

Descriptive Accounts of Canadian Lobbying, 1996-2016

By Lachlan Jay Mackinnon

An essay submitted to the Department of Economics in partial requirement for the degree
of Master of Arts

Queen's University
Kingston, Ontario, Canada
August 2016

Copyright © Lachlan Jay Mackinnon 2016

Acknowledgements:

I would like to extend my sincere thanks to Christopher Cotton for his mentorship and guidance as I wrote this essay. He was very helpful. I would also like to thank my friends and family for supporting me as I worked on the following essay.

ABSTRACT:

In this essay I describe data found in the Canadian Lobbying Registry. I summarize selected American lobbying theory and consider how it might apply to Canada, given different regulatory regimes. I show evidence that Canadian lobbying potentially influences billions of dollars of government budgets, and show that correlation exists between government funding and characteristics found in lobbying registrations. I find mixed evidence that in-house lobbyists are associated with increased funding and that a higher quantity of communication reports filed is associated with more funding. I find no statistically significant evidence that hiring former DPOHs is associated with a funding premium. I end the essay with a prescription for the direction of future Canadian lobbying research.

Table of Contents

1. Intro	1
1.1 Lobbying: Threat to Democracy?	1
1.2 Who are lobbyists?	2
1.3 Overview of the Essay	3
2. Lobbying Literature and Historical Context	4
2.1 Money for Policy: Public Choice, Rent-Seeking, and Exchange Theories	5
2.2 Information Games, Lobbying as Persuasion, and Legislative Subsidy	7
2.3 Revolving Doors	9
2.4 Empirical Accounts	9
2.5 The Lobbying Act: Canadian Law and Literature	11
3 Canadian Lobbying: A Summary of the Data	14
3.1 Data Source	14
3.2 How Much Lobbying is Taking Place?	14
3.3 What do We Know about Registered Lobbyists?	16
3.4 Who is Being Lobbied?	17
3.5 Who is Hiring Lobbyists?	20
3.6 When does Lobbying Occur?	22
3.7 What Sorts of Issues do Lobbyists and Politicians Discuss?	24
3.8 How Much Money does Lobbying Influence?	25
4 Government Funding as Determined by Lobbying	29
4.1 Static Model and Caveat About Correlation-Causation	29
4.2 Regressing Government Funding	31
4.3 Assumptions of the Regression and Potential Econometric Issues	32
4.4 Regression Results	33
DPOH Dummy	34
Lobbyist Type	35
Total Lobbying	35
4.5 Implications with Respect to Existing Literature	36
5. Questions Raised and Directions for Canadian Research	36
5.1 Registry Data Improvement and Standardization	37
5.2 Dynamic Models	37
5.3 Collection of New Data	38
6. Conclusion	38
Bibliography	41
Appendix 1 - Lobbying Nomenclature as Defined in The Lobbying Act	44
Appendix 2 - DPOH Designated Positions	45

1. Intro

1.1 Lobbying: Threat to Democracy?

A spectre is haunting democracy – the spectre of lobbying.

Cynicism about politics seems to be on the rise. In a 2016 Gallup poll, Americans were asked to “rate the honesty and ethical standards of people in different fields.”¹ Topping the poll’s rankings were doctors, teachers, nurses and military service men, as one might expect. In the middle, jobs like bankers, auto mechanics, and nursing home employees were considered moderately ethical. Near the bottom of the list were politicians. It was revealed that only 9 percent of respondents believed that congressmen had above average levels of honesty or ethical standards. Similar levels of distrust were expressed for other politicians such as senators or local officials. Lest the reader get the idea that politicians are the worst viewed professional in the United States, it should be noted that politicians were not the least trusted profession on the list. That dubious honour fell upon Lobbyists, right behind Car Salesmen.

While citizen mistrust of the political system seems so pervasive as to border on cliché, I think it is still an issue that should give readers pause. Representative Democracy condenses a great deal of power into the hands of a very small minority. Is mistrust of the political system warranted? If so, should something be changed?

I suspect that perceptions of lobbying are intertwined with larger issues of trust with respect to politics around the world, including Canada. Lobbyists are discussed by the

¹ This poll can be found at <http://www.gallup.com/poll/103123/lobbyists-debut-bottom-honesty-ethics-list.aspx>

“chattering classes” as though they were the devils on the shoulder of every politician, convincing otherwise reasonable people to sell out the hopes and dreams of their constituencies for a quick buck. The reader need not look far to find plenty of examples of lobbyists in the western pop culture canon who play the role of a crook, thief, liar or corrupter.²

The essence of lobbying is probably less nefarious than it might appear. Lobbying has potentially changed a great deal in recent times. Many countries, including Canada, the United States and most of the EU have regulation in place that restricts, and makes more transparent, the effects of lobbying. Undoubtedly lobbyists have the ability to influence policy in the interests of powerful unelected players; however, it is difficult to prove that the influence and power lobbyists have is disproportionate or undesirable. I encourage the reader to consider what a country without lobbying might look like, and critically evaluate what might be lost in such a world. Entrenched systems of power and influence are often easier to criticize than they are to fix.

1.2 Who are lobbyists?

The question of who lobbyists *are*, and what lobbying *is*, can be more complicated than it might at first seem. Broadly speaking, lobbying is a set of intentional actions with the purpose of influencing the government. However there are many activities that could fit this criterion that we might not think of as lobbying, such as voting, journalism, political protest, etc. We probably want to narrow our definition of lobbying if we plan to research lobbying empirically.

² One of my favorite examples of mainstream pejorative depictions of lobbying is *The Simpsons* episode *Mr. Lisa Goes to Washington*, in which a briefcase full of cash is handed off from lobbyist to congressman in exchange for a logging permit, causing the titular protagonist to give up on her idealistic vision of politics. Another good example of a lobbyist archetype can be found in the 2006 film *Thank You for Smoking*, where lobbyists representing the gun, tobacco and automobile lobbies are shown knowingly spreading disinformation and manipulating the political system.

In this paper I use the word lobbyist to denote specialists possessing resources and skills that allow them to persuade politicians to alter or re-prioritize their legislative agenda in ways that conform to the desires of the lobbyist or their employer. I believe this definition represents the act of lobbying in a way that is consistent with Canada's Lobbying Act and the activities covered in the lobbyist registry.

Is lobbying good? Is lobbying democratic? After studying the subject for months I am more uncertain about the answers to these questions than I was before I started. In the face of value questions of this sort, I challenge the reader to deconstruct what exactly it is about lobbying that might subvert the ideals of a free and democratic society. Lobbying allows for citizens as individuals or groups to communicate their desires with their representatives. Some would even call lobbying an expression of free speech. Whether this comes at the expense of societal aggregate welfare is something that seems unsettled, both in theory and empirically.

1.3 Overview of the Essay

In this essay, I will attempt to give a brief survey of current lobbying research and theory for the uninitiated. I will attempt to frame my research from a Canadian perspective, in juxtaposition with an American dominated literature on lobbying. Existing lobbying literature is vast, especially the theoretical literature, and a more comprehensive review is not practical in this context. I will therefore attempt to address the parts of the literature that I think could help policy makers who wish to understand and quantify the influence of lobbying in a Canadian context, should they so desire. I will describe a few theories of lobbying for the reader to have context for the elements I search for in the data set, such as a revolving door effect and evidence of rent-seeking. I will also go over a few American empirical papers so that the reader has a basis of comparison for my findings.

This will hopefully prove useful to those who wish to understand and improve the Canadian lobbying regulatory system, as well as those who would like to compare Canada's lobbying experience with the experience of other nations.

After a description of some lobbying theory and research, I will go over descriptive statistics to help the reader understand what type of data is available in the Canadian Lobbying Registry. It is my belief that there are no economics papers that conduct empirical analysis of this data source, which should make these statistics novel to most readers. In a following chapter, I conduct a handful of linear regressions to get a sense of the relationships between key variables in the registry. It is my hope that these regressions will help demonstrate the potential of Canadian data to test lobbying theories.

In the final section I will outline what future Canadian lobbying research might look like and what questions might be answerable if sufficient resources are devoted to their study. I hope that this essay might act as a springboard to future research into the Canadian experience with lobbying, an area of study that is currently underdeveloped.

2. Lobbying Literature and Historical Context

As previously stated, there is a large volume of literature surrounding the many questions asked about lobbying, and I stress that the majority of lobbying literature is not included in my review. I will try to contextualize my essay with a few key arguments that might be related to observables in the Canadian data, as well as with some general theoretical foundations.

2.1 Money for Policy: Public Choice, Rent-Seeking, and Exchange Theories

Broadly speaking, we can characterize many theoretical approaches to modelling lobbying, including early public choice and rent-seeking models, as “money for policy” or exchange models. A characteristic link between these models is that they assume that some politicians are willing to act in the interest of lobbyists through voting or policy proposal, if the incentive is appropriate. While the politician may have a set of policy preferences, it is assumed that they might be willing to bend these preferences in some way if offered the correct incentives by the lobbyist. These models generally create a market for the power a politician has, and view lobbyists as the demand side of such markets.

The popularity of public choice theory seems to have defined this direction in many early lobbying economics papers. Public choice encouraged economists to attempt to solve problems that were previously the domain of political scientists by making assumptions about voters, politicians, lobbyists and other actors as rational economic beings, and fitting them into different micro models.

An important idea that needs to be understood when dealing with lobbying literature is the concept of rent-seeking. Rent-seeking is a term denoting the profiting off of government activities through actions that generate no economic benefit. Some theories of lobbying have characterized the lobbyist as a component of rent seeking, allowing special interests to compete for government resources, while only needing to exchange payment with politician to receive special treatment. Rent-seeking, as a way of viewing lobbyist-politician interaction, becomes more concerning as we consider larger and larger government resource pools. For example, if we considered the 10.6 billion dollar (CDN) bailout of the Canadian auto industry in 2010 as rent-seeking, Canadian taxpayers might fear that a great deal of their communal resources are being divided up by an elite minority for personal benefit.

Examples of papers that consider lobbying as rent-seeking or policy purchase include Becker (1983), Peltzman (1976), Tullock et al. (1980), Baye et al. (1993), Grossman and Helpman (1996) or Conlon and Pecorino (2004).³ In these papers resources are expended by lobbyists competing to access government funds by way of rent-seeking politicians, without contributing anything to the aggregate economy.⁴ Assuming perfect information, and financially motivated politicians, it is easy to show that lobbying leads to inefficiency and non socially optimal policy formation.

These rent-seeking, rational-choice type models seem to have lost favour in more recent times. Models that attribute policy creation to simple remunerative or re-election focussed incentive structures fail to account for the range of ethical, moral, political, ideological and other psycho-cognitive motivations that might need to be understood to effectively attribute causality to patterns of lobbying. They seem to present politicians and lobbyists as bloodsucking parasites leeching off the public dime. While it would be easy to find anecdotal evidence of bribery or other questionable lobbying behaviour, most political scientists and economists seem too attribute policy maker behaviour to a more diverse set of influences. It is also an empirically observable fact, pointed out in papers such as Austen-Smith and Wright (1994) that the majority of lobbying seems to focus on politicians whose politics already align with the lobbyist's position, whereas money-for-policy models might suggest that lobbying those who are opposed to a lobbyist's proposal would be the lobbyist's best strategy. While I appreciate a desire of economists to reduce lobbying to a rent-seeking

³ Interestingly, Tullock, a seminal figure in the Public Choice literature also notes that lobbying expenditure is relatively low, compared to its potential payoffs. "Tullock's Paradox" seems to have partly influenced the shift away from public choice models of lobbying.

⁴ While politicians might still have policy preferences in some models, they are willing to bend these to some degree. This is in contrast to a model like legislative subsidy where a politician has a defined set of policy preferences, that need not change, only to be reprioritized.

market, I, and many others see a need to move past these models and account for a broader definition of rational action.⁵

2.2 Information Games, Lobbying as Persuasion, and Legislative Subsidy

As one moves away from theories assuming that lobbying is (more or less) a method of bribery or rent-seeking competition, new theories are needed to account for its existence. Would lobbying still be possible in a system of selfless policy makers, unconcerned with monetary rewards and only with uncompromising policy objectives? It might, if we consider that politicians are time and information constrained executive decision makers. Scarcity exists, even when money or votes leave our models. The next set of theories I will discuss differ from the money for policy theories in general because of the relative importance they place on policy-maker preferences and constraints as opposed to monetary maximization problems, as well as their acknowledgement of imperfect information.

One school of lobbying theories conceptualize lobbying as persuasion, as opposed to exchange. In these models, politicians meet with lobbyists because lobbyists have access to information that might not be available to the politician. Various papers have examined the way that information can be used to persuade politicians, including Austen-Smith (1992, 1994), or Cotton and Dellis (2015). Persuasion models do not force us to consider lobbying as rent-seeking, and it can be shown in some (but not all) of these models that the information provided by lobbyists can increase aggregate welfare.

⁵ Looking at lobbying as a mostly direct way of buying policy, even if such models were effective, seems more appropriate for the United States than for Canada. The lack of cap on political expenditure in the United States, made possible by super PACs, means that money is much easier to spend on policy makers. The relatively recent *Citizens United v. Federal Election Commission*, ruling by the Supreme Court has made it easier than ever for those in the United States to spend money on political figures. Canadian laws put comparatively small limits on campaign contributions and do not allow super PACs. As of the writing of this essay, Canadians could only donate \$1,525 annually to a party or candidate.

In Hall and Deardorff (2006), lobbying is proposed as a legislative subsidy. Their model assumes that legislators want to enact a set of policies, but are constrained by time and other binding constraints and are thus unable to enact all their desired policies. They must therefore choose which legislation to work on by solving constrained optimization problems. Their legislative agenda is therefore a function of their policy preferences, as well as the cost of developing a policy or piece of legislation. Lobbyists are specialists who assist those politicians who would enact favourable legislation, but might not be able to due to the constraints imposed upon them. By reducing the cost of enacting a specific policy, lobbyists alter the way politicians allocate their resources to their legislative schedule. Like persuasion models, Legislative Subsidy is interesting because it presents a lobbyist who is not necessarily a rent-seeker. By assisting politicians in enacting policies, the lobbyist does not, by necessity, create inefficiency in a political system, and can in some cases improve it. See Groll and Ellis (2016) for a mathematical treatment of how such activities can be welfare improving.

My current belief is that in order to bridge a gap between theories and practice, it is important to be humble and keep in mind the complexity of the political systems within which lobbying occurs. The considerable amount of lobbyists, policymakers and organizations that coexist in the systems called lobbying mean that a one-model-fits-all approach might not be effective. If lobbying laws need to be changed, lawmakers will benefit more from empirical evidence of systemic flaws than from the many different micro models currently proposed. Empirical examples will better illustrate paths forward for the refining and critiquing of lobbying systems both in Canada and abroad.

2.3 Revolving Doors

Let us consider what makes an effective lobbyist. An area of interest and concern for those who observe lobbyists is the existence of a “revolving door”, whereby those leaving the government are able to obtain jobs as lobbyists, using their connection to politicians and policymakers to more effectively lobby. This is concerning, especially if we see lobbying as rent-seeking, due to the disproportionate knowledge and influence that these individuals might still possess, allowing them to more effectively manipulate the policy making sphere for private benefit. Vidal et al. (2012) finds evidence of a salary premium for lobbyists proportional to the number of connections they have with senators and congressmen.⁶ There is also evidence in Trebbi et al. (2014) that government and political connections are more valuable than specialized issue based knowledge when regressing lobbyist salaries. I find the question of whether lobbyists with former government ties have an advantage when lobbying interesting and worth pursuing in my analysis of the Canadian Data.

2.4 Empirical Accounts

There are many good empirical accounts of lobbying that analyze American data. Some of these papers pose questions that can be applied to Canadian data as well. However one must be wary of assuming that the same approaches can work in all cases, given the different legal contexts that define each country. What follow are a few strong empirically focussed American papers that influenced my exploration of Canadian data.

A good place to start for those interested in the empirics of lobbying is Richter and de Figueiredo (2013). They attempt to summarize the main points of agreement among empirical lobbying papers. The first main point they identify is that lobbying expenditure in

⁶ It should be noted that a salary premium and political connections might both be correlated by some 3rd omitted factor, such as employee quality, intelligence or political motivation. As I will show later in this paper, evidence of former political connections being exploited for lobbying purposes remains inconclusive.

the United States is relatively large, compared to other forms of political expenditure. United States federal lobbying was worth more than 3.5 billion (USD) in 2013. The majority of lobbying (84%) is on behalf of corporations, and corporations tend to have their own lobbyists rather than hire consultants due to the specialized nature of the required advocacy. Perhaps most relevant to my paper, the authors discover that the total amount of lobbying is correlated to the importance of the legislative issue at stake, and correlated with budgeting cycles. The more a company or group has to gain from lobbying, the more likely they are to lobby. This might seem obvious, but it is worth stating explicitly. Lobbying for government budgets is an activity I examine later in this paper.

Trebbi et al. (2014) attempted to figure out whether lobbyists were hired for their knowledge on issues or for their connections with politicians, by regressing lobbyist wages against their knowledge and connection characteristics. Data stitched together from a variety of public sources implied that connections were a far more valuable resource for lobbyists than issue specific knowledge. Assuming that lobbyists' salaries are a reflection of how much their individual skills are worth would imply that lobbyists are not necessarily information providers, but rather agents who connect corporate and political interest. While this is not bad *per se*, it does imply that politicians are not necessarily getting new information from lobbyists, and therefore we might question whether politicians would be better policy makers if they talked less to lobbyists and more to scientists and other experts.

Related to the idea that connections are a lobbyist's most valuable asset, empirical papers have attempted to quantify the previously mentioned "revolving door effect". Vidal et al. (2012) found that lobbyists previously employed by senators suffered a 24% drop in earnings when their previous employer left elected public office. This suggests that lobbying

capitalizes on political connections. It could be the case however that the connections allow for a clear signal of informational quality and thus might be desirable. The lobbyist's relationship with the politician might make the lobbyist more trustworthy than other information sources available to the politician, leading to a better-informed policy maker.

One paper that precedes mine by looking at the returns to lobbying is De Figueiredo (2002), which considers how lobbying expenditure affects federal "earmarks" for Universities. They use US lobbying registrations and find evidence of returns to lobbying that greatly exceed lobbying expenditure, in some cases. Kang (2016) also finds evidence of returns to lobbying that exceed expenditure when looking at the US electrical sector.

2.5 The Lobbying Act: Canadian Law and Literature

The *Lobbying Act* is the document establishing the rules that govern lobbying in Canada. Its first manifestation *The Lobbyist Registry Act* was passed in 1989 and has received multiple edits over the last twenty years. It identifies that lobbying is a legitimate activity, given that open access to government is an important feature of Canadian democracy, but also acknowledges the need for accountability concerning such activities. The Act applies to individuals who are paid to lobby. People who lobby on a voluntary basis are not required to register. The act attempts to establish accountability by forcing all lobbyists to register their activities, and requires a commissioner of lobbying to maintain a registry for public access. For a complete history of Canadian legislation, readers are encouraged to read the annotated act available on the website of the Lobbying Commissioner.⁷

The Canadian experience of lobbying is similar, but in many ways distinct from the American one. Institutional differences mean that the insights of American papers do not

⁷ <https://lobbycanada.gc.ca>

necessarily carry over Canadian context. In Figure 1, I outline key legal differences between Canadian and American lobbying laws (the Lobbying Act and the Lobbying Disclosure act, respectively). An understanding of these differences is critical for Canadians who wish to learn the right lessons from American papers. For those who wish to read papers comparing the two regulatory regimes, I suggest starting with Holman and Luneburg (2012) or Chari et al. (2007).

Figure 1

Feature:	Canada	The United States
Public Disclosure of Lobbying Expenses (i.e. Lobbyist Salary/ Political Campaign Contributions, etc...)	No	Yes
Campaign Contribution Limits	Yes	No * 8
Disclosure of Lobbying Methods in Registrations	Yes	No
Disclosure of the Names of Officials Being Lobbied	Yes	No
Lobbyist Code of Conduct	Yes	No
Disclosure of Government Funding in Registration	Yes	No
5 Year Ban on Lobbying for DPOHs	Yes	No

Note: This table includes insights from a similar table found in Luneburg (2012).

One interesting feature of Canadian law is a 5-year ban on Designated Public Office Holders (DPOHs). A DPOH is essentially anyone with whom communication under set circumstances would by law necessitate the filing of a communication report by a lobbyist. They are upper level politicians and bureaucrats who hold significant power. The idea of the 5-year ban, as far as I can tell, is to limit the influence that such individuals have, by removing them from the lobbying market at the time they would likely wield the most influence. It is worth noting that not all government figures qualify as DPOHs. For a comprehensive definition of who qualifies for DPOH status, consult Appendix 2.

A key feature of American lobbying research is the disclosure of lobbyist salaries. This feature means that many empirical papers are well equipped to observe the lobbyist as

⁸ The existence of super PACs in the United States means that there is arguably no effective limit on the amount of money that can be spent on supporting a candidate.

an actor, in a way that Canadian data cannot. American data, however, is not as well equipped to quantify the lobbyist's influence. The Canadian registry lists many things that American data does not, such as who is being lobbied and how they are being lobbied. The Canadian data is exciting and different because it allows for easy research into the ways lobbying affects public expenditure.⁹

The amount of money that is potentially influenced by lobbying is very large (as I will explain later in this paper). An improved understanding of how lobbyists influence public expenditures could ensure a more efficient allocation of billions of dollars in public resources. If we accept that lobbying is a practice that will continue for decades or centuries, it is easy to see why we would want to quantify its effects, to reduce rent-seeking and other inefficiencies.

Most attempts to understand Canadian lobbying have not focussed on analyzing the data found in the registry. There have been some papers that compare Canadian lobbying laws to other lobbying regimes around the world, i.e. Presthlow (1974), Charj et al. (2007), or Holman and Lune (2011), but offer no empirical account of the results found in registries. Others such as Stark (1992), Yerxa and Marita (1994) or Thurslow (2010) address legal, or political concerns within Canada, but I have found none that make use of the abundance of Canadian lobbying data. The need exists for an in-depth analysis of the lobbying registry by economists or political scientists in order for academics to more completely understand lobbying and how Canadian law affects it.

⁹ I suppose it would be possible for researchers to look through federal and departmental budgets to try to trace government expenditure to all lobbying firms, but this approach seems long and arduous. Canadian registrations allow easy pairing of funding with lobbying cases.

3 Canadian Lobbying: A Summary of the Data

3.1 Data Source

The data set I am looking at is derived from (i) lobbyist registrations and (ii) communication reports that have been submitted to the office of the commissioner of lobbying in compliance with the *Lobbying Act*. I use data up to the end of 2015, although the data set is updated in real time by the commissioner's office. Data was downloaded as a series of 14 CSV files (11 Registration, 3 Communication) and manipulated in Excel. Most of the files are very large, with some exceeding 800,000 observations. Due to the size of the data set, I have not cleaned or verified the data.

The registrations are completed at the time that a lobbying contract is initiated and contains information about the lobbyist, the organization, the government body lobbied, and the goals of these interactions.

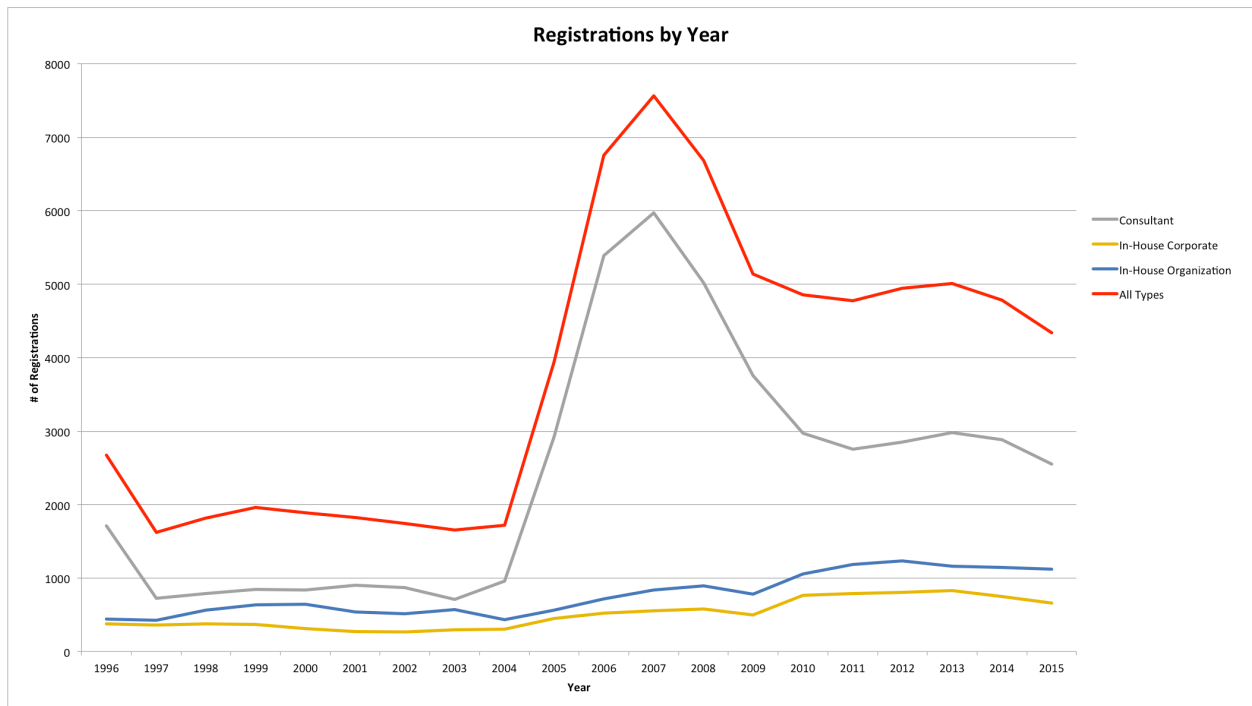
The communication reports are records of actual meetings between lobbyists and designated public office holders (DPOHs), submitted each month. The communication reports provide details of who attended a meeting, what was discussed, and what lobbying registration each meeting was associated with. They can therefore allow us to quantify the amount of work that a lobbyist has done for each contract, and allow us to observe which politicians the lobbyists are targeting.

3.2 How Much Lobbying is Taking Place?

The “amount” of lobbying occurring in Canada can be quantified in a few ways. Recall that our data set contains both lobbying registrations and communication reports. In Figures 2, the total amount of registrations per year is shown. In total, as of the beginning of 2016, 78,545 lobbying registrations have been filed. These registrations are filed when a

lobbyist takes on a new assignment for a new client. Therefore, lobbyists and organizations appear multiple times in this data. In total, 88,141 communication reports have been filed between 2008 and the beginning of 2016.

Figure 2



It is observable in Figure 2 that the amount of registrations has not been constant over time. In the early years, lobbying registrations stayed relatively constant before increasing many-fold in 2005. This is most likely caused by a change to the lobbying act in 2004 that extended the definition of lobbying, from an act with the intent to influence a politician to a new communication with designated public office holders and elected public office holders. We can see that after 2008 there is a drop in the number of registrations. We could attribute this drop to the “great recession”, or changes in the lobbying act, or some combination of both. There seems to be potential for structural break tests on this series, however analysis of this sort exceeds the scope of my essay.

3.3 What do We Know about Registered Lobbyists?

Data in the lobbyist registry allows some insight into who lobbyists are and how they fit into our political landscape. First, we can see whether a lobbyist works externally for a client as a consultant, or whether they work directly for a corporation or organization as an “in-house” lobbyist. Refer back to Figure 2 for a breakdown of lobbying registrations defined as consultant, in-house corporate or in-house organizational over time. I have also included 3, with totals from each category visible.

Figure 3- Registrations by Lobbyist Type

Lobbyist Type	Consultant	In-House Corporate	In-House Organization	Total
DPOH	955	234	447	1636
Non DPOH	50350	10506	16053	76909
Total	51305	10740	16500	78545

Notice that consultant lobbyists file the majority of lobbying registrations. This potentially contrasts with the findings of de Figueiredo et al. (2013) who claim that the majority of lobbying comes from in-house corporate lobbyists. This might highlight a national difference in lobbying behavior. It might also be difference between registering to lobby, and the actual intensity of lobbying that occurs over time for different lobbyist types.

The lobbyist registrations also tell us whether a lobbyist formerly held a position as a DPOH. Of the 78,545 registrations, lobbyists that were previously DPOHs filed only 1,636. This gives us a sense of the amount of lobbyists that might be involved in a “revolving door”. The number of lobbyists that possess DPOH status seems low given how much worry seems to be caused by the potential revolving door effect in lobbying literature. Perhaps this is a result of a 5-year ban on lobbying that imposed by the lobbying act or because DPOH status is not applied to a large number of people.

3.4 Who is Being Lobbied?

Lobbyist registrations ask lobbyists to reveal with whom they intend to communicate as part of their lobbying assignment. Additionally, communication reports record who was communicated with each month. In Figure 4 and Figure 5 I show the top 20 most lobbied government agencies, by their appearance in registrations, and in communication reports.

Figure 4

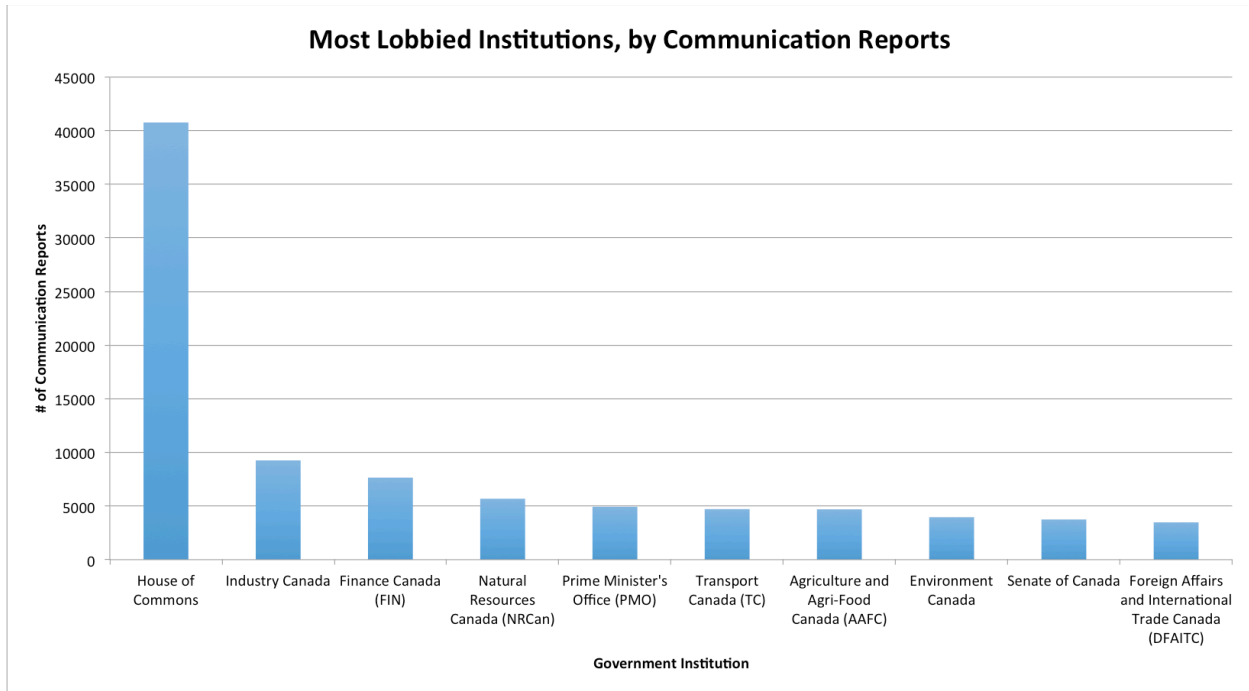
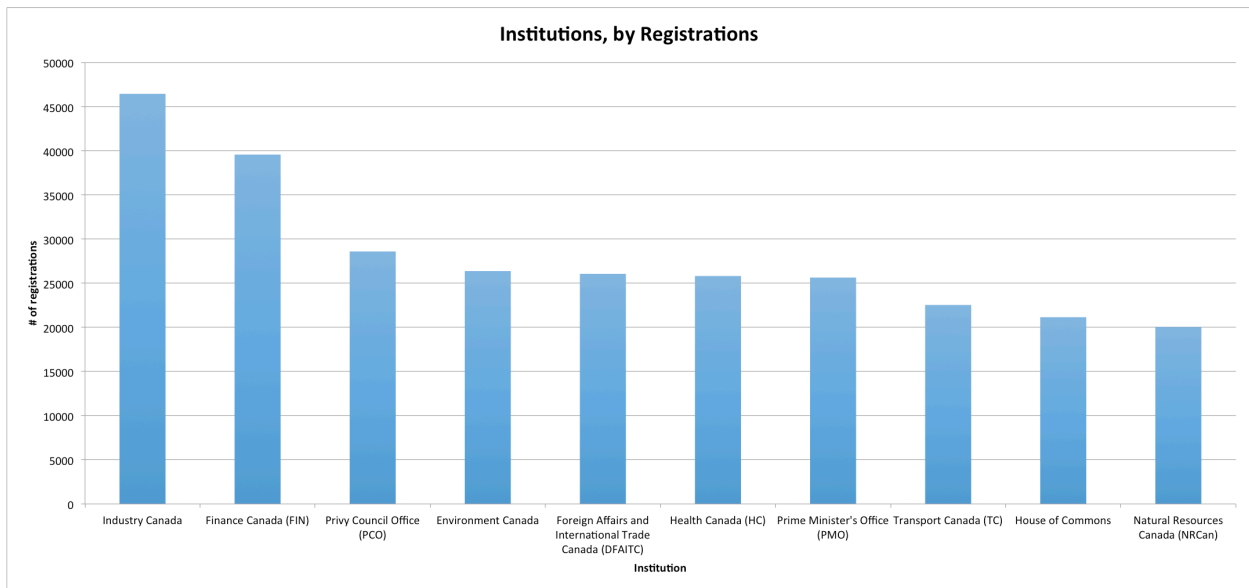


Figure 5



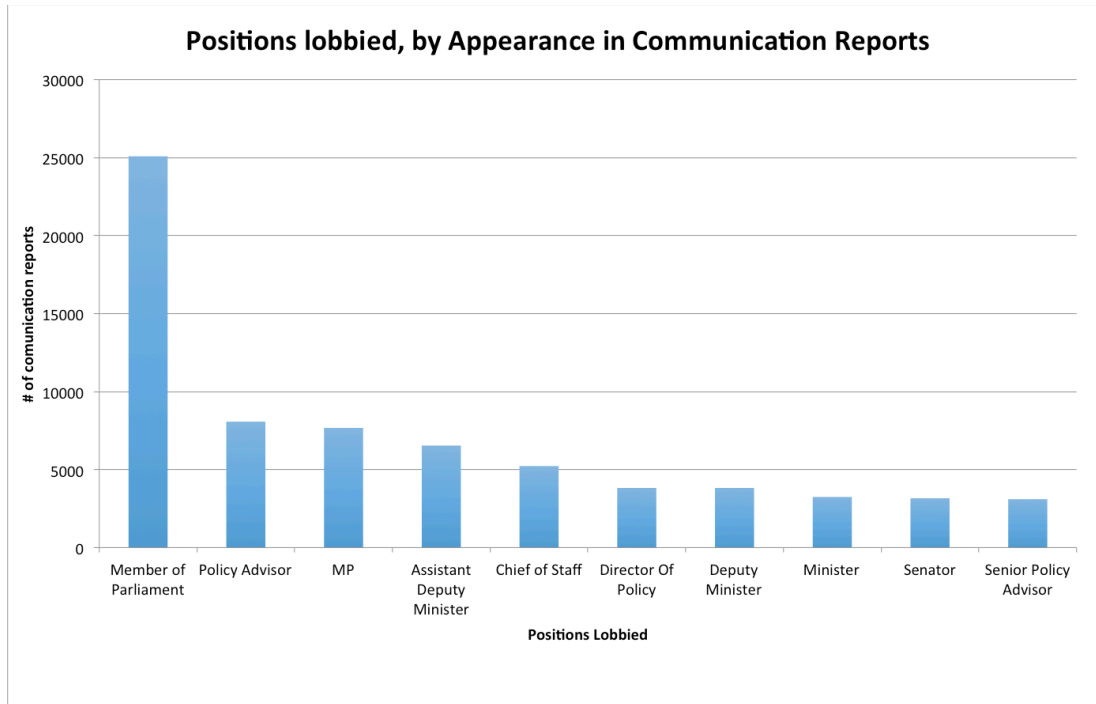
In these two tables an interesting feature of the data emerges. Note that in Figure 4 the most communicated with institution is the House of Commons. Contrast this with the House of Commons position in Figure 5 indicating it is listed much less in registrations

relative to other institutions. This raises some interesting questions. Registrations are required to be filed before lobbying action begins, while communication reports record actual lobbying activity. Communication reports are also filed monthly, so a single registration might be associated with many communication reports. These two differences mean there are multiple explanations for the differences between Figure 4 and Figure 5. One explanation is that lobbying elected officials requires significantly more communication, or takes longer than other cases, and therefore the ratio of communication reports to registrations is higher. Another possibility is that lobbyists choose to lobby the House of Commons as an indirect way of accessing other parts of government, possibly indicating that higher level politicians are better for lobbying, even if one wants to influence policy that is the mandate of individual ministry's. A third, less interesting explanation is that ministries such as finance have a lower percentage of staff that are DPOH status, and thus don't necessitate the filing of a communication report.

In Figure 6 I list the positions most listed in communication reports. It is apparent that the most lobbied position is the Member of Parliament, by a great deal. Even when listed in multiple ways (note that MP and Member of Parliament both appear) the MP is clearly the most lobbied position, as measured by communication reports.¹⁰ It is interesting to note that the number of Senators lobbied is significantly lower, illustrating a way in which Canadian lobbying might be very different from American lobbying, and underscoring the need for a nuanced understanding of national differences when conducting comparative work. The prevalence of MP's in Figure 6 reinforces the idea that parliamentarians appear far more often in communication reports than in registrations.

¹⁰ The fact that MP is denoted in two different ways in this data draws attention to the lack of standardization of much of the data in the registry.

Figure 6



3.5 Who is Hiring Lobbyists?

The lobbyist registrations list the organizations involved in the contracts. This includes both the organization on whose behalf the lobbying occurs, and the firm to which the lobbyist belongs if he or she is a consultant. In Figure 7 and Figure 8, I show the top 15 most listed organizations in the registrations and by communication reports, and the top 9 lobbying firms in Figure 9.

Figure 7



Figure 8

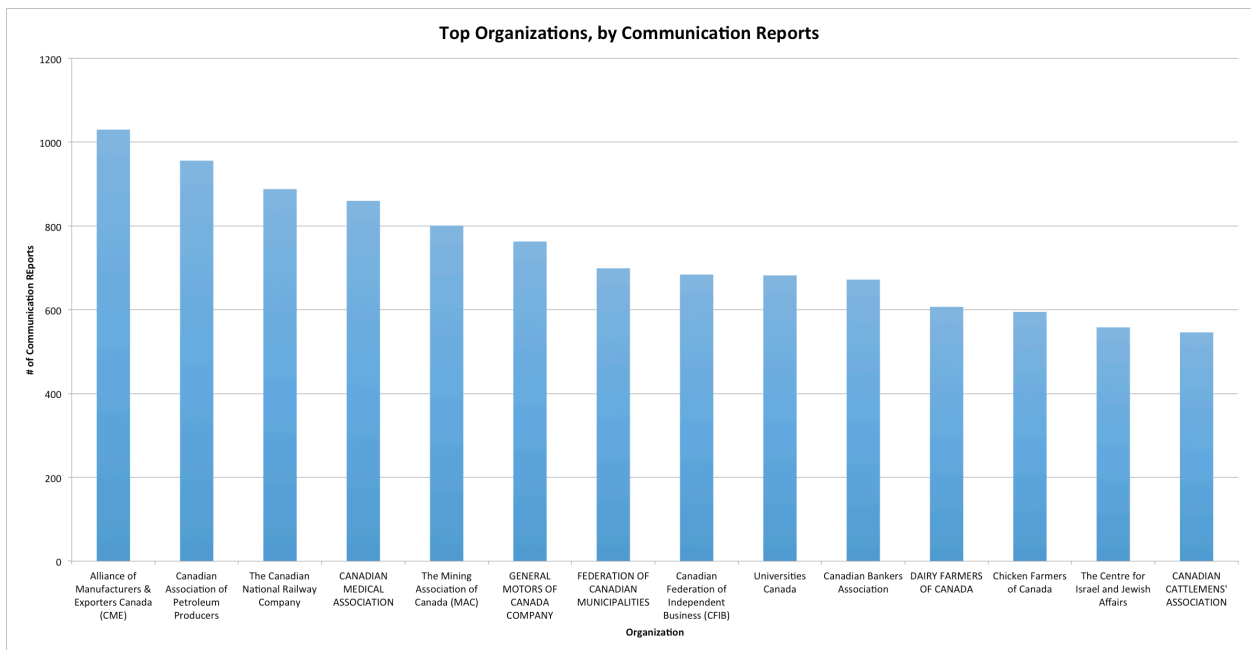
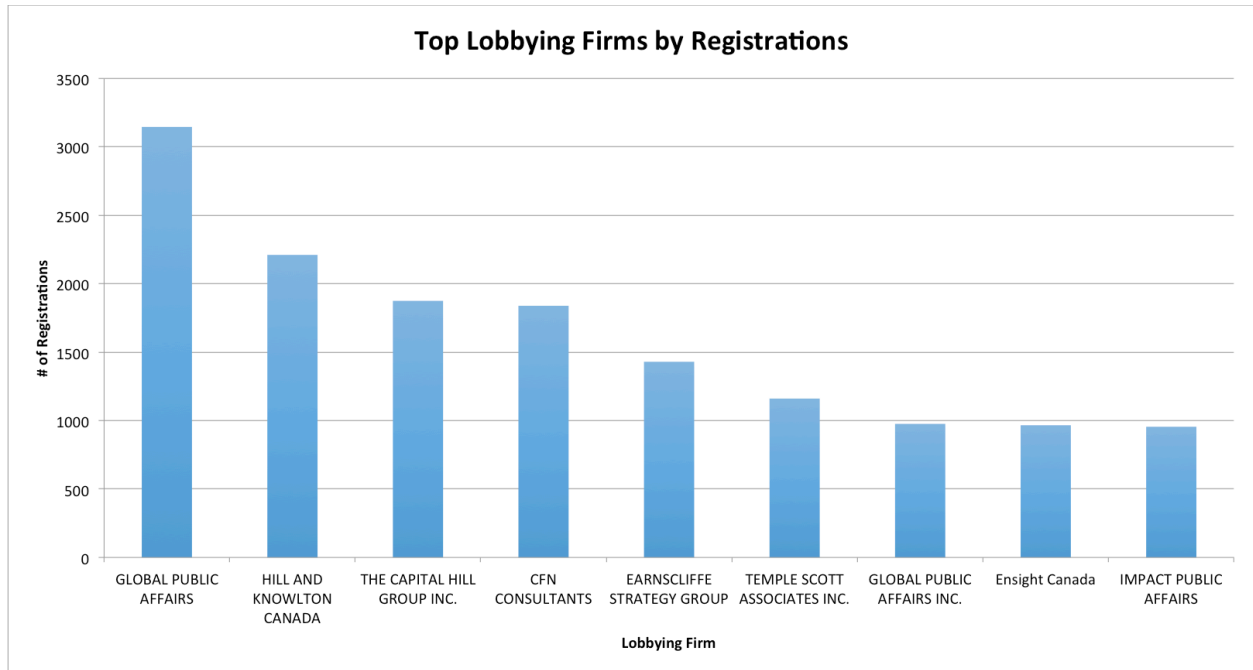


Figure 9



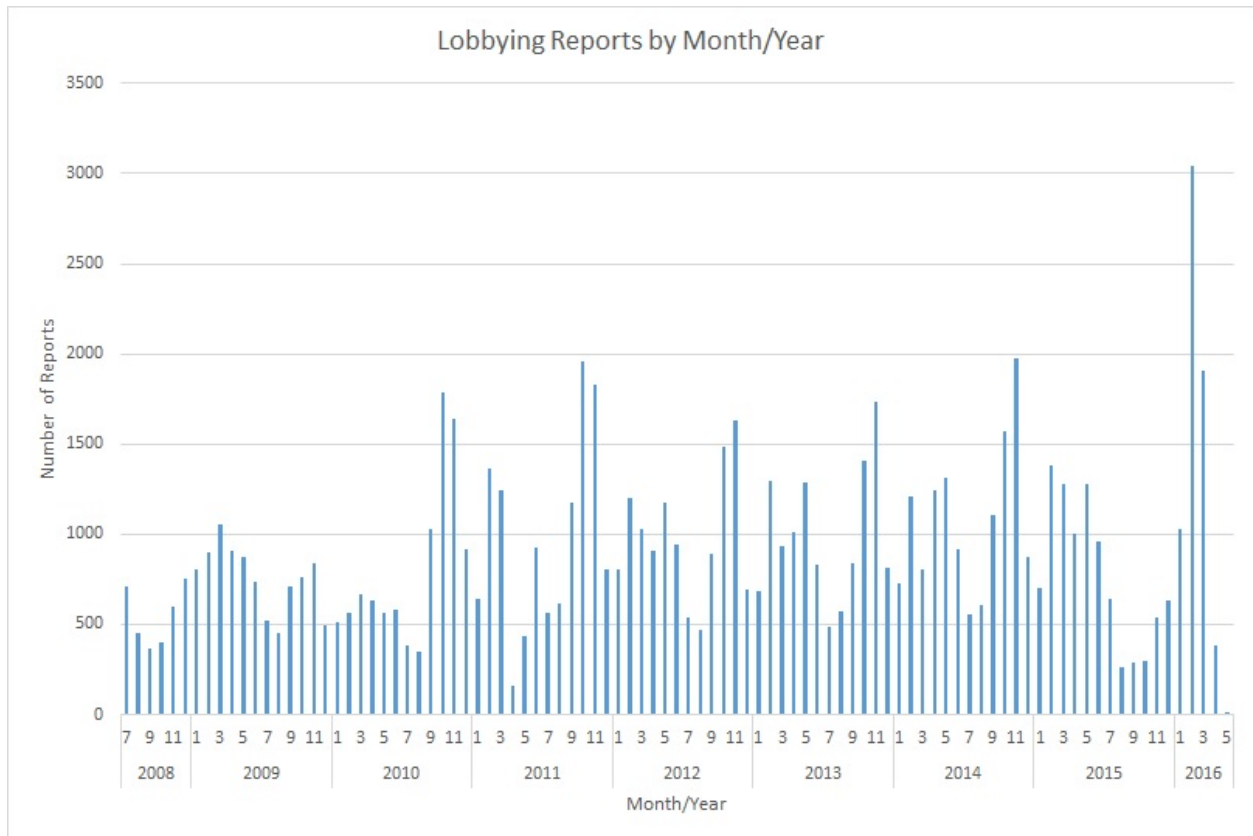
Figures 7 and 8 again highlight the difference between registering to lobby and filing communication reports. It is noticeable that most of the top lobbying firms by registrations differ in their orderings from the top firms by communication reports.

As for the Lobbying Firms (also known as Government Relation or Public Relation firms), it is interesting to see how many registrations a top firm can be involved in. Perhaps some qualitative work could be done looking at firm structure in the lobbying market, or firm specialization by case subject. This may be an avenue for future research.

3.6 When does Lobbying Occur?

In Figure 10 I break down lobbying communications to a monthly level.

Figure 10



Easily observable is the fact that lobbying is done in a cyclical way. Each September the amount of lobbying peaks, and then drops off, sinking to its lowest point in the summer. Readers should also observe a fairly noticeable peak in early 2016, which I would posit is linked to an administrative change, as was the case in October 2016.¹¹ This seems like a salient detail and one that might motivate further research. Communication reports have only been filed since 2008, so patience may be needed in order to research effects like electoral cycles.

¹¹ An election was also held in 2011, but the party in power did not change as it did in 2015.

3.7 What Sorts of Issues do Lobbyists and Politicians Discuss?

In Figure 11 and Figure 12, I show the topics contained in registrations. Figure 11 lists the subject matter within 10 standardized categories listed on the registration. Figure 12 lists topics taken from a more detailed section filled out by the lobbyist. I have listed the top 15 of these. It seems apparent that a significant amount of lobbying is linked with commercial activity.

Figure 11

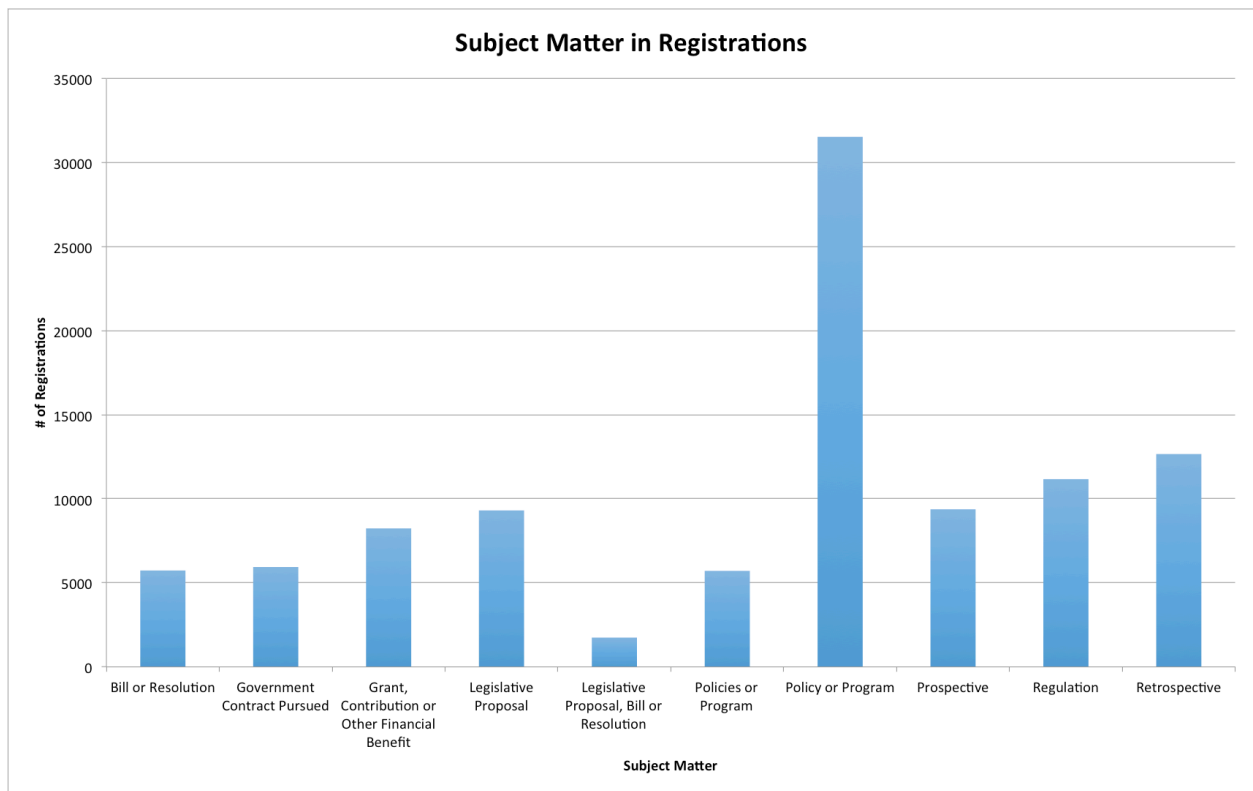
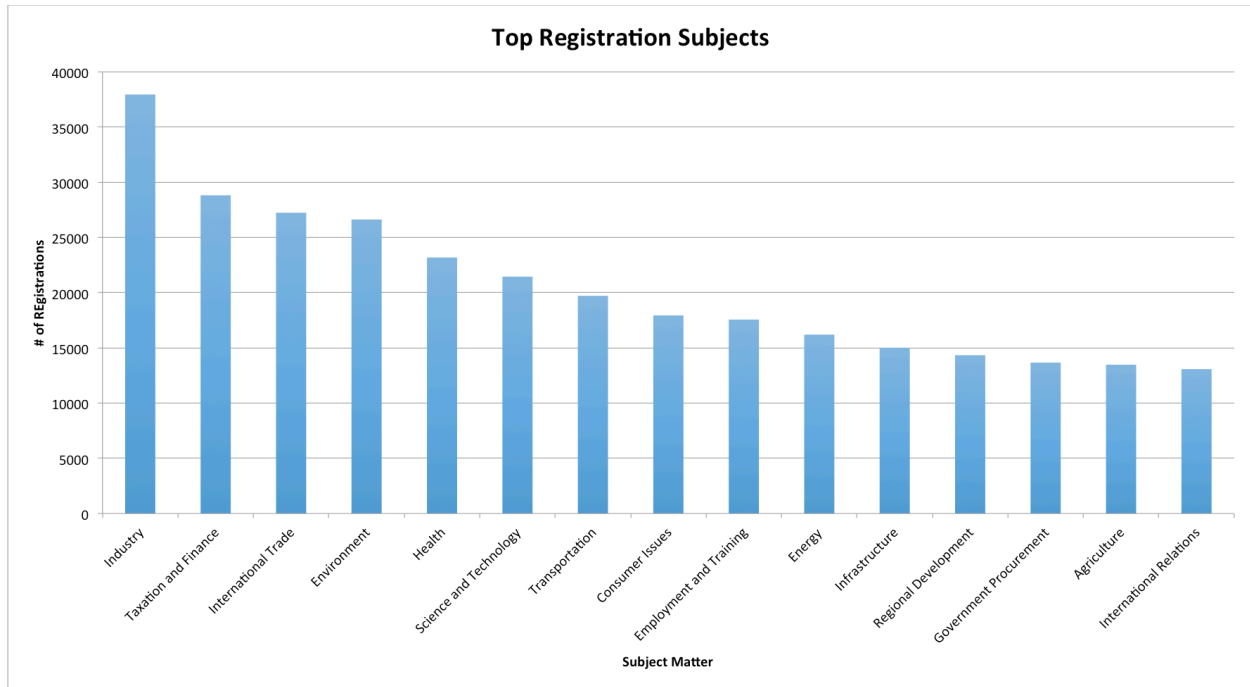


Figure 12



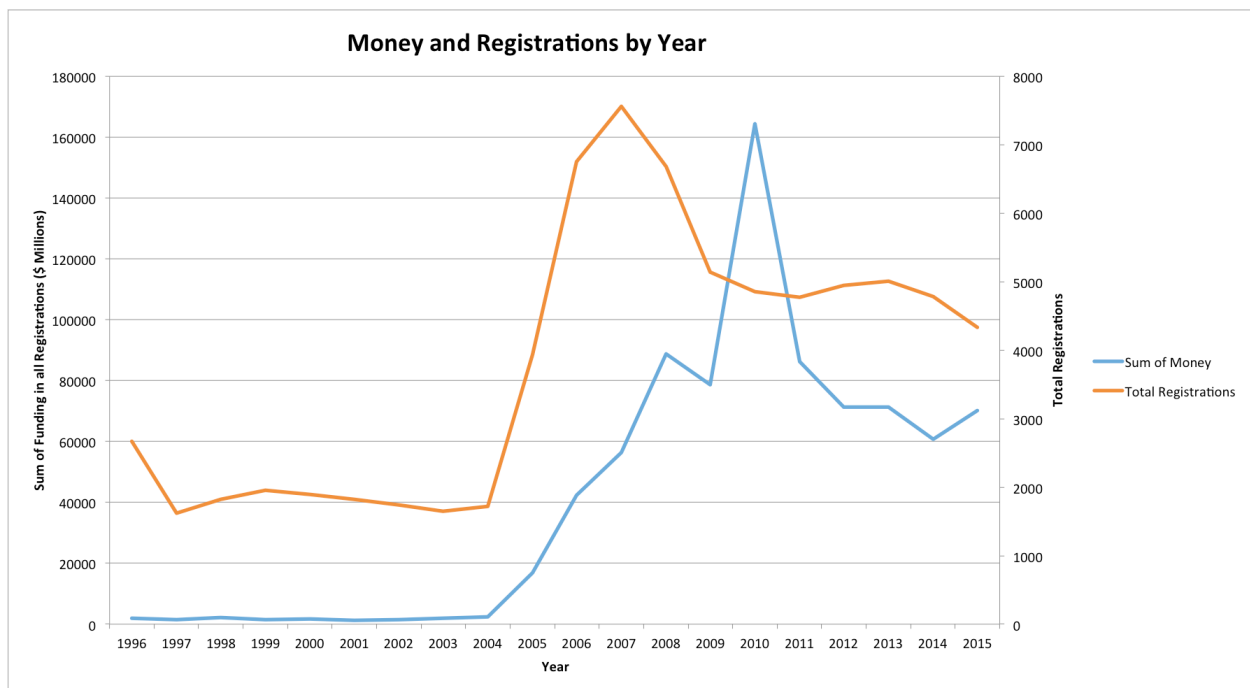
3.8 How Much Money does Lobbying Influence?

In a lobbying registration, registrants are asked to disclose how much government funding their client received from the government in the last fiscal year. We can therefore get a sense of how much government funding is being received by those organizations that choose to lobby. Obviously government funding is not a direct function of lobbying. However, if there is a connection between lobbying and government funding, we probably want to know how much money has the potential to be affected.

Finding this amount is not as simple as simply taking the sum of the amount of funding found in each registration, for a few reasons. First, lobbying registrations need not be filed each year, so an organization that lobbies for a ten-year span might only list government revenue in one year. This would lead to us under estimating government revenue. On the flipside of this, an organization can and often does file multiple lobbying registrations in the

same year. They do not necessarily always list the same amount of government funding.¹² While I find the practice of summing funding in registrations a problematic way of estimating total government funding to lobbyists, I present Figure 13, which lists these sums by year, as well as the total number of registrations per year, for those readers who are interested. I discourage too much inference about this aggregate data series for the reasons I have mentioned.

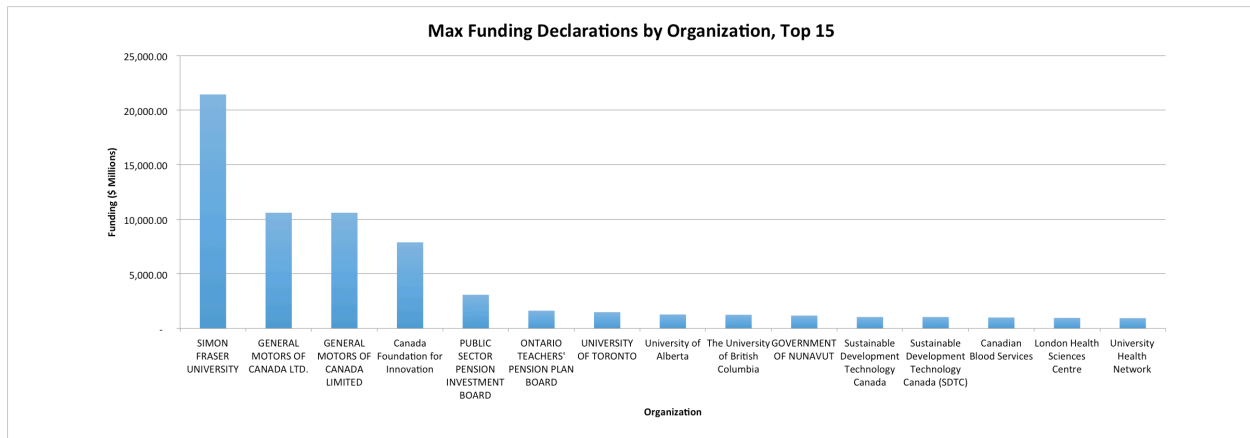
Figure 13



Since I do not feel I could accurately make a claim as to the total government revenue of all lobbying organizations, I chose instead to list some top organizations by their average declared government funding across registrations. In Figure 14 I show the top 15 organizations, ranked by the highest amount of government funding they have listed for a single year.

¹² See for example, General Motors multiple lobbying registrations in 2011, only some of which list over ten billion dollars in funding that resulted from the Canadian auto bailout.

Figure 14



As we see in Figure 14, some registrations are on behalf of organizations that claim to have received amounts in excess of a billion dollars in government funding. This indicates that lobbying has potential to impact a great deal of government money. We should also pay attention to a few irregularities in Figure 14. Note first that General Motors appears multiple times, listing the same level of funding. This illustrates the kinds of problems with nomenclature in the data. Note also that Simon Fraser University claims to have received more than twenty billion dollars in government funding in at least one year (2008). This seems unbelievable on its face, and I can find no record of any sort of government assistance in this magnitude.¹³ This casts some doubts on the accuracy of the registrations.

In Figure 15 I list the organizations that have the highest average funding across all their lobbying registrations. In Figure 16 I list the organizations that have the highest average funding declarations in their 2015 lobbying registrations. Thus between these Figures we should get a sense of how much government money some top lobbyists are receiving yearly,

¹³ SFU has a yearly operating expenditure of approximately half a billion dollars for reference. Did the registrant accidentally add a few extra zeroes to their filing? Perhaps.

across the span of the data set, as well as seeing the same when we limit observations to a recent year.

Figure 15

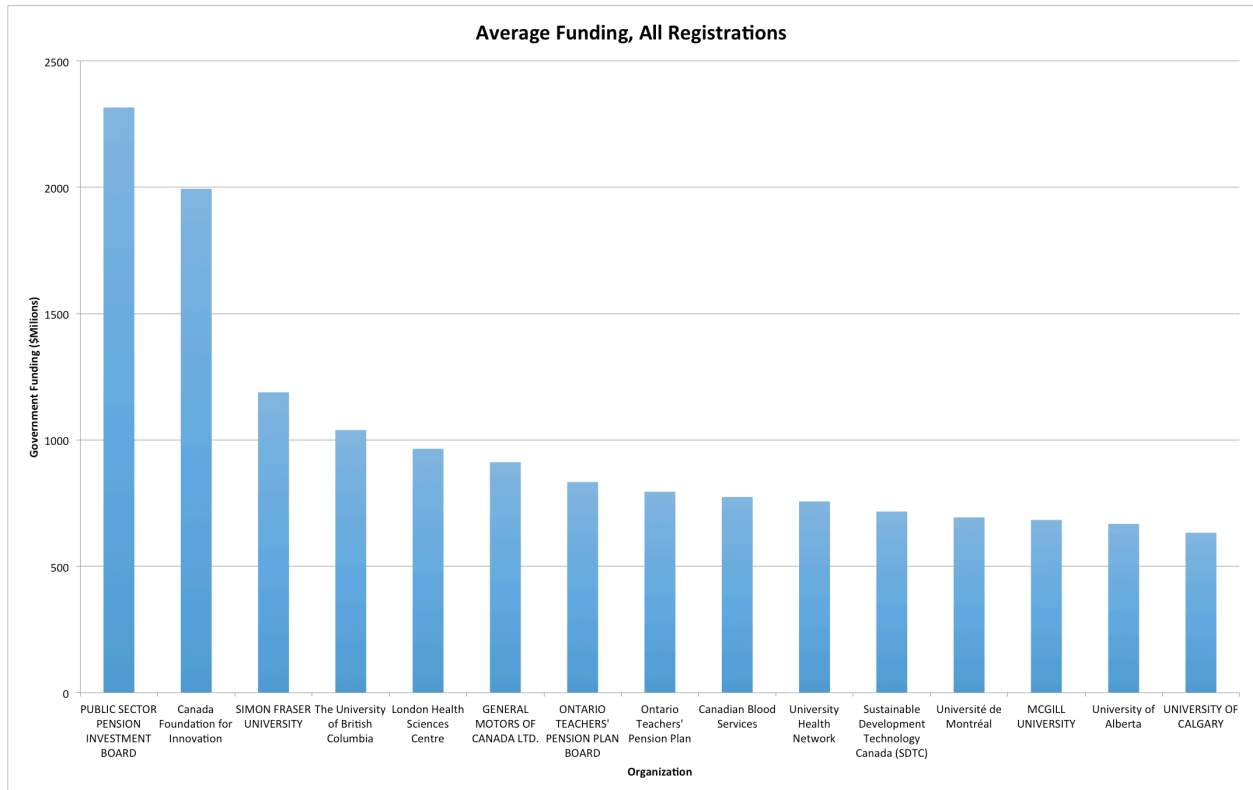
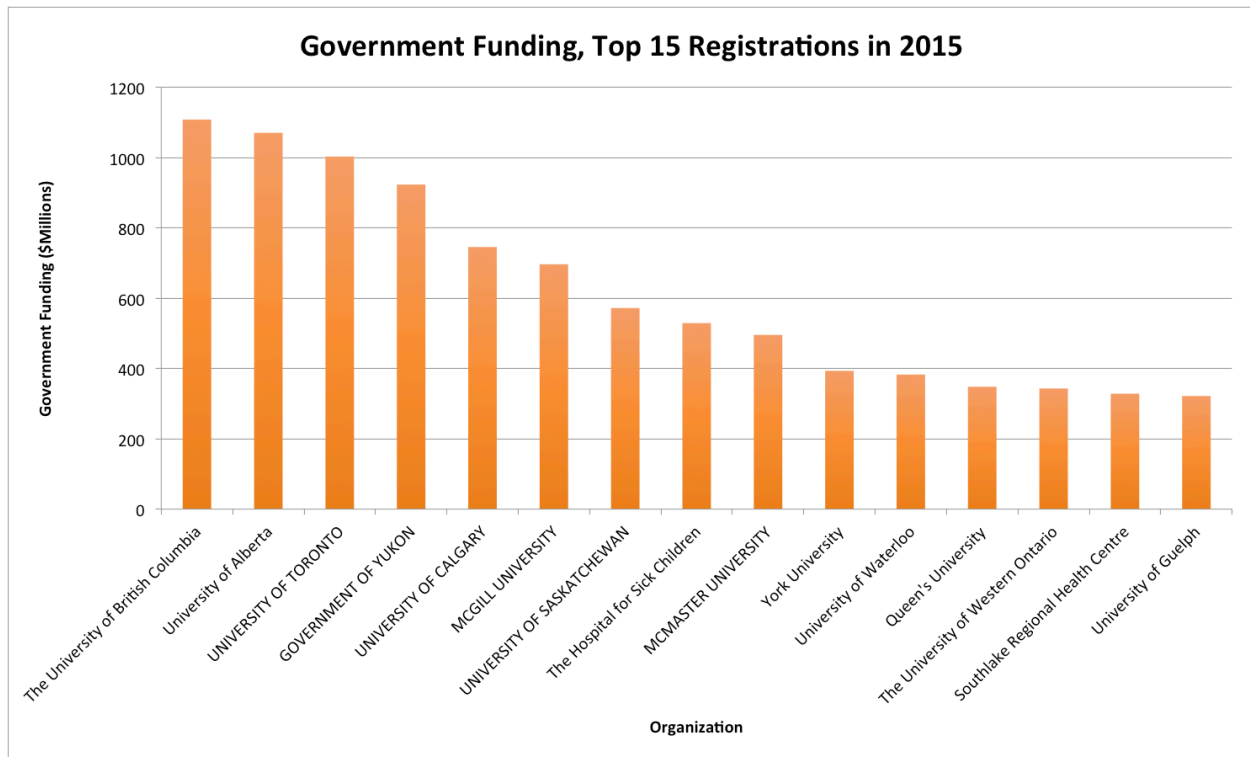


Figure 16



What do we notice in these two Figures? It is noteworthy that the majority of the top funding receivers are universities and health care providers. In fact, GM is one of the only corporations to appear at the top of the list of funding receivers. This means that a significant amount of the money that lobbying affects is money that is going into the public sector. Depending on how concerned we are about a bloated public sector, this could be a good or bad revelation. At the very least (other than GM) we do not see an excess of private corporations receiving large sums of money that might be obtained as the result of lobbying.

4 Government Funding as Determined by Lobbying

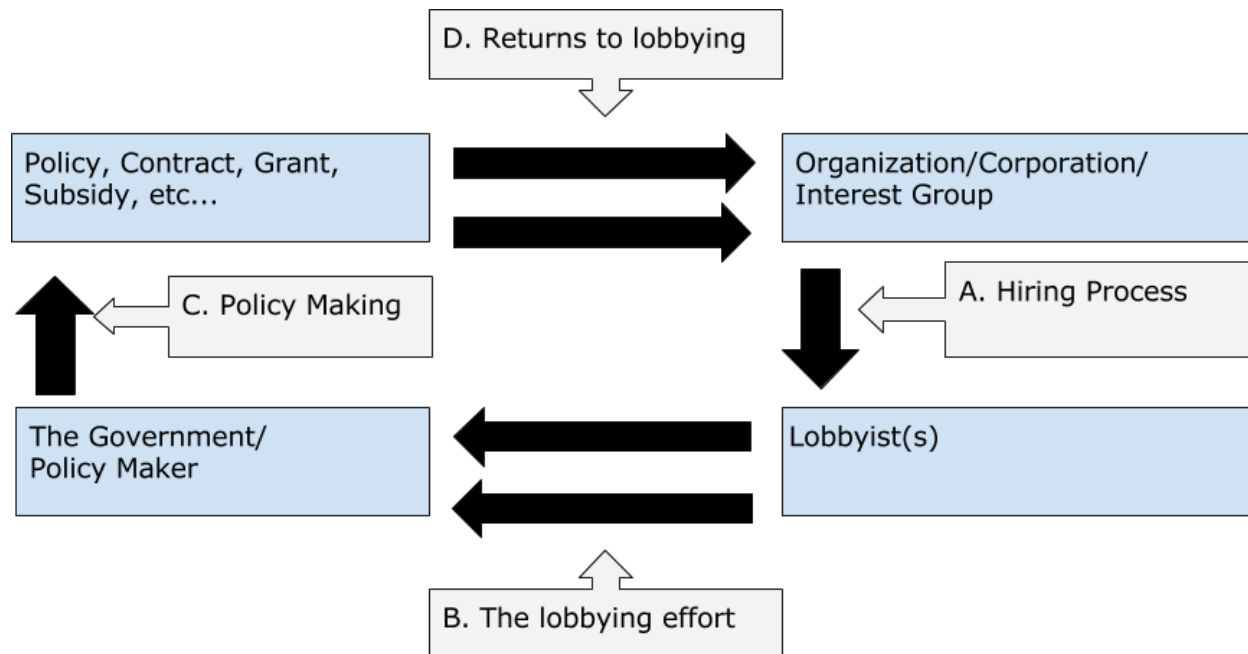
4.1 Static Model and Caveat About Correlation-Causation

In this chapter I examine the relationship between variables in the registry to motivate future research. Given how complex the lobbying industry is, and given the relative

incompleteness of my data set, I would like my analysis in this chapter to be taken as an exploration of the factors that link lobbying activity to government funding, and not be misinterpreted as making claims about the actual value of returns to lobbying.

I have created a simple illustration of a way one might think the lobbying system in order to best make use of registry data. See Figure 17.

Figure 17 – Lobbying Cycle



In this simplified model we acknowledge the existence of:

1. The lobbyist
2. The organization hiring the lobbyist (corporation, union, non-profit, advocacy organization, etc.)
3. The policy making entity (either as a single actor or system of actors)
4. New or existing policy or policies that link the three actors

We also acknowledge that government policy is acted on by the policy maker and affects the organization, which might influence the amount of total government funding received by the organization. Therefore, the organization hires a lobbyist in an attempt to indirectly increase government funding. In my model, I allow for lobbying to influence funding, and for funding to influence lobbying. If one makes the assumption that there is an efficient level of lobbying that maximizes government funding, we can imagine lobbying and funding reaching a stable equilibrium. This assumption allows us to consider the relationship between lobbying and government funding in a static framework.¹⁴

4.2 Regressing Government Funding

In order to see how each actor might affect government funding, I will run a series of simple linear regressions. My basic regression model is as follows:

Government Funding

$$\begin{aligned} &= \beta_0 + \beta_1(\text{Inhouse Dummy}) + \beta_2(\text{DPOH Dummy}) + \beta_3(\text{Year}) \\ &+ \beta_4(\text{\# of Communication Reports Filed}) + \text{Error} \end{aligned}$$

This regression should yield a few key insights. First, it will indicate whether consultant lobbyists are associated with better-funded organizations than in-house lobbyists. This might better inform our thinking about the roles played by both different types. The results of the regression will also give us some clue as to whether there is evidence of higher payoffs to organizations represented by former DPOHs, which could indicate that DPOHs have some real or perceived superiority when it comes to effective lobbying. If this is the case we might want to think about why this is, and whether this premium stems from undesirable features of the lobbying system. The number of communication reports should give us some sense whether more lobbying is associated with

¹⁴ This is a flawed assumption for many reasons, including the relative novelty of the lobbying system, the existence of new registrations in recent years, the possibility of non repeated payoffs like the 2010 auto bailout, among others.

higher government payoffs. It seems reasonable to assume that there will be a positive correlation here, but it may not be very significant.

4.3 Assumptions of the Regression and Potential Econometric Issues

The regression depends on a few key assumptions whose cogency may be questionable. The first assumption is that the reported government funding is accurate enough that we can observe in it significant impacts from lobbyist characteristics. Since only approximately 15% of the registrations actually report any government funding, this might not be the case. Lobbying obviously affects policies for reasons other than financial transfers. The 85% of registrants who declared no government revenue might be benefitting from indirect government transfers, such as tax breaks, or may be lobbying for policies that have no direct financial implications.

I was unsure whether the registrations that are not associated with government payments should be included in my regression. For the sake of robustness, I will show results of my regression, both with these registrations omitted and with these registrations treated as though they received zero dollars in funding.

My regression also assumes that there is some stable equilibrium with relation to lobbying and funding, which might not be the case. Since the government funding report I have incorporated into the data set are based on previous financial years, if we find that lobbying characteristics are positively linked with funding, we may not understand the direction of causality. By assuming a system at some sort of equilibrium with lobbying and funding I eliminate the need for a more complex dynamic model, although future research into this area may be an interesting way to build on this paper.

Further issues arise from the large amount of potentially unobserved variables. Ideally, we might obtain data that lists the IQ of each lobbyist, their political skill, their level of connections with politicians, their demographic characteristics, etc. Without a larger data set to build a more completely specified regression model, the variables that are currently in our regression might be influenced by unobservables. For example, DPOHs might have attained their position due to basic competency in task completion, and therefore be associated with higher value lobbying files not because they are using their status as former bureaucrats to lobby, but rather because they are more efficient employees. The opposite might be true as well.

Conceivably, the largest potential problem with my regression is the lack of controls on corporation or organization size. If I had sufficient time and resources, I could research each lobbying organization and indicate characteristics about them, such as their annual operating budget or their total employment. As it stands, the amount of money an organization receives from the government is likely a function of mostly non-lobbying characteristics. The lack of controls here means that the coefficients on things like “total communication reports filed” may be biased since they may be correlated with organizational budget.

All these issues I have discussed exceed the scope of my summer research project, and I will leave them for future study. I encourage readers not to view any of these regressions results as supporting any one specific model of lobbying, but rather showing the ways in which we can begin to estimate lobbying returns based on government data.

4.4 Regression Results

See Figure 18 for the regression output.

Figure 18 – Government Funding Regression Results

Regression	1 All Money	2 Money > 0	3 All Money	4 Money > 0	5 All Money	6 All Money	7 Money > 0	8 ln(Money > 0)
DPOHDummy	-6660576.8 (-1.49)	-31269861.5 (-1.29)				-3610776.6 (-0.81)	-24112882.7 (-1.00)	-0.140 (-0.81)
Consultant			0 (.)	0 (.)		0 (.)	0 (.)	0 (.)
In House Corporation			6683557.0*** (3.53)	29758072.6** (2.82)		-881481.6 (-0.46)	-4089862.6 (-0.38)	0.251** (3.18)
In House Organization			21211268.4*** (13.29)	25105434.4*** (3.62)		9847933.0*** (5.74)	-3577017.0 (-0.49)	-0.232*** (-4.44)
# of Communication Reports Filed					161023.4*** (23.20)	141551.1*** (18.50)	322208.1*** (11.89)	0.00312*** (16.28)
Year						550486.0*** (4.77)	263396.0 (0.52)	0.0561*** (10.75)
Constant	11074247.8*** (17.21)	56875413.9*** (17.32)	5565761.8*** (7.07)	41857432.9*** (8.61)	6557229.3*** (9.90)	-1.10005e+09*** (-4.74)	-488247906.4 (-0.48)	-98.58*** (-9.39)
N	78545	14551	78545	14551	78545	78545	14551	14551
t-statistics in parentheses		* p<0.05	** p<0.01	*** p<0.001"				

DPOH Dummy

The DPOH dummy has a coefficient that is negative and insignificant in all cases. On its face, we can interpret this fact as implying that a lobbyist's previous employment in the public sector gives us no reason to think that that lobbyist is any more likely to work lobbying files that receive more government funding. This is interesting, especially in light of papers like Vidal et al. (2012) and Trebbi et al. (2014) which suggest that a revolving door effect makes those emerging from government better lobbyists. While the results I obtain do not necessarily contradict the revolving door effect, I think they highlight that such an effect might not lead to the same outcomes in Canada as they do in other parts of the world. For the sake of robustness I regress both the entire data set and the subset that contains funding values greater than zero, against the DPOH dummy on its own first, then with other variables added in for a more completely specified regression. The insignificance (and negativity) of the variable holds true in all cases.

Lobbyist Type

Lobbyist type is defined through three separate dummy variables. The first indicates a consultant lobbyist, and the others denote a lobbyist working in-house for a corporation or an organization. The regressions I have run provide mixed evidence of the effects of lobbyist registration type on government funding. While on their own, we find evidence that in-house lobbyists for corporations and organizations receive significantly greater levels of government funding (both with the entire data set, as well as the subset greater than zero), when we bring these variables into larger regressions the effects become slightly harder to interpret. I suspect that co-linearity with the total amount of lobbying could be leading to the insignificant difference between in-house corporate lobbying and consultant coefficients when lobbyist type is included in the same regressions as total lobbying.

Total Lobbying

The total amount of lobbying is defined as the number of communication reports filed as part of each registration. The coefficient on lobbying is positive and very significant. This is not unexpected, but it is still rewarding to find this relationship expressed empirically. The causal direction of this relationship is still not fully clear, as it is easy to explain either variable in terms of the other. For example, it is easy to argue that each additional communication a lobbyist has with a public office holder has the potential to achieve funding for the organization that lobbyist represents, and thus lobbying causes government funding to increase. However, it is also reasonable to assume that some organizations receive money from the government even before they hire a lobbyist. The more money they receive, the more incentive they might have to maintain relations with the government, and thus it could be argued that money influences lobbying. I suspect there are instances in the data where both stories capture reality.

4.5 Implications with Respect to Existing Literature

The most interesting result I find is the insignificance and possible negative effect of DPOH status on funding. This raises questions as to the way the revolving door works in Canada, and whether the idea of a revolving door in lobbying has been blown out of proportion. If we assume that better lobbyists are assigned to lobby where potential returns are the highest, we might hypothesize that former government officials make bad lobbyists. Perhaps government officials who leave politics to pursue lobbying careers are those officials who fared poorly in the public sphere or failed to earn sufficient influence. It is also possible that former bureaucrats are more publicly minded than other lobbyists and more likely to lobby for policy or social causes where success is not measured by government revenue. I think this is an irregularity to which some more thought could be devoted.

I also think that the effect of lobbyist type on funding is also interesting. *Ceteris paribus*, in-house lobbyists are associated with higher government funding. Groll and Ellis (2016) suggest that that function of “internal lobbyists” is to monitor and maintain relations with the government. Even though in-house lobbyists are associated with more money, they may not be associated with increases in funding. This illustrates the potential for dynamic modelling in future papers. A proper time series data set could see how different lobbyist types affect returns over time.

5. Questions Raised and Directions for Canadian Research

The Canadian lobbying data allows research into the nature of lobbying to progress in exciting new directions. The ability provided by the data to observe the returns to lobbying might allow new insights into the ways that lobbyists optimize profitability to their clients. However, there is plenty of work that still needs to be done if we are to obtain

credible estimates of key variables effect on lobbying returns. In this section I list a few avenues of further research.

5.1 Registry Data Improvement and Standardization

A good way to move towards credible estimates of the returns to lobbying in Canada would be a thorough review and cleaning of the Canadian data. There are many variables contained within the registry that might help us get a better picture of what is occurring in the Canadian lobbying market, with some small changes. For example, much of the naming conventions in the data set are non-standardized and thus we may find many names for one company or person. This makes it harder to effectively match organization individuals to registrations or communication reports. There are also many possible errors in the data set, especially in the government funding columns. Some of the values seem too high (see SFU claiming to receive 21 billion dollars in 2008), while some are inconsistent among different registrations by the same organizations. There is room to work with the lobbying commissioner's office to make sure this data set is as accurate and transparent as possible.

5.2 Dynamic Models

Another step that could be taken by those who wish to explore the implications of the registry would be using the data for dynamic models. This might mean looking at the changes in funding over time as a function lobbying characteristics. Such a model would require researchers to collect more data than is currently available in the registry, as the funding listed for most organizations is listed for only one year. I think if future research was able to compile time series data sets for even a small subset of the organizations listed in the registry, we would be much closer to having a solid understanding of the effects of lobbying in Canada.

5.3 Collection of New Data

I think some work could be done collecting new data for the registry. I think future research would benefit from the compilation of firm data for the organizations listed in the registrations. It seems like it would be possible to compile a dataset that included data such as total revenue, market share, or number of employees, for at least a sampling of the firms. These sorts of variables could enrich our understanding of the kinds of firms who lobby. It might also be interesting to add a party affiliation term to the public officials to see how their being lobbied changes with time. While I did not take the time to look at how lobbyists and public office holders are connected, there is plenty of interesting work that could be done here, especially since Canadian communication records allow for matching.

6. Conclusion

Canada is a country with fairly progressive lobbying legislation and regulation. The relatively low cap on campaign contributions in Canada means that lobbying, defined as the persuading of policymakers, requires more than just the ability to buy policymaker's allegiance. Canadian lobbyists must make use of other resources, such as their political connections, their rhetorical abilities, their networking talents, etc.... Lobbying researchers, especially Americans might well benefit from comparative studies that include Canada's lobbying regime.

In this essay I briefly went over some lobbying theory that might help those new to the subject. I also drew attention to a handful of papers that look at empirical evidence from American lobbying records, in order to provide some direction for Canadian lobbying research. I emphasized that, due to institutional differences between Canada and the United States, it would not be possible to simply replicate such papers with Canadian data.

Researchers would benefit from understanding the nuanced legal, political and cultural differences between countries in order to conduct good comparative work.

I then provided an overview of the Canadian data available between 1996-2016. I addressed a handful of basic questions that readers might have regarding the contents of the data set. I described the amount of lobbying, the lobbyists themselves, the government officials being lobbied, the organizations and corporations hiring lobbyists, the subjects of lobbying and the amount of money going to lobbying organizations from the government. I also briefly noted the potential existence of a lobbying cycle and of an election effect on lobbying.

In the fourth section I looked at some basic regressions on government funding using lobbying data. I found significant correlation between lobbying communication and funding, but no significant link between lobbying as a former DPOH and funding. This raised questions about the presence of a revolving door effect in Canada. I also found evidence of a time trend, and some conflicting evidence of how lobbyist type (in-house or consultant) affects government funding. These estimates came from a simple static model, leaving the door open for future research using more complex tools. I proposed some research directions that might be useful to the study of lobbying in Section 5 of my paper, including the refining of the current data set, the inclusion of dynamic models, and the collection of new data on firms or individuals found in the registry.

I believe I have established a modest foundation for future research on empirical Canadian lobbying. I am not aware of other papers that make use of the Canadian lobbying registry as a data source, despite its many attractive features. I am also unaware of other papers that make use of government funding disclosed in lobbying registrations as a means

of observing returns to lobbying. I believe my paper proves, as an example to readers, the possibilities of such an approach.

By describing the twenty years of Canadian data, I hope to encourage readers from other nationalities to consider the nuances of different lobbying regimes. Through comparative work, I believe that academics can help policy makers more effectively regulate lobbying, which in turn might reassure citizens that their political systems are not as dysfunctional as they might think. To this end I think the study of lobbying is a small, but important contribution to combating public cynicism about democracy.

Bibliography

- Baye, Michael R., Dan Kovenock, and Casper G. De Vries. 1993. "Rigging the Lobbying Process: An Application of the All-Pay Auction." *The American Economic Review* 83 (1): 289.
- Becker, Gary S. 1983. "A Theory of Competition Among Pressure Groups for Political Influence." *The Quarterly Journal of Economics* 98 (3): 371–400.
- Borghesi, Richard, and Kiyoung Chang. 2015. "The Determinants of Effective Corporate Lobbying." *Journal of Economics and Finance* 39 (3): 606–24.
- Bos, Dieter. 2002. "Contests Among Bureaucrats." University of Bonn, Germany, Bonn Econ Discussion Papers.
- Chari, Raj, Gary Murphy, and John Hogan. 2007. "Regulating Lobbyists: A Comparative Analysis of the United States, Canada, Germany and the European Union." *The Political Quarterly* 78 (3): 422–438.
- Conlon, John R., and Paul Pecorino. 2004. "Policy Reform and the Free-Rider Problem." *Public Choice* 120 (1–2): 123–42.
- Cotton, Christopher. 2016. "Competing for Attention: Lobbying Time-Constrained Politicians." *Journal of Public Economic Theory* 18 (4): 642–65.
- Cotton, Christopher S., and Arnaud Déllis. 2016. "Informational Lobbying and Agenda Distortion." *Journal of Law, Economics, and Organization*
- de Figueiredo, John M., and Brian Kelleher Richter. 2013. "Advancing the Empirical Research on Lobbying." Cambridge, United States: National Bureau of Economic Research, Inc.
- De Figueiredo, John M., and Brian S. Silverman. 2002. "Academic Earmarks and the Returns to Lobbying." National Bureau of Economic Research. <http://www.nber.org/papers/w9064>.
- Ellis, Christopher J., and Thomas Groll. 2014. "Lobbying as Costly Persuasion with Legislative Subsidies."
- Farrer, Benjamin. 2014. "A Theory of Organizational Choice Interest Groups and Parties as Substitutable Influence Mechanisms." *Party Politics* 20 (4): 632–45.
- Groll, Thomas, and Christopher J. Ellis. 2013. "Dynamic Commercial Lobbying." SSRN Scholarly Paper ID 2221851. Rochester, NY: Social Science Research Network.

- . 2016. “Repeated Lobbying by Commercial Lobbyists and Special Interests.” SSRN Scholarly Paper ID 2764804. Rochester, NY: Social Science Research Network..
- Grossman, Gene M., and Elhanan Helpman. 1996. “Electoral Competition and Special Interest Politics.” *The Review of Economic Studies* 63 (2): 265–286.
- Hall, Richard L., and Alan V. Deardorff. 2006. “Lobbying as Legislative Subsidy.” *American Political Science Review* 100 (1): 69–84.
- Holman, Craig, and William Luneburg. 2012. “Lobbying and Transparency: A Comparative Analysis of Regulatory Reform.” *Interest Groups & Advocacy* 1 (1): 75–104.
- Igan, Deniz, Prachi Mishra, and Thierry Tressel. 2011. “A Fistful of Dollars: Lobbying and the Financial Crisis.” National Bureau of Economic Research, Inc, NBER Working Papers: 17076.
- Kang, Karam. 2016. “Policy Influence and Private Returns from Lobbying in the Energy Sector.” *Review of Economic Studies* 83 (1): 269–305.
- Lockard, Alan A., and Gordon Tullock. 2001. *Efficient Rent-Seeking: Chronicle of an Intellectual Quagmire*. Boston; Dordrecht and London: Kluwer Academic.
- Mckinley, Maggie, and Thomas Groll. 2015. “The Relationship Market: How Modern Lobbying Gets Done.” *Edmond J. Safra, Center for Ethics*. February 13. <http://ethics.harvard.edu/blog/relationship-market-how-modern-lobbying-gets-done>.
- Milyo, Jeffrey, David Primo, and Timothy Groseclose. 2000. “Corporate PAC Campaign Contributions in Perspective.” *Business and Politics* 2 (1): 75–88.
- Presthus, Robert. 1974. “Interest Group Lobbying: Canada and the United States.” *The Annals of the American Academy of Political and Social Science* 413 (1): 44–57.
- Stark, Andrew. 1992. “‘Political-Discourse’ Analysis and the Debate Over Canada’s Lobbying Legislation.” *Canadian Journal of Political Science* 25 (3): 513–534.
- Stevenson, Betsey, and Justin Wolfers. 2011. “Trust in Public Institutions over the Business Cycle.” *The American Economic Review* 101 (3): 281–87.
- Thurlow, W. Scott. 2010. “Some Observations on the State of Lobbying in Canada.” *Canadian Parliamentary Review* 33 (2).

- Trebbi, Francesco, Marianne Bertrand, and Matilde Bombardini. 2014. "Is It Whom You Know or What You Know? An Empirical Assessment of the Lobbying Process." *American Economic Review* 104 (12):
- Tullock, Gordon. 2001. "Efficient Rent-Seeking." In *Efficient Rent-Seeking*, 3–16. Springer.
http://link.springer.com/chapter/10.1007/978-1-4757-5055-3_2.
- Tullock, Gordon, James M. Buchanan, and Robert D. Tollison. 1980. *Toward a Theory of the Rent-Seeking Society*. 4. Texas A & M University Pr.
- Vidal, Jordi Blanes I., Mirko Draca, and Christian Fons-rosen. 2011. "The Power of K Street: New Research on the Economics of Lobbying." *DICE Report* 9 (1): 8–11.
- Vidal, Jordi Blanes I., Mirko Draca, and Christian Fons-Rosen. 2012. "Revolving Door Lobbyists." *The American Economic Review* 102 (7): 3731–3748.
- Yerxa, Shawn W., and Marita Moll. 1994. "Notes from the Grassroots: Online Lobbying in Canada." *Internet Research* 4 (4): 9–19.
- Young, Alan. 2008. "Overheard in the Lobby: Important Changes Coming to Lobbying in Ottawa." *CMA Management* 82 (3): 48–50.

Appendix 1 - Lobbying Nomenclature as Defined in The Lobbying Act

Designated Public Office Holder (DPOH) means

- (a) a minister of the Crown or a minister of state and any person employed in his or her office who is appointed under subsection 128(1) of the *Public Service Employment Act*,
- (b) any other public office holder who, in a department within the meaning of paragraph (a), (a.1) or (d) of the definition *department* in section 2 of the *Financial Administration Act*,
 - (i) occupies the senior executive position, whether by the title of deputy minister, chief executive officer or by some other title, or
 - (ii) is an associate deputy minister or an assistant deputy minister or occupies a position of comparable rank, and
- (c) any individual who occupies a position that has been designated by regulation under paragraph 12(c.1). (titulaire d'une charge publique désignée)

Organization includes

- (a) a business, trade, industry, professional or voluntary organization,
- (b) a trade union or labour organization,
- (c) a chamber of commerce or board of trade,
- (d) a partnership, trust, association, charitable society, coalition or interest group,
- (e) a government, other than the Government of Canada, and
- (f) a corporation without share capital incorporated to pursue, without financial gain to its members, objects of a national, provincial, patriotic, religious, philanthropic, charitable, scientific, artistic, social, professional or sporting character or other similar objects; (organisation)

public office holder means any officer or employee of Her Majesty in right of Canada and includes

- (a) a member of the Senate or the House of Commons and any person on the staff of such a member,
- (b) a person who is appointed to any office or body by or with the approval of the Governor in Council or a minister of the Crown, other than a judge receiving a salary under the *Judges Act* or the lieutenant governor of a province,
- (c) an officer, director or employee of any federal board, commission or other tribunal as defined in the *Federal Courts Act*,
- (d) a member of the Canadian Armed Forces, and
- (e) a member of the Royal Canadian Mounted Police

Appendix 2 - DPOH Designated Positions

The *Designated Public Office Holder Regulations*¹⁵ prescribe 14 positions or classes of positions as "designated" public offices. These positions include:

(Designated on July 2, 2008):

- Chief of the Defence Staff
- Vice Chief of the Defence Staff
- Chief of Maritime Staff
- Chief of Land Staff
- Chief of Air Staff
- Chief of Military Personnel
- Judge Advocate General
- Any position of Senior Advisor to the Privy Council to which the office holder is appointed by the Governor in Council
- Deputy Minister (Intergovernmental Affairs) Privy Council Office
- Comptroller General of Canada
- Any position to which the office holder is appointed pursuant to paragraph 127.1(1)(a) or (b) of the *Public Service Employment Act*.

¹⁵ <http://laws-lois.justice.gc.ca/eng/regulations/SOR-2008-117/index.html>

(Designated on September 20, 2010):

- The position of member of the House of Commons
- The position of member of the Senate
- Any position on the staff of the Leader of the Opposition in the House of Commons or on the staff of the Leader of the Opposition in the Senate, that is occupied by a person appointed pursuant to subsection 128(1) of the *Public Service Employment Act*.