists' Role and Value of Lobbyists

Evidence from United States

- **Lobbying** = *Information provision to resource- and time-constrained legislators* (Schnakenberg, 2017; Hall and Deardorff, 2006)

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2. **Role of Political connections**
   - previous employment (Bertrand, Bombardini and Trebbi, 2014; Blanes, Draca and Fons-rosen, 2012; McCrain, 2018)
   - Campaign donations to buy 'access' to legislators (Langbein, 1986; Kalla and Broockman, 2016; Kim, Stuckatz and Wolters, 2023)
   - Value of previous legislative staff connections for lobbying revenues & proximity to decision-makers (Bolton and McCrain, 2023; McCrain, 2018)

Data: Registered Lobbyists & Labor Market Data

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- **Data on LinkedIn User Population, Revelio Labs**
  - Education & workplace history for non-lobbyists
  - Predicted salary, seniority, sex, ethnicity
  - Standardized skills, occupation, industry, and firm identifiers
  - *Snapshot from May, 2024*

U.S. & German Rules for Registering as a Lobbyist

Category	United States	Germany
Definition of Lobbying	*Oral, written, or electronic communication* with covered officials reg. legislation, policy, regulation.	*Any contact aimed at influencing* Bundestag or Federal Government decision-making.
Thresholds	More than one lobbying contact and at least 20% of an individualâs time spent lobbying within a 3-month period.	Regular lobbying (3+ contacts), long-term engagement, commercial lobbying, 30+ separate lobbying contacts in 3 months, OR compensation received.
Who?	Lobbying firms, in-house lobbyists, trade associations, and certain coalitions.	Natural persons, legal entities, organizations, networks, and platforms involved in lobbying.
Exemptions	Public officials in official capacity, churches, non-compensated lobbying below thresholds, purely informational requests.	Private individuals advocating personal interests, petitions, participation in public hearings, local concerns (max. two districts).

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- **Results**
  - $\rightarrow$ **US**: found 33,382 out of 45,366 $=$ 74%
  - $\rightarrow$ **DE**: found 19,114 out of 33,710 $=$ 57%
  - $\rightarrow$ Precision: 0.83, Recall: 0.82 (previously)

Empirical Analyses

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   a) Socio-Demographics
   b) Political Job Experience
   c) Skills

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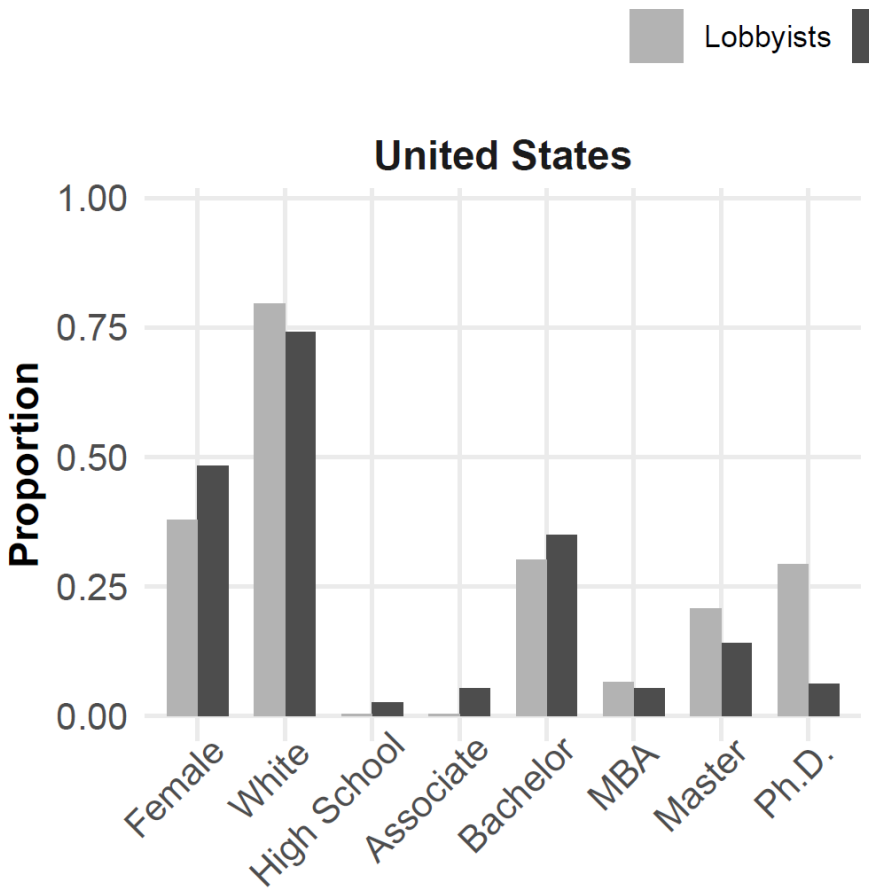
2. **DiD Analysis**: Political work experience $\rightarrow$ becoming a Lobbyist
   - U.S. vs. Germany
   - Types of political job experience
   - In-house vs. external (K-Street) lobbyists

Descriptives: Lobbyists' Socio-Demographics



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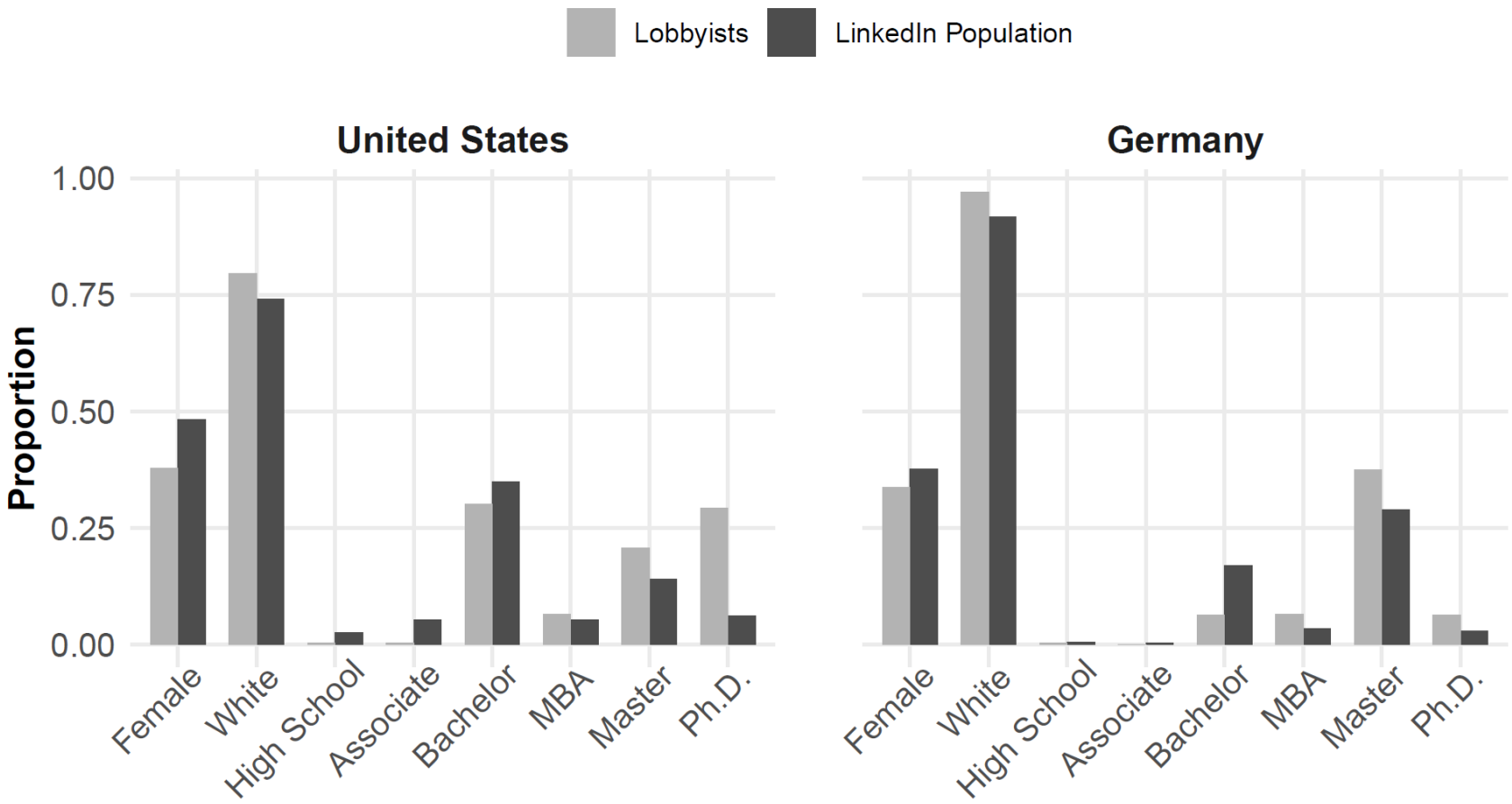
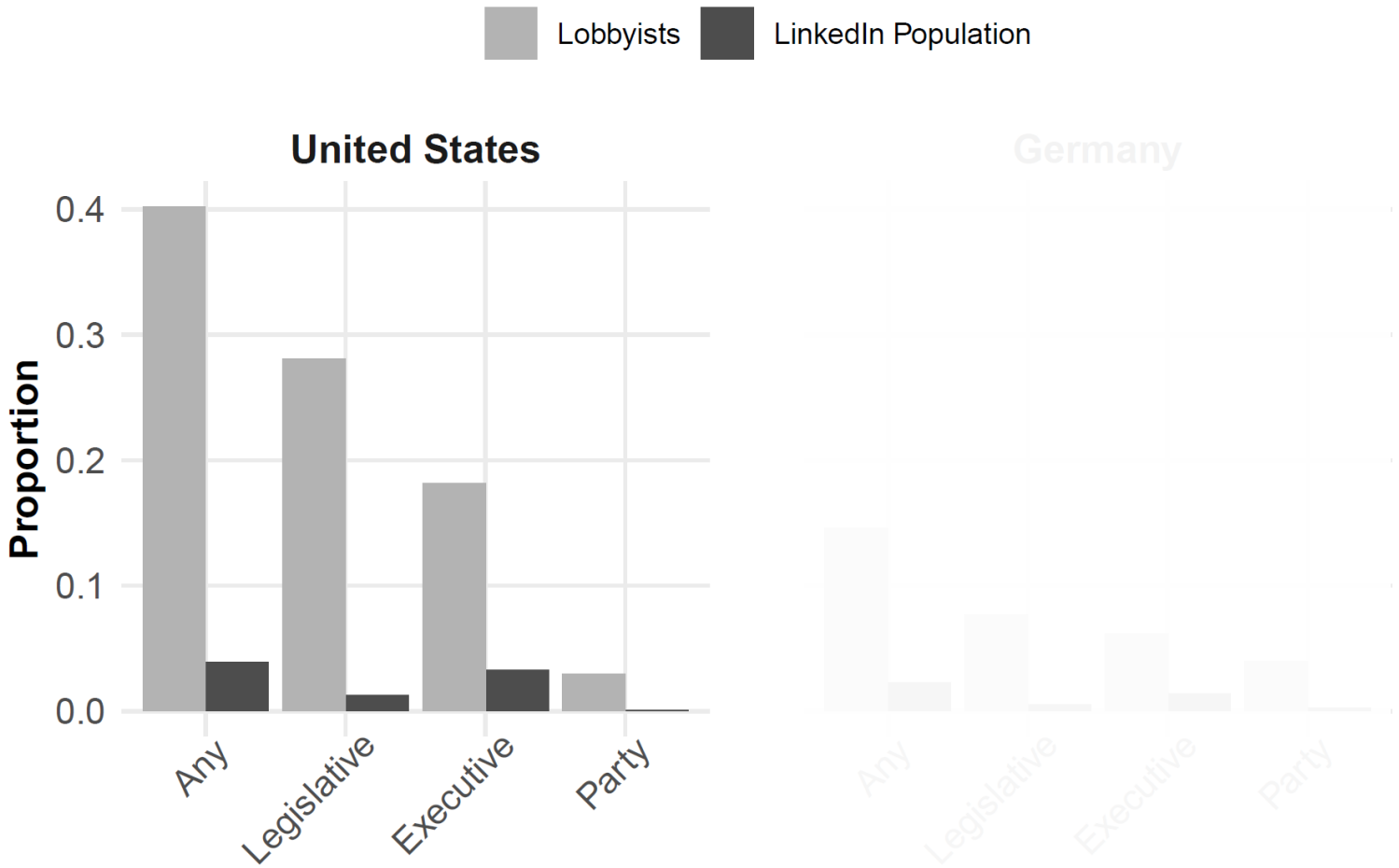


→ Differences between U.S. & Germany along differences in educational systems & population demographics.

Descriptives: Lobbyists' Political Job Experiences



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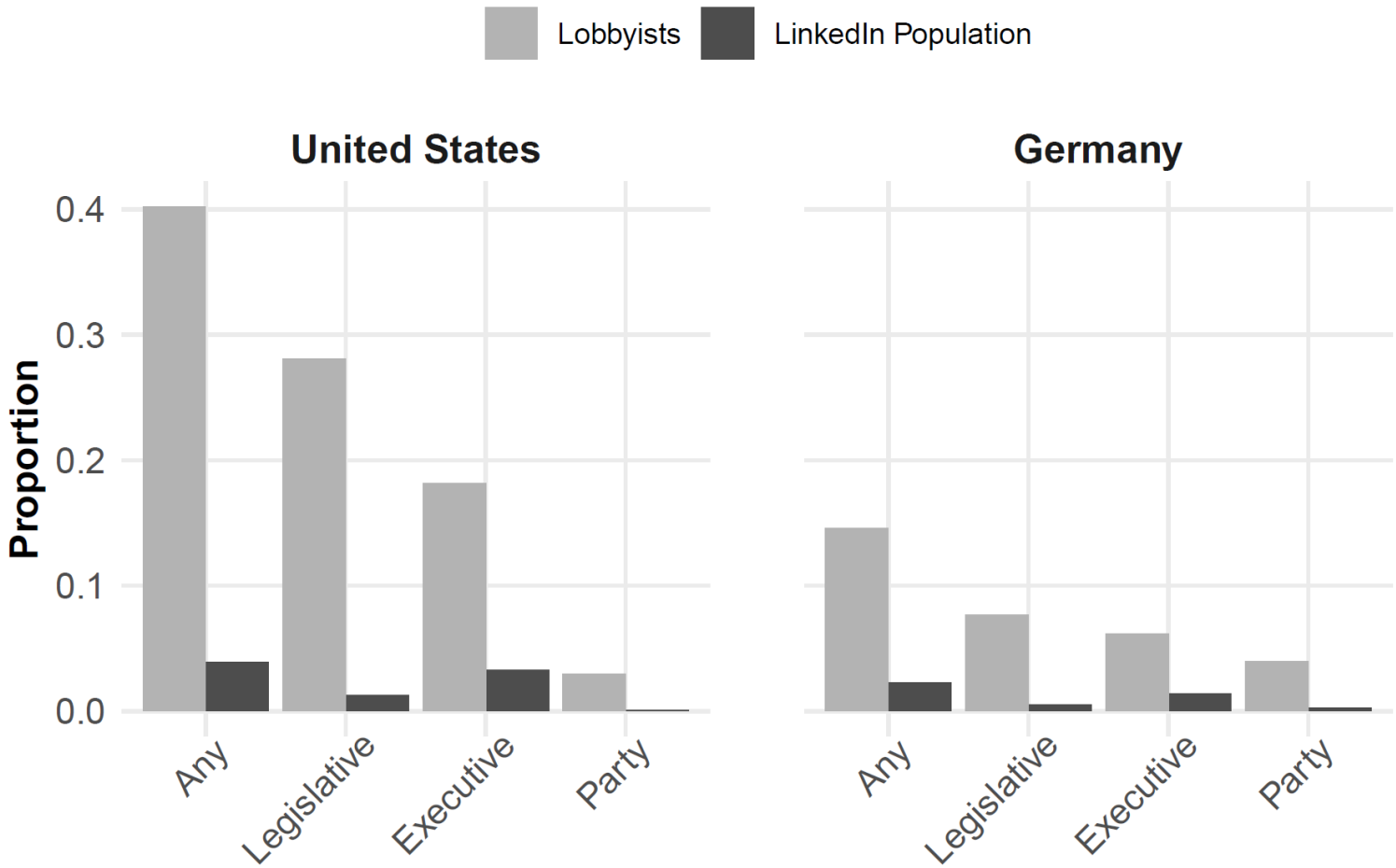
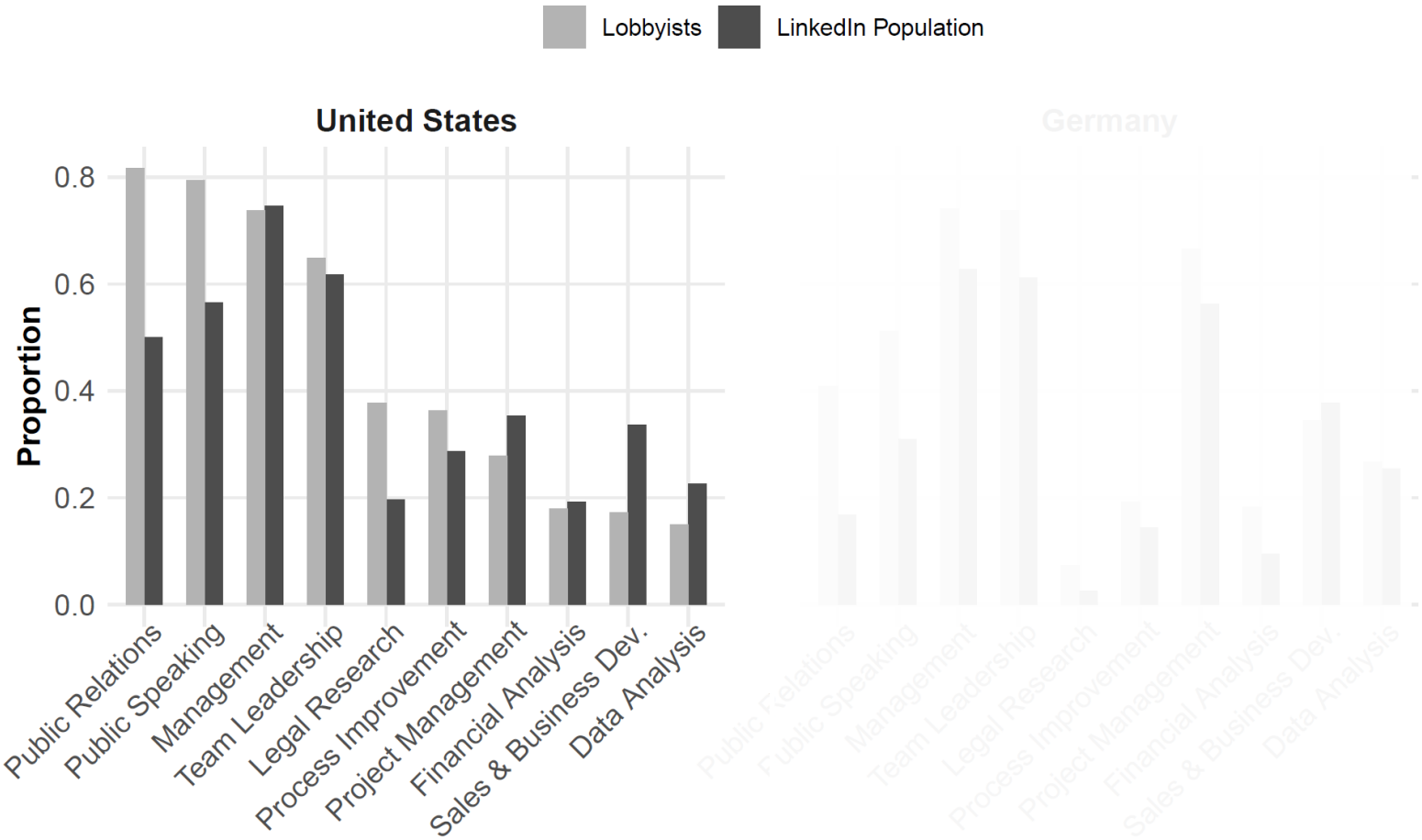


→ More political job experiences (connections) among U.S. lobbyists, compared to Germany. Party offices more prevalent in Germany.

Descriptives: Lobbyists' Skills



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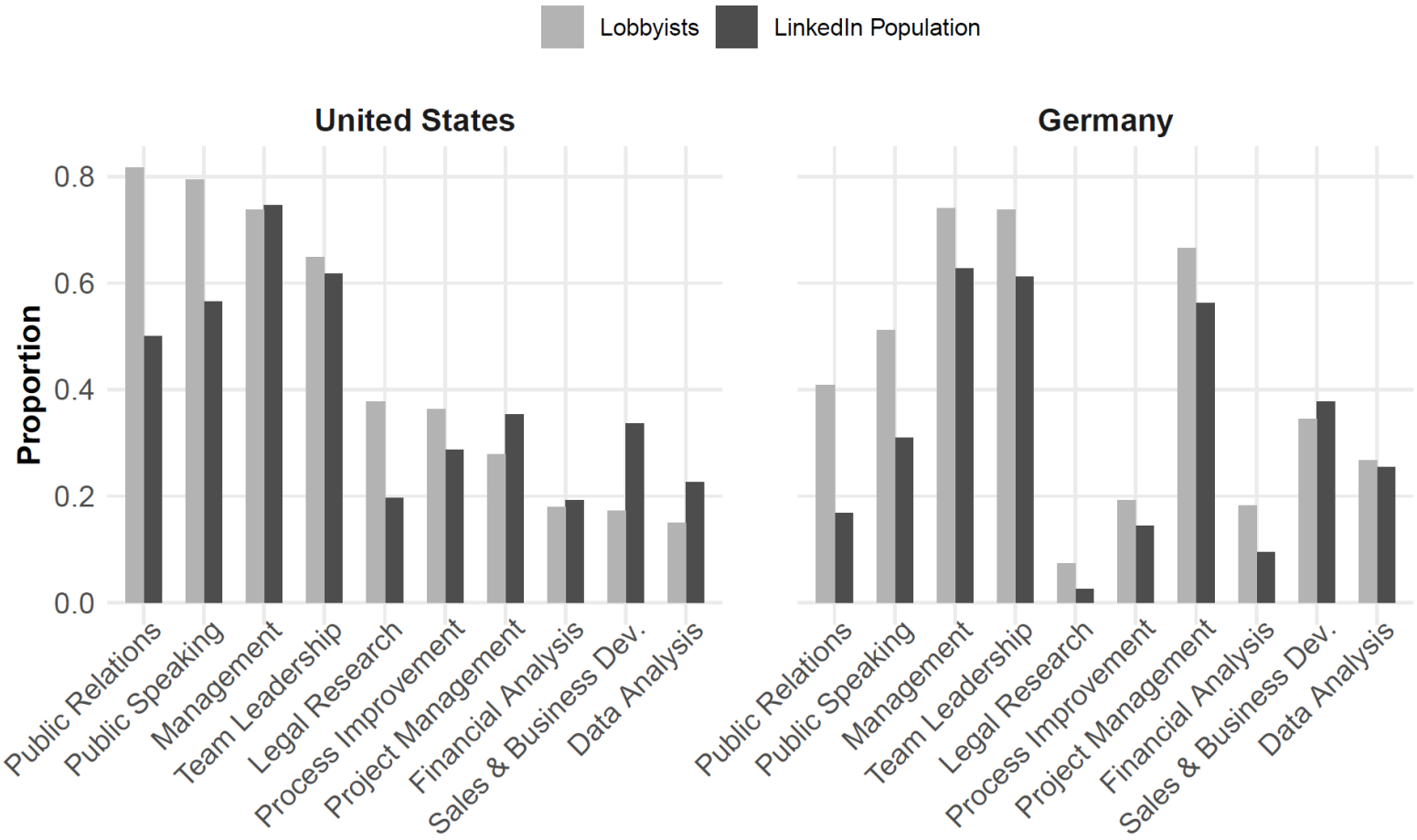

→ Less soft skills, more general management skills in Germany. More legal skills among U.S. lobbyists.

Difference-in-Differences Analysis

- **Difference-in-Differences** (Callaway and Sant'Anna, 2021)

$$Lobbyist_{it} = \alpha_i + \lambda_t + \sum_{k \neq -1} \delta_k Political\ Job_{it}^k + \epsilon_{it}$$

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  - Time frames: 2008-2023 (Germany); 2008-2020 (US)
  - Control: *never-treated* individuals

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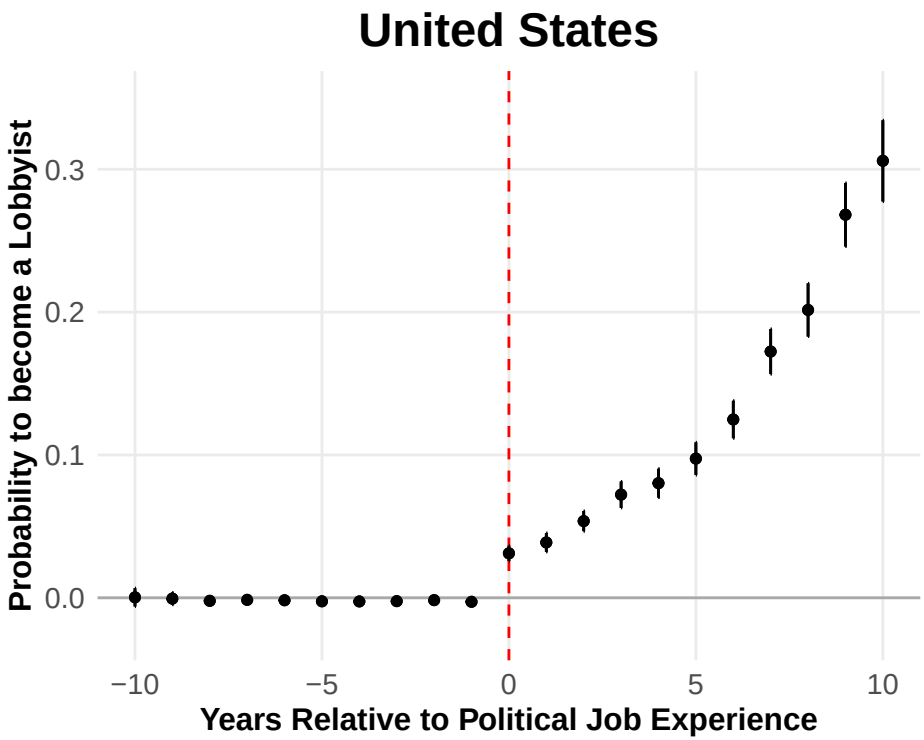

→ Individuals with a pol. job experience, see an increase of **0.13 (US)**. ($\mu = 0.029$), compared to **0.056 (DE)** ($\mu = 0.027$) in the prob. to become a lobbyist (ATT).

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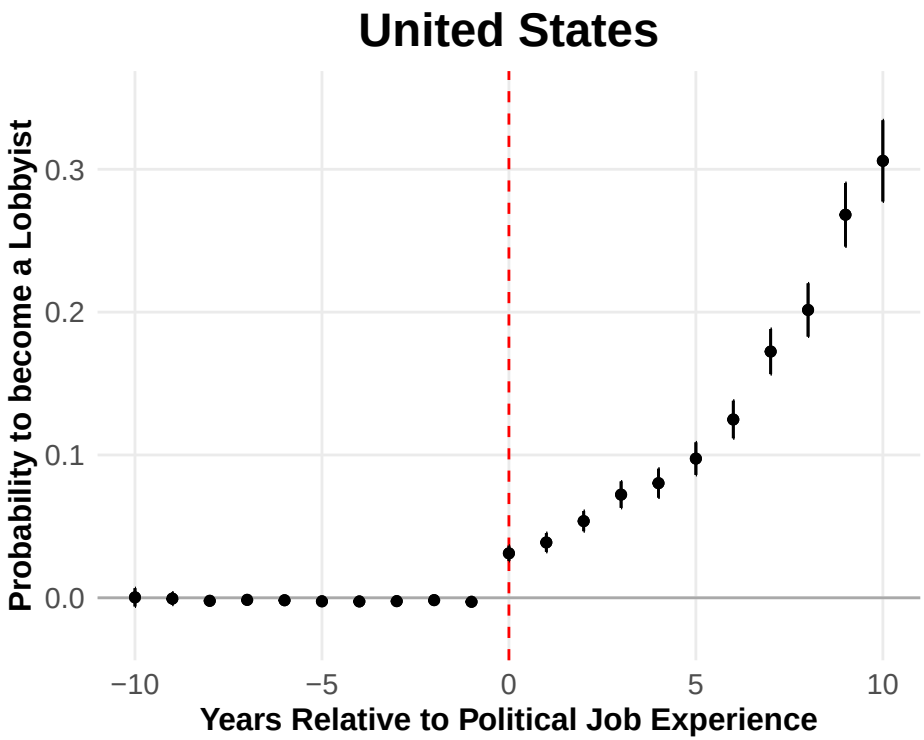

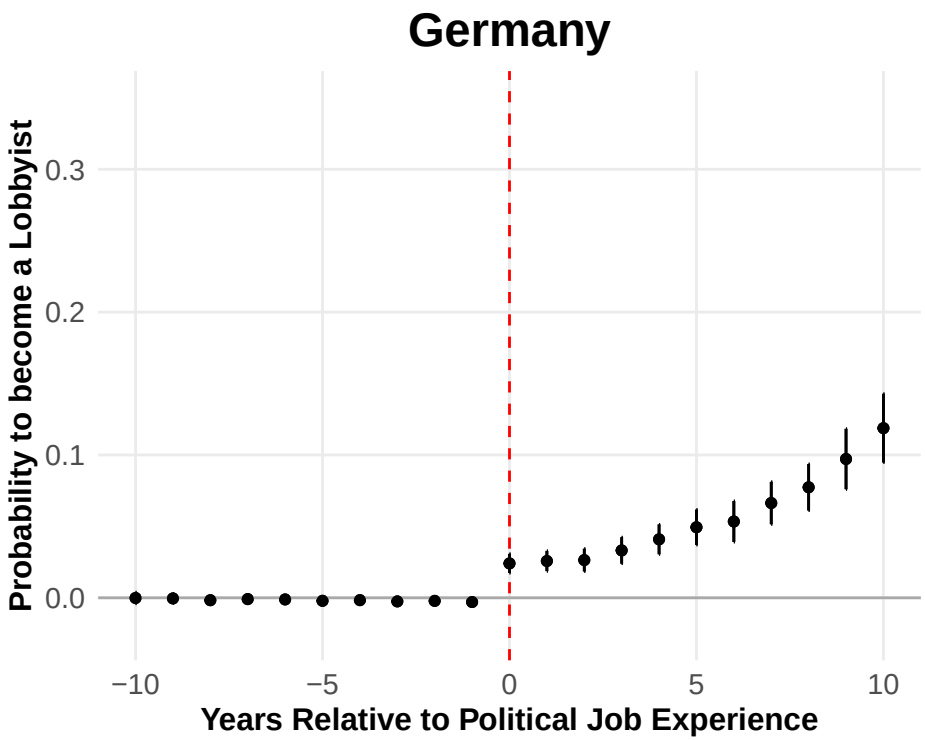

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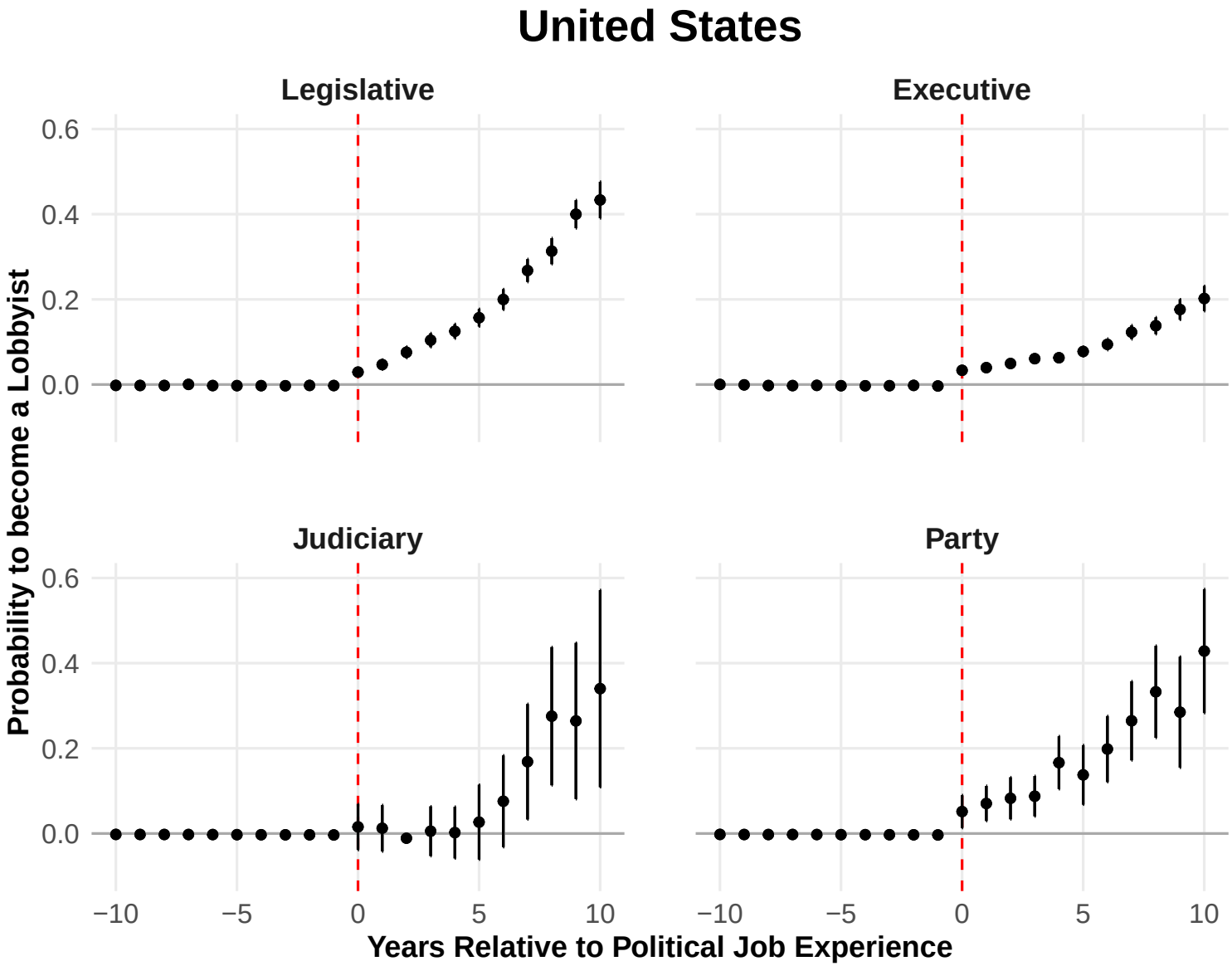

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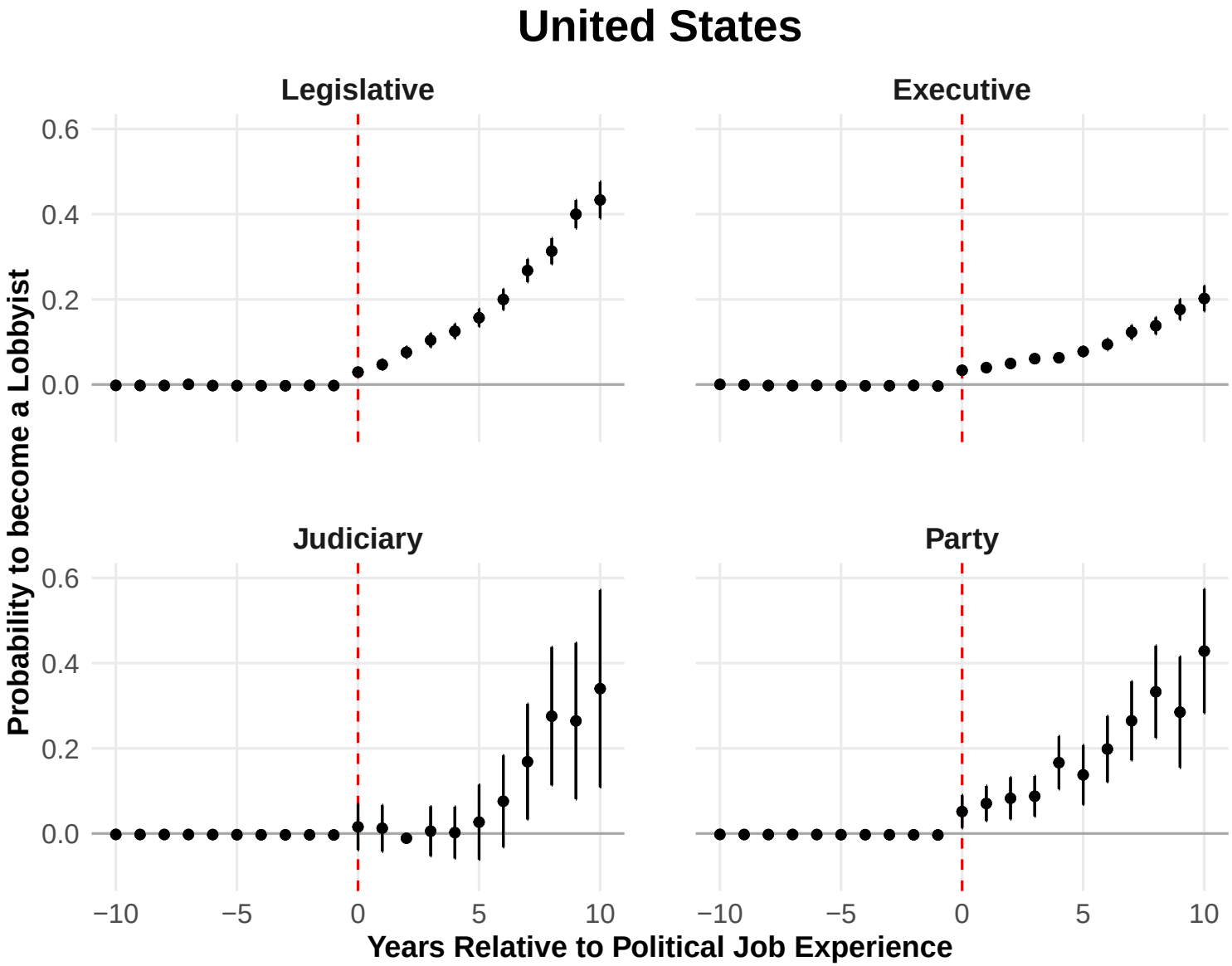

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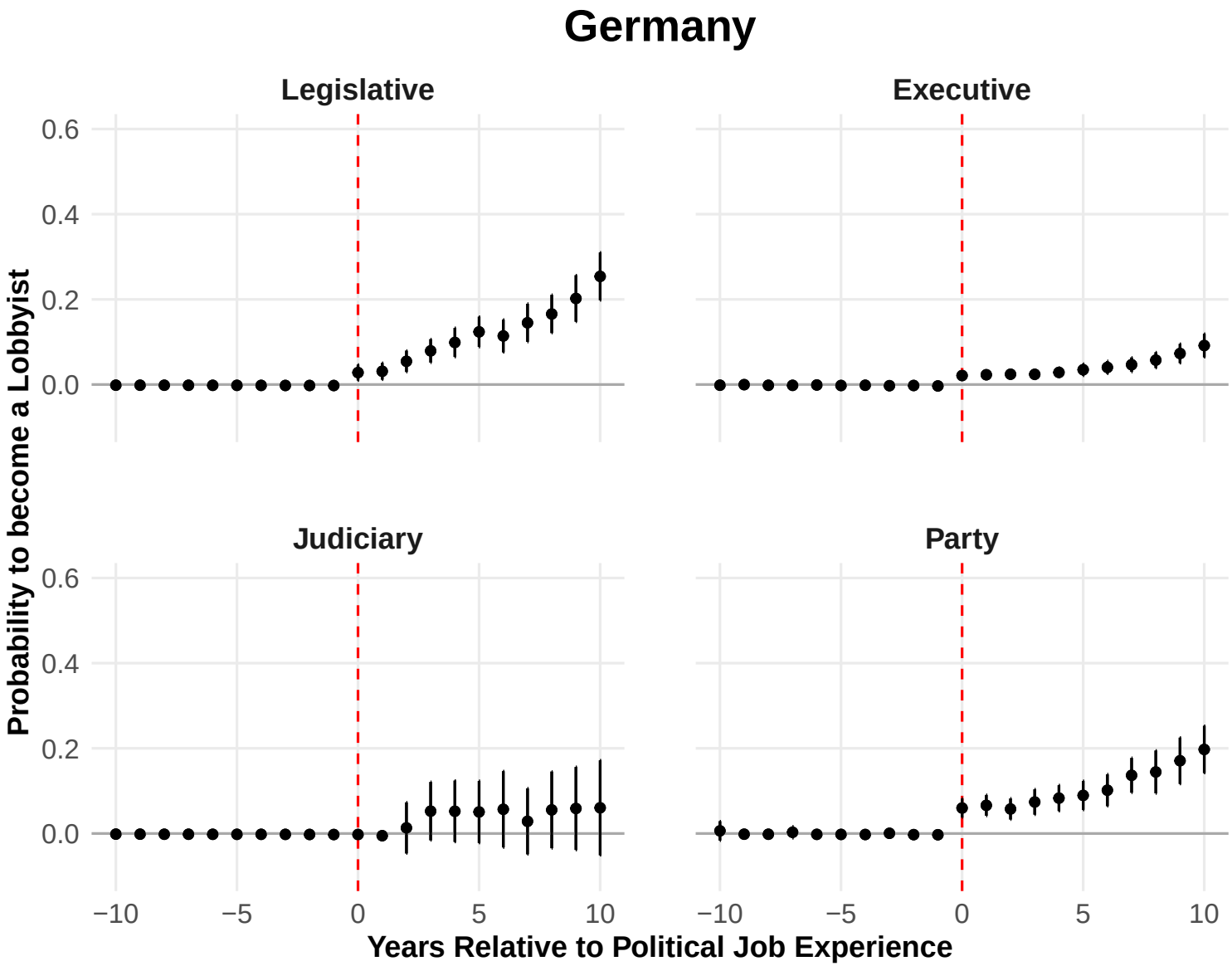

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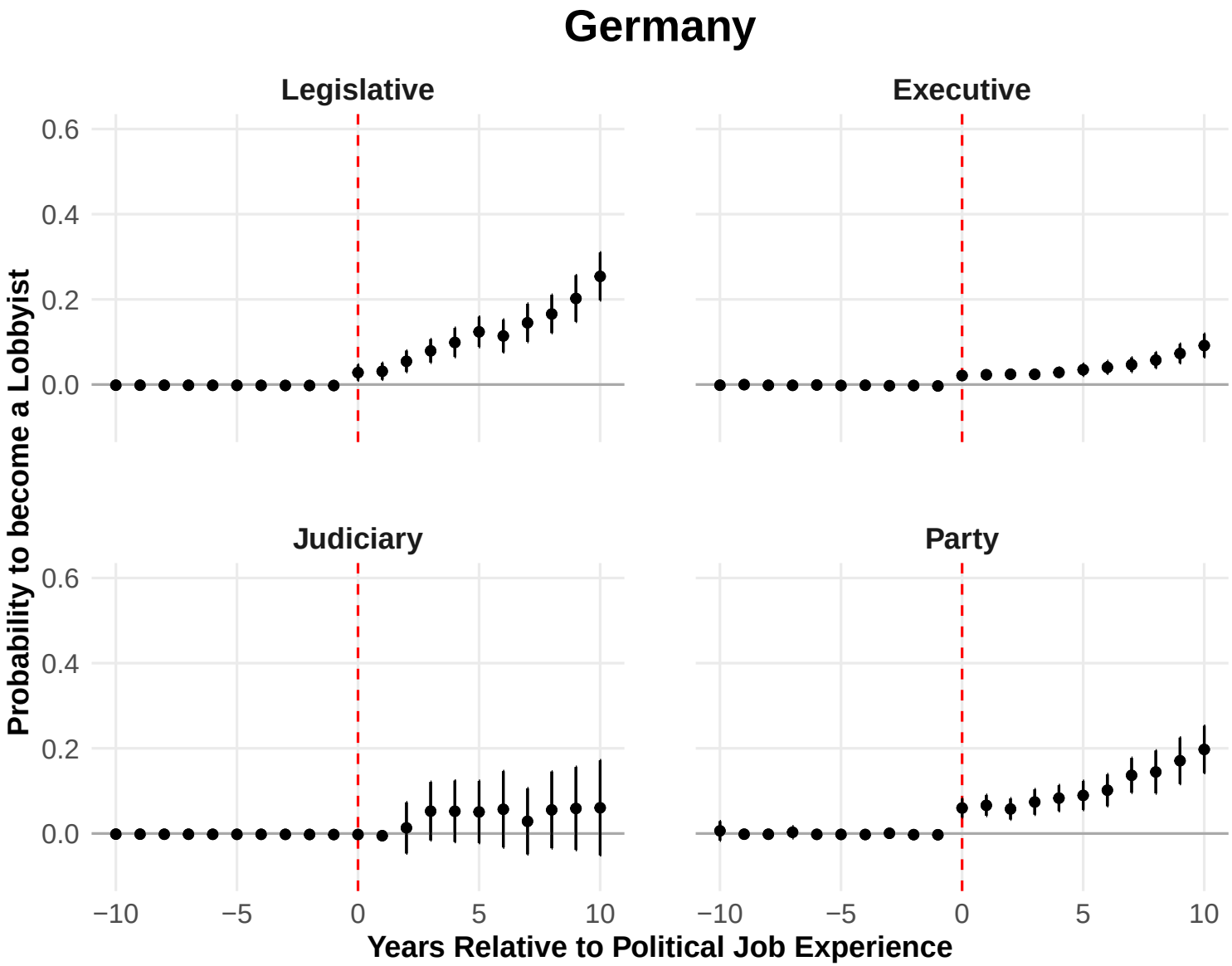

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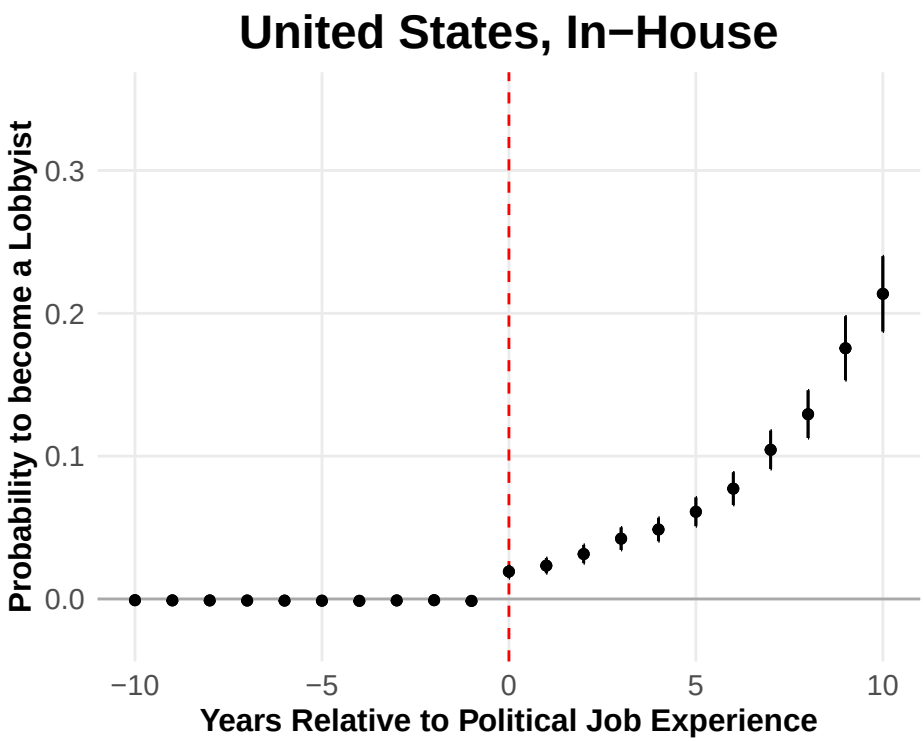

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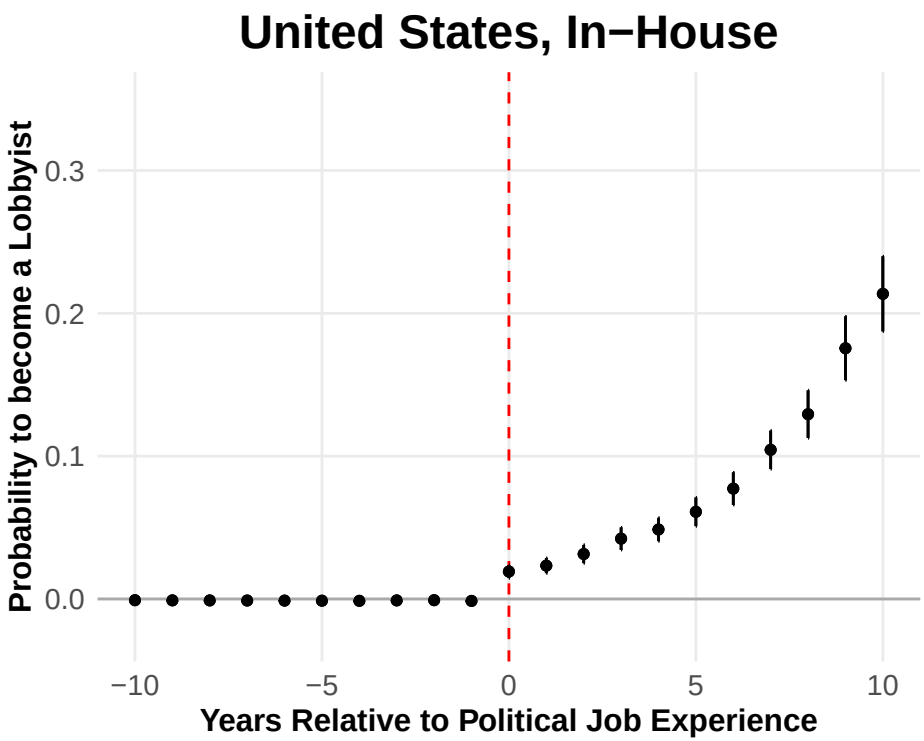

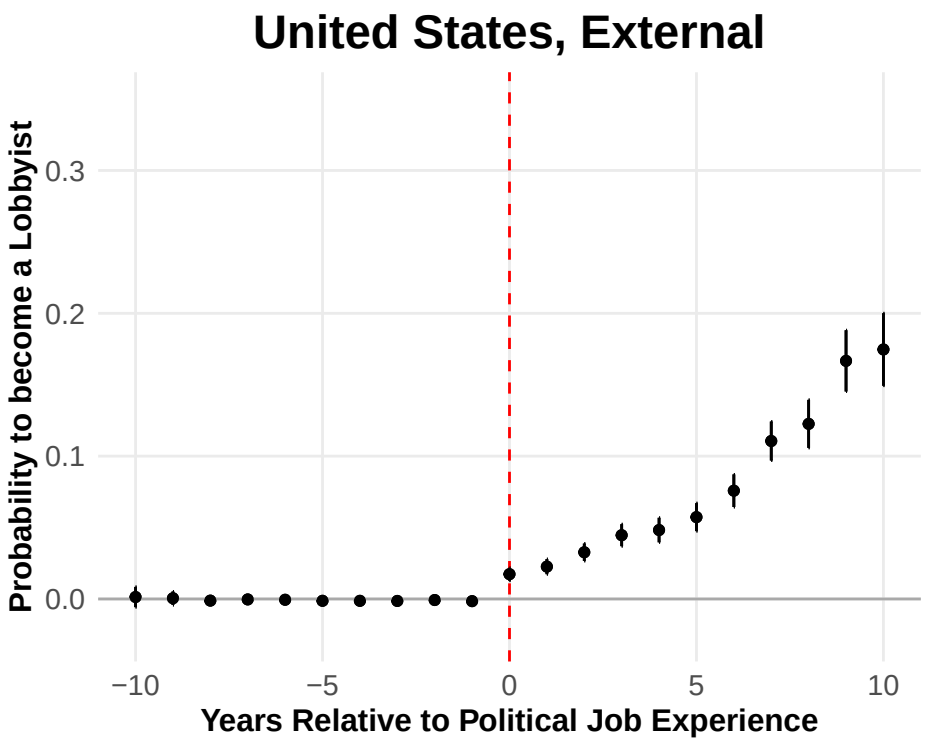

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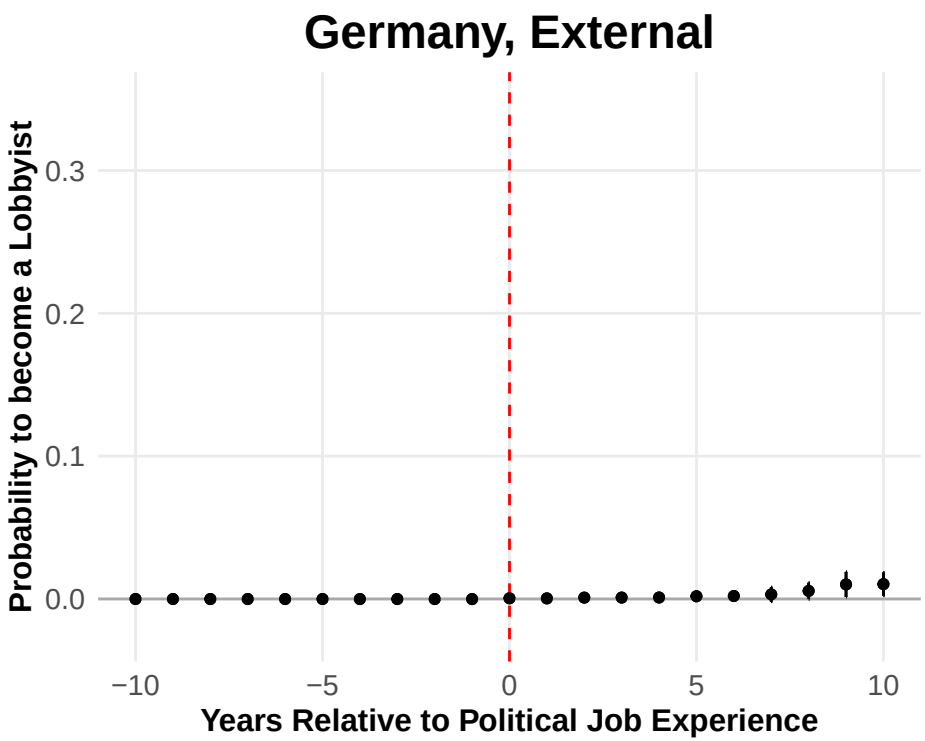

Thank You

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Jan Stuckatz: js.egb@cbs.dk

Heike Klüver: heike.kluever@hu-berlin.de

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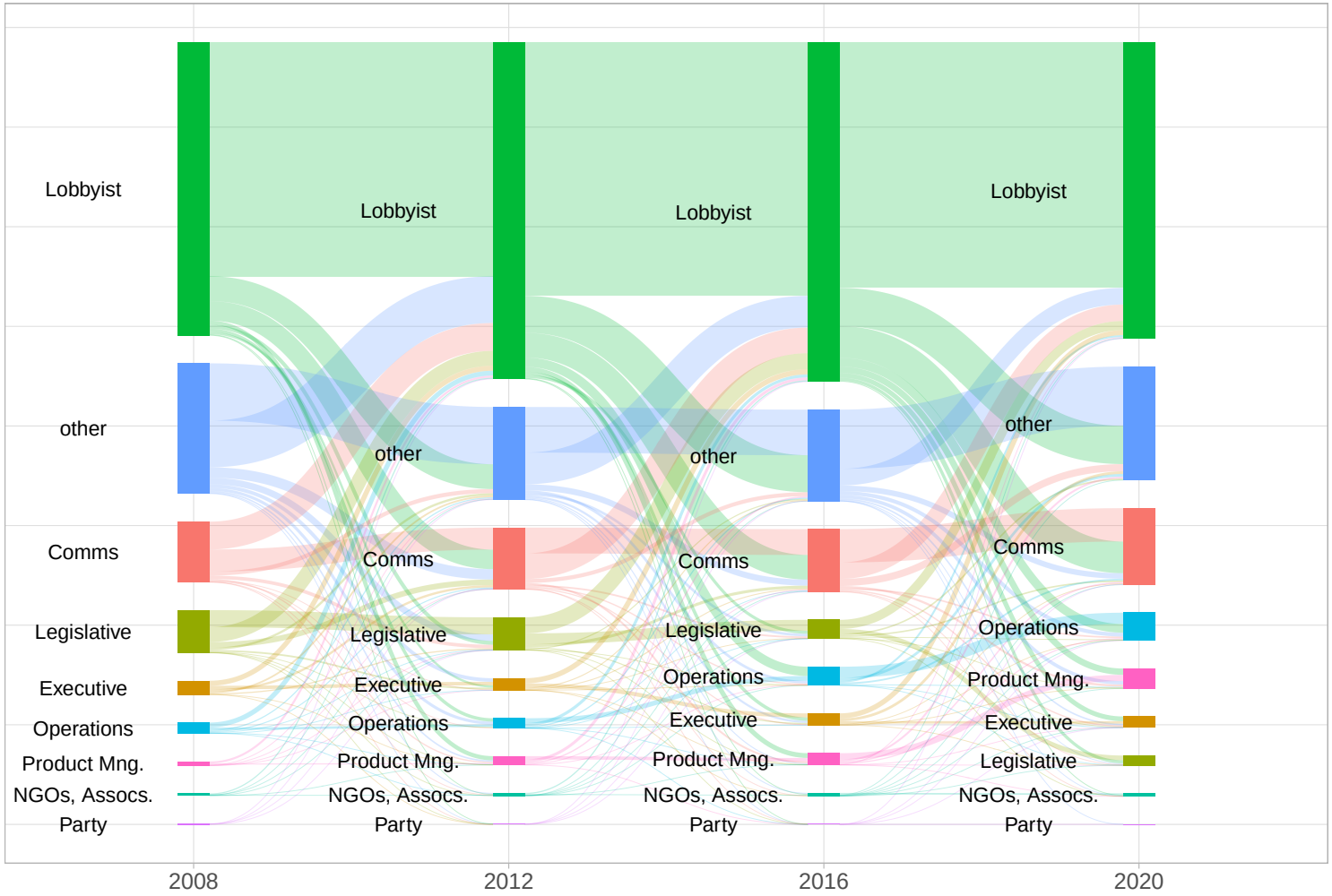
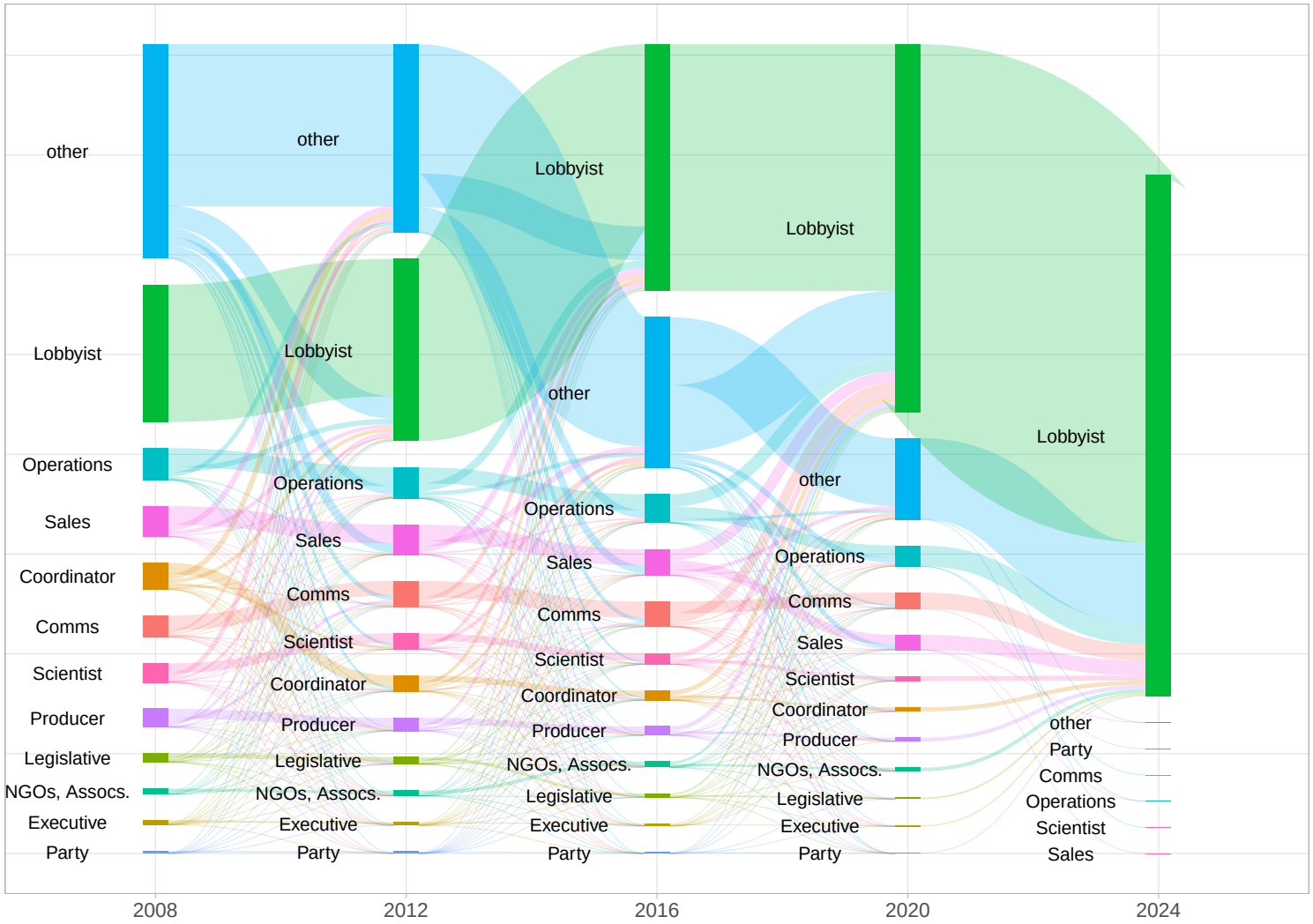
Descriptives: U.S. Lobbyist Career Trajectories

Lobbyist Career Path Transitions, United States



Descriptives: German Lobbyist Career Trajectories

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