

Globalization for Sale


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- Recent decades have seen a proliferation of regional trade agreements, which are mostly [Free Trade Agreements \(FTAs\)](#) 
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- New new trade theory and evidence:
 - [Differences across firms](#), even within narrowly defined sectors (e.g. Bernard and Jensen, 1999; Melitz, 2003)
 - Highly skewed firm size distribution, featuring a [large number of small firms and a few large firms](#) (e.g. Axtell, 2001; Bernard *et al.*, 2007)

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- We examine **lobbying on FTAs by heterogeneous firms**.

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 - Larger firms spend more lobbying in favor of FTAs
- To rationalize these facts, we develop a **theoretical model** in which
 - Large and small firms coexist in the same market
 - Firms decide whether and how much to lobby in favor or against an FTA, anticipating the impact on the probability of ratification

Plan of Talk

- 1 Introduction
- 2 **Related Literature**
- 3 Data
- 4 Stylized Facts
- 5 Model
- 6 Conclusions

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- Political economy of trade policy:

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- Lobbying/rent-seeking in contests: Tullock (1980), Becker (1983), Esteban and Ray (2001), Epstein and Nitzan (2006), Jia *et al.* (2013), Bouton *et al.* (2017), Cole *et al.* (2017)

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- In line with recent studies, we use data on [lobbying expenditures](#) from lobbying reports available under the Lobbying Disclosure Act of 1995 (e.g. Bombardini and Trebbi, 2012; Kim, 2017).

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- In line with recent studies, we use data on **lobbying expenditures** from lobbying reports available under the Lobbying Disclosure Act of 1995 (e.g. Bombardini and Trebbi, 2012; Kim, 2017).
- Key advantages:
 - Data on lobbying expenditures allows tracing the **issues targeted by lobbyists**, which is not possible for data on contributions.
 - Lobbying expenditures are the **most important channel of political influence** (more than ten times larger than PAC contributions). 

- We study lobbying in favor/against FTAs.
- To this purpose, we use information from all lobbying reports related to **FTAs bills** voted in the U.S. Congress. ▶
- The reports provide information on the **identity** of the lobbying firm and the **amount of the expenditures**. ▶
- We code the firm's **position on the FTA**, using information from the lobbying reports or based on official statements (e.g. company websites, public statements). ▶
- We **match** the lobbying dataset with **Compustat**, to obtain additional information about the lobbying firms (e.g. sales, employment, exports) and be able to compare them to non-lobbying firms.

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- Firms engaging in **export and import** are more likely to lobby. ▶
- Larger firms **spend more** lobbying pro-FTA. ▶

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- The workhorse protection for sale by Grossman and Helpman cannot provide a rationale for the observed patterns of lobbying on FTAs:
 - Lobbying is done by **industries** rather than firms.
 - The decision to lobby is **exogenous**.
 - Interest groups pay their lobbying contributions **after** the government's trade policy choice.

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 - Lobbying is done by **industries** rather than firms.
 - The decision to lobby is **exogenous**.
 - Interest groups pay their lobbying contributions **after** the government's trade policy choice.
- We develop a new theoretical model, in which we study lobbying by heterogeneous firms before FTA ratification.

Key Features

- Economic structure
 - Mixed market structure in which a **few oligopolists** and a **continuum of monopolistically competitive firms** coexist (Shimomura and Thisse, 2012; Parenti, 2017)
 - Large firms have a direct impact on market outcomes, while monopolistically competitive firms take them as given

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- Political structure

- **Before the ratification of a FTA**, firms decide whether and how much to **lobby in favor or against** it
- As in the literature on **contests** (e.g. Tullock, 1980; Becker, 1983), lobbying affects the probability that the FTA is ratified

Economic Structure: Closed Economy

- $J + 1$ sectors. Sector 0 is a homogeneous good. In the remaining J sectors, there is a continuum of horizontally differentiated varieties (V_j)
- Unit mass of identical consumers with quasi-linear utility:

$$U(A, \mathbf{x}) = A + \sum_{j=1}^J \mathcal{U}(\mathbf{x}_j)$$

where

$$\mathcal{U}(\mathbf{x}_j) = \int_{V_j} \left(\alpha x_{ij} - \frac{\beta}{2} x_{ij}^2 \right) di - \frac{1}{2} \left(\int_{V_j} x_{ij} di \right)^2$$

- Single factor of production L that is mobile across sectors \rightarrow the wage w is the same for all sectors and can be normalized to 1

- Mixed market structure: in each sector, there are N_j **large firms with mass ω_{nj}** and a **continuum m of small firms**
- A large firm can be a multi-product firm supplying a continuum of products of mass ω_{nj} (Parenti, 2017) or a single-product firm whose product enters consumers' utility with a mass point (Shimomura and Thisse, 2012)

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- Linear inverse demand

$$p_{ij} = \alpha - \beta x_{ij} - X_j$$

where

$$\int_{V_j} x_{ij} di = \sum_{n=1}^{N_j} \int_0^{\omega_{nj}} x_{nj} di + \int_0^m x_i di \equiv \sum_{n=1}^{N_j} \omega_{nj} x_{nj} + \int_0^m x_i di$$

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- Pricing rule of small firms (identical to Melitz-Ottaviano 2008):

$$p_{mj} - c = \frac{1}{2}(\alpha - X_j - c)$$

- Large firms internalize their impact on X_j :

$$p_{nj} - c = \frac{1}{2}(\alpha + Q_n - X_j - c) \quad \text{with} \quad Q_n = \omega_{nj} x_{nj}$$

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- For any aggregate X_j , large firms set higher prices

- **Small firms** act as a buffer. They adjust to competition through entry and exit until their **profits are driven down to zero**:

$$\pi_m = (p_m - c) x_m - f = 0$$

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$$X_j = \frac{\alpha - c - \sqrt{4\beta f}}{2}$$

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- Total output of firm n in sector j

$$Q_{nj} = \frac{\omega_{nj} (\alpha - c - X_j)}{2\beta + \omega_{nj}}$$

- **Profits of large firms:**

$$\Pi_{nj} = \left(\frac{\omega_{nj}}{2\beta + \omega_{nj}} \right)^2 (\alpha - c - X_j)^2$$

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- A reduction in τ benefits large firms, particularly larger ones:

$$\frac{\partial \Pi_{nj}}{\partial \tau} = -2 \left(\frac{\omega_{nj}}{2\beta + \omega_{nj}} \right)^2 (\alpha - \tau - c - X_j) \Rightarrow \frac{\partial^2 \Pi_{nj}}{\partial \omega \partial \tau} < 0$$

Effects of trade liberalization on firms:

- **Large firms gain** (expand in the foreign market)
- **Small firms are unaffected** (some exit and are replaced by large foreign firms, but expected profits are always zero)

Political Structure

- Each firm chooses its **lobbying expenditure** l_i to affect the **ratification of a FTA**, which leads to the elimination of τ across all sectors
- Ω_p (resp. Ω_a): set of firms pro (resp. against) FTA

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- Probability that the Home country ratifies the FTA:

$$\mathcal{P}(\mathbf{l}, B) \equiv \frac{\sum_{\Omega^p} l_i + B^+}{\sum_{\Omega^p} l_i + \sum_{\Omega^a} l_i + |B|}$$

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- Overall probability of ratification:

$$\mu(\mathbf{l}, \mathbf{l}^*; B, B^*) := \mathcal{P}(\mathbf{l}, B) \cdot \mathcal{P}^*(\mathbf{l}^*, B^*)$$

where B and B^* are independent random variables

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- Each firm n in sector j gains $\Delta\Pi_{nj}$ if the agreement is ratified and chooses l_{nj} to maximize its expected payoff:

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- Increasing marginal cost of lobbying as in Esteban and Ray (2001)
- Optimal lobbying expenditure \hat{l}_i satisfies

$$\mathbb{E}[\mathcal{P}^*] \cdot \mathbb{P}(B < 0) \cdot \mathbb{E}\left[\frac{-B}{\left(\sum_{\Omega^p} \hat{l}_i - B\right)^2} \mid B < 0\right] = \frac{\hat{l}_i}{\Delta\Pi_i}$$

Results (cont.)

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- **Result 2:** *All large firms lobby in favor of the FTA.*
- Looking at the intensive margin of lobbying, relative contributions are proportional to relative payoffs:



$$\frac{\hat{l}_i}{\hat{l}_{i'}^*} = \frac{\Delta \Pi_i}{\Delta \Pi_{i'}} \quad \forall (i, i') \in \Omega_p^2$$

- **Result 3:** *Larger firms spend larger amounts in support of the FTA.*

Extensions

- Alternative [methodology to trace lobbying](#) (using FTA keywords rather than bill numbers). This methodology allows to account for:
 - Lobbying on FTAs that did not reach the ratification stage: [TPP](#) 
 - Lobbying on the early stage of the negotiations: [KORUS](#) 

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 - Lobbying on FTAs that did not reach the ratification stage: [TPP](#) 
 - Lobbying on the early stage of the negotiations: [KORUS](#) 
- Our results continue to hold in several extensions of the benchmark model:
 - Selection into importing
 - Allowing for heterogeneity in marginal costs
 - Fixed costs of exit
 - Bertrand competition among the large firms

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Summary

- Using a [new dataset on firms' lobbying on FTAs](#), we find that
 - Individual firms always lobby in favor of FTAs
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Summary

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 - Individual firms always lobby in favor of FTAs
 - Lobbying firms are larger than non-lobbying firms and they are more likely to import and export
 - Larger firms spend more lobbying in favor of FTAs
- To rationalize these facts, we have developed a new model of the political economy of FTAs with heterogeneous firms
- A few large firms can shape market aggregates (trade patterns) and policy outcomes (FTA ratification)

- Our results differ sharply from the standard view that trade liberalization efforts are met by staunch opposition. This is because when considering the interests of heterogeneous firms, only large firms have incentives to lobby, and they tend to gain from FTAs.

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- The type of trade policy considered matters.
- Large firms favor FTAs, which entail broad and reciprocal tariff reductions, and thus improve their access to consumers in foreign markets and reduce the cost of importing intermediates.
- This does not mean that large firms always support freer trade. They may favor unilateral and sector-specific protectionist measures targeted at their main competitors (e.g. antidumping or countervailing duties).

Avenues of Future Research

- Investigate the **mechanisms** through which firms' lobbying expenditures affect the ratification of FTAs (e.g. is the money spent to influence congressmen who would not otherwise support the agreement?)
- Collect firms' lobbying reports on **other policy issues** to verify whether the broad logic of our theoretical model applies beyond trade agreements: only large firms should individually lobby (in favor or against) specific bills.

Thank you!

Figure 1: Number of RTA notifications and RTA in force

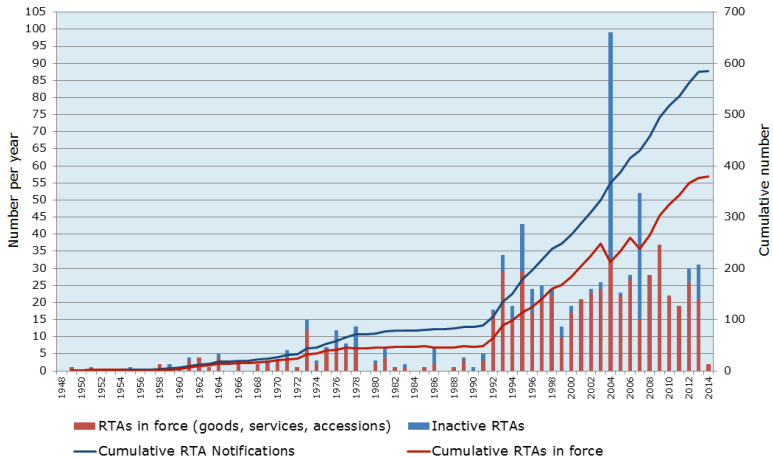


Figure 2: Lobbying expenditures on FTAs negotiated by the United States

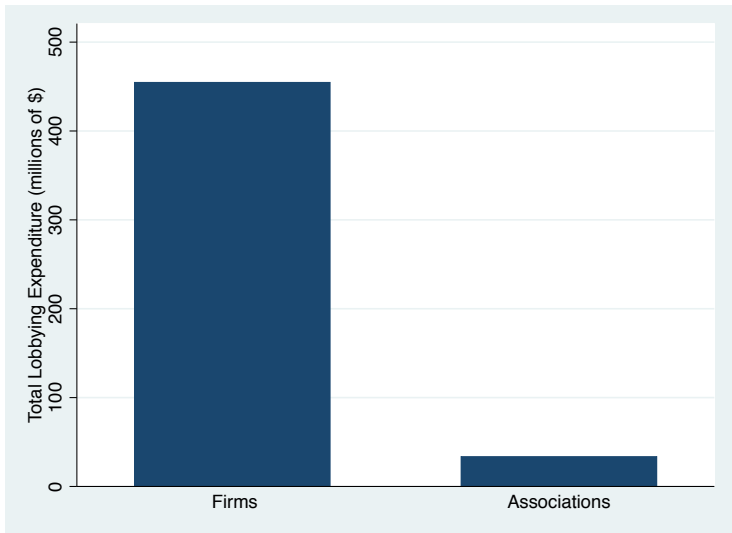


Figure 3: Lobbying expenditures on FTA ratification bills

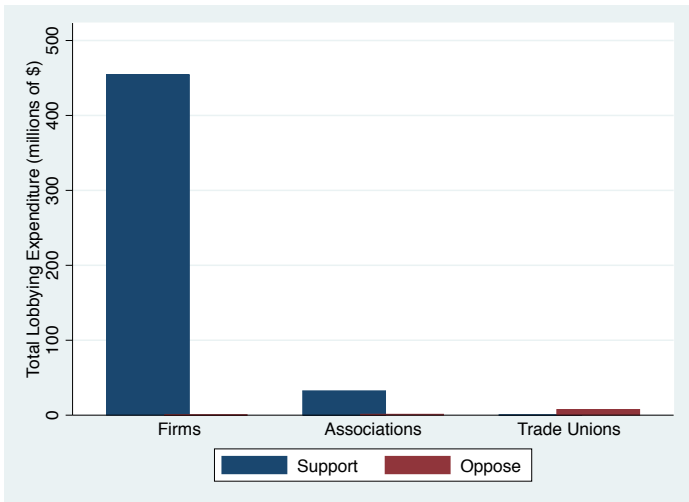


Figure 4: Lobbying expenditures vs campaign contributions (all issues)

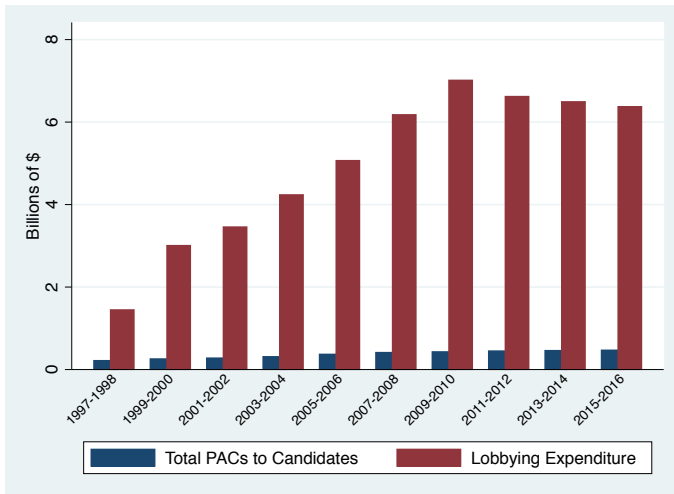





Figure 5: Free Trade Agreements Negotiated by the United States

FTA partner	Date of entry into Force	Votes in the House			Votes in Senate		
		Bill Number	Date	y-n (nv)	Bill Number	Date	y-n (nv)
Jordan	December 17, 2001	H.R.2603	July 31, 2001	voice vote	S. 643	September 24, 2001	voice vote
Chile	January 1, 2004	H.R.2738	July 24, 2003	270-156 (8)	S. 1416	July 31, 2003	65-32 (3)
Singapore	January 1, 2004	H.R.2739	July 24, 2003	272-155 (7)	S. 1417	July 31, 2003	66-32 (2)
Australia	January 1, 2005	H.R.4759	July 14, 2004	314-109 (9)	S. 2610	July 15, 2004	80-16 (4)
Morocco	January 1, 2006	H.R.4842	July 22, 2004	323-99 (12)	S. 2677	July 21, 2004	85-13 (2)
Bahrain	January 11, 2006	H.R.4340	December 7, 2005	327-95 (10)	S. 2027	December 13, 2005	voice vote
CAFTA-DR (El Salvador) CAFTA-DR (Honduras) CAFTA-DR (Nicaragua) CAFTA-DR (Guatemala) CAFTA-DR (Dominican Rep.) CAFTA-DR (Costa Rica)	March 1, 2006 April 1, 2006 April 1, 2006 July 1, 2006 March 1, 2007 January 1, 2009	H.R.3045	July 28, 2005	217-215 (2)	S. 1307	July 28, 2005	55-45
Oman	January 1, 2009	H.R.5684	July 20, 2006	221-205 (7)	S. 3569	September 19, 2006	62-32 (6)
Peru	February 1, 2009	H.R.3688	November 8, 2007	285-132 (12)	S. 2113	December 4, 2007	77-18 (5)
Colombia (1)	-	H.R.5724	-	-	S. 2830	-	-
Korea	March 15, 2012	H.R.3080	October 12, 2011	278-151 (4)	S. 1642	October 12, 2011	83-15 (2)
Colombia (2)	May 15, 2012	H.R.3078	October 12, 2011	262-167 (4)	S. 1641	October 12, 2011	66-33 (1)
Panama	October 31, 2012	H.R.3079	October 12, 2011	300-129 (4)	S. 1643	October 12, 2011	77-22 (1)

Examples of Lobbying Reports

- Miller Brewing Company paid \$374,131 in 2005 in favor of the ratification of the Dominican Republic-Central America-U.S. Free Trade Agreement (DR-CAFTA) 
- Philip Morris paid \$1,020,000 in 2008 to support the implementation of the United States-Colombia Free Trade Agreement 
- U.S. Steel Corporation paid \$800,000 in 2011 favor of the ratification of the Korea-US FTA 
- All are multinational companies engaging in exports and imports

1. Registrant Name:

MILLER BREWING COMPANY

2. Address:

655 15TH STREET, N.W., SUITE 385, WASHINGTON, DC 20005

3. Principal place of business (if different from line 2):

City: MILWAUKEE State/Zip(or Country): WI 53208

4. Contact Name: TIMOTHY H. SCULLY, JR.

Telephone: 202-661-8630

E-mail (optional): scully.timothy@mbco.com

Senate ID #: 78994-12

House ID #: 36209000

7. Client Name: ☒ Self

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

12. Lobbying Firms

INCOME relating to lobbying activities for this reporting period was:

Less than \$10,000: ☐

\$10,000 or more: ☐ => Income (nearest \$20,000): _____

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).

13. Organizations

EXPENSES relating to lobbying activities for this reporting period were:

Less than \$10,000: ☐

\$10,000 or more: ☒ => Expenses (nearest \$20,000): 374,131.00

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: TRD (one per page)

16. Specific lobbying issues:

Support S. 1307 (To implement the Dominican Republic-Central America-U.S. Free Trade Agreement Implementation Act) Support H.R. 3045 (To implement the Dominican Republic-Central America-U.S. Free Trade Agreement Implementation Act)

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1. Registrant Name <input checked="" type="checkbox"/> Organization/Lobbying Firm <input type="checkbox"/> Self Employed Individual PMI Global Services Inc.			
2. Address Address1 <u>700 13th Street, NW</u> Address2 <u>Suite 325</u> City <u>Washington</u> State <u>DC</u> Zip Code <u>20005</u> Country <u>USA</u>			
3. Principal place of business (if different than line 2) City <u>New York</u> State <u>NY</u> Zip Code <u>10017</u> Country <u>USA</u>			
4a. Contact Name Ms. <u>Beverly McKittrick</u>		b. Telephone Number <u>2024952661</u>	c. E-mail <u>beverly.mckittrick@pmintl.com</u>
7. Client Name <input checked="" type="checkbox"/> Self <input type="checkbox"/> Check if client is a state or local government or instrumentality PMI Global Services Inc.			5. Senate ID# 400265213-12
			6. House ID# 401470000

TYPE OF REPORT 8. Year 2008 Q1 (1/1 - 3/31) ☐ Q2 (4/1 - 6/30) ☐ Q3 (7/1 - 9/30) ☒ Q4 (10/1 - 12/31) ☐

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 Issue Activity ☐

INCOME OR EXPENSES - YOU MUST complete either Line 12 or Line 13	
<p style="text-align: center;">12. Lobbying</p> <p>INCOME relating to lobbying activities for this reporting period was:</p> <p><u>Less than \$5,000</u> <input type="checkbox"/></p> <p><u>\$5,000 or more</u> <input type="checkbox"/> \$ _____</p> <p>Provide a good faith estimate, rounded to the nearest \$10,000, 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>EXPENSE relating to lobbying activities for this reporting period were:</p> <p><u>Less than \$5,000</u> <input type="checkbox"/></p> <p><u>\$5,000 or more</u> <input checked="" type="checkbox"/> \$ <u>1,020,000.00</u></p> <p>14. REPORTING Check box to indicate expense accounting method. See instructions for description of options.</p> <p><input checked="" type="checkbox"/> Method A. Reporting amounts using LDA definitions only</p> <p><input type="checkbox"/> Method B. Reporting amounts under section 6033(b)(8) of the Internal Revenue Code</p> <p><input type="checkbox"/> Method C. Reporting amounts under section 162(e) of the Internal Revenue Code</p>

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. Add additional page(s) as needed.

15. General issue area code TRD

16. Specific lobbying issues

HR 5724/S 2830 - United States-Colombia Trade Promotion Agreement Implementation Act; To implement the United States - Colombia Trade Promotion Agreement; enactment of entire bill

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1. Registrant Name <input checked="" type="checkbox"/> Organization/Lobbying Firm <input type="checkbox"/> Self Employed Individual			
<u>UNITED STATES STEEL CORPORATION</u>			
2. Address			
Address1 <u>901 K Street, NW</u>		Address2 <u>Suite 1250</u>	
City <u>WASHINGTON</u>	State <u>DC</u>	Zip Code <u>20001</u>	Country <u>USA</u>
3. Principal place of business (if different than line 2)			
City _____	State _____	Zip Code _____	Country _____
4a. Contact Name			5. Senate ID# 71553-12
b. Telephone Number <u>2027836333</u> c. E-mail <u>jwlinsey@uss.com</u>			
7. Client Name <input checked="" type="checkbox"/> Self <input type="checkbox"/> Check if client is a state or local government or instrumentality <u>UNITED STATES STEEL CORPORATION</u>			6. House ID# 358040000

TYPE OF REPORT 8. Year 2011 Q1 (1/1 - 3/31) ☐ Q2 (4/1 - 6/30) ☐ Q3 (7/1 - 9/30) ☒ Q4 (10/1 - 12/31) ☐

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 Issue Activity ☐

INCOME OR EXPENSES - YOU MUST complete either Line 12 or Line 13	
<p style="text-align: center;">12. Lobbying</p> <p>INCOME relating to lobbying activities for this reporting period was:</p> <p><u>Less than \$5,000</u> <input type="checkbox"/></p> <p><u>\$5,000 or more</u> <input type="checkbox"/> \$ _____</p> <p>Provide a good faith estimate, rounded to the nearest \$10,000, 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>EXPENSE relating to lobbying activities for this reporting period were:</p> <p><u>Less than \$5,000</u> <input type="checkbox"/></p> <p><u>\$5,000 or more</u> <input checked="" type="checkbox"/> \$ <u>800,000.00</u></p> <p>14. REPORTING 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)(8) 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>

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. Add additional page(s) as needed.

15. General issue area code TRD

16. Specific lobbying issues

Implementation and enforcement of U.S. trade laws as follows: H.R.639, Currency Reform for Fair Trade Act
S.328, Currency Reform for Fair Trade Act
H.R.1239, Congressional Made in America Promise Act of 2011
S.1, American Competitiveness Act
S.1133/H.R.3057, Enforcing Orders and Reducing Customs Evasion Act of 2011, entire bill.

S.1619, Currency Exchange Rate Oversight Reform Act, entire bill

H.R.3080, United States - Korea Free Trade Agreement, entire bill.

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Figure 6: Examples of firms' statements on FTAs

Alan Mulally, CEO of Ford Motor Company

"As a global company committed to free trade, Ford Motor Company applauds the outlines of the revised U.S.-Korea Free Trade Agreement that were announced today. President Barack Obama and U.S. Trade Representative Ron Kirk vigorously advocated the important principle of two-way trade, and the resulting agreement provides greater clarity and transparency by affirmatively addressing the issues surrounding non-tariff and tariff barriers. These new provisions provide Ford greater confidence that we will be able to better serve our Korean customers. We deeply appreciate the tireless efforts of the Obama Administration and Congress to improve this agreement and open the Korean auto market." [Ford Motor Company, 12/03/2010]

Greg Slater, Director of Trade and Competition Policy at Intel Corporation

"Intel is extremely pleased with the Administration's significant efforts to finalize the U.S./Korea Free Trade Agreement (FTA). This FTA will greatly benefit both the U.S. and the Korean economy, leading to greater market access for many U.S. industries. In addition, increasing exports of American goods and services helps to maintain and, even grow, jobs in the United States... We join many other businesses, large and small, across multiple industries in requesting prompt Congressional approval of this critical agreement. Prompt approval will help the U.S. maintain its competitiveness, especially as other governments like the European Union move ahead with their own trade agreements with Korea." [Intel, 12/03/2010]

Peter Bowe, President of Ellicott Dredges

"Although Ellicott Dredges has already enjoyed success exporting to Korea, the FTA will give U.S. manufacturers increased access to a dynamic Asian market. The KORUS FTA will help give us an advantage over foreign competitors by reducing tariffs currently placed on our products exported to Korea. This will increase our sales in Korea and grow our business in America." [Ellicott Dredges, 12/03/2010]

Figure 7: Firms position on all FTAs (based on ratification bills)

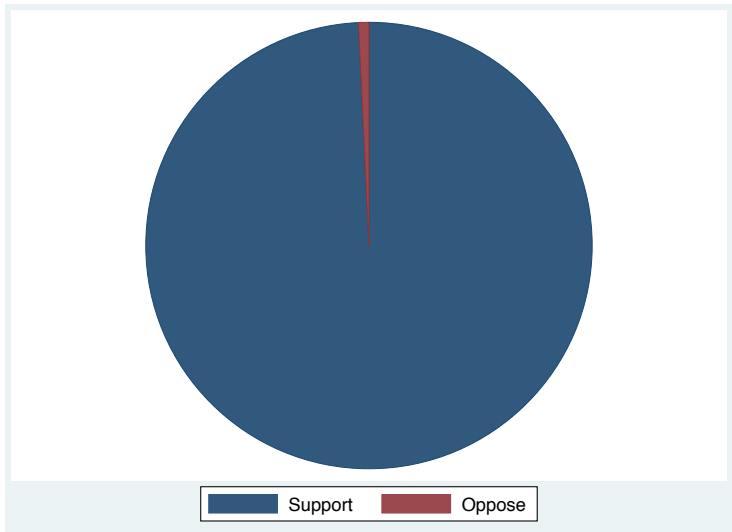


Figure 8: Employment distribution (lobbying vs non-lobbying firms)

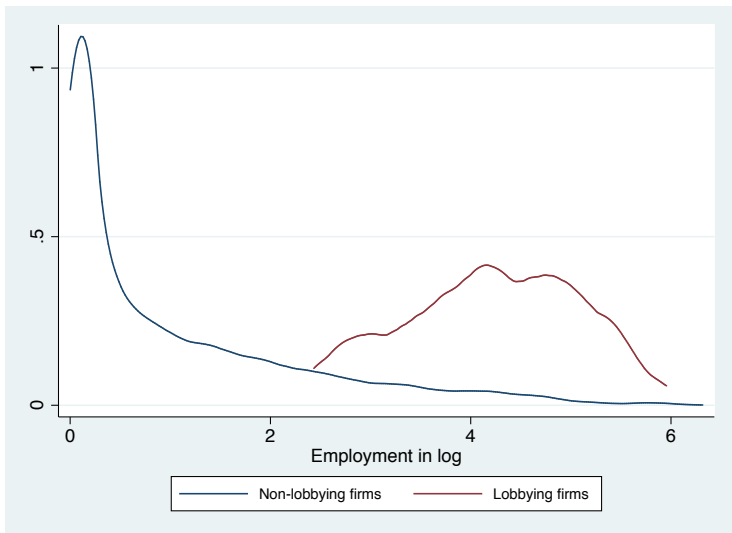


Figure 9: Sales distribution (lobbying vs non-lobbying firms)

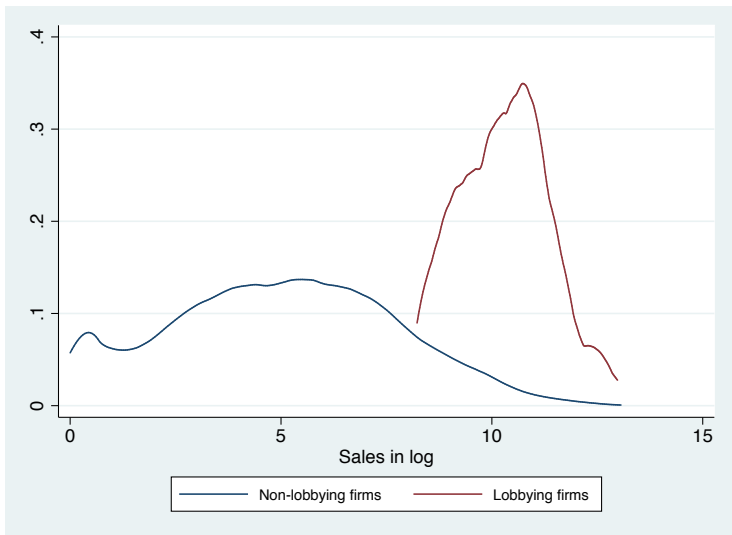


Table 1
Probability of lobbying in support of FTAs

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Sales _{<i>f</i>}	1.482*** (12.95)		0.992*** (5.98)				0.772*** (3.54)
Employment _{<i>f</i>}		0.582*** (13.23)	0.293*** (3.97)				0.260** (2.37)
Importer _{<i>f</i>}				0.540** (2.13)			0.568* (1.73)
Exporter _{<i>f</i>}					0.256 (1.54)		
Importer and/or Exporter _{<i>f</i>}						0.433*** (6.01)	
FTA FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
SIC2 FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes
N	37,161	34,472	34,416	6,450	11,387	14,404	6,212
pseudo R ²	0.330	0.310	0.334	0.258	0.215	0.258	0.359

Data for Exporter and Importer dummies from Compustat and Jain *et al.* (2013)

Figure 10: Firm size and lobbying expenditures on FTAs

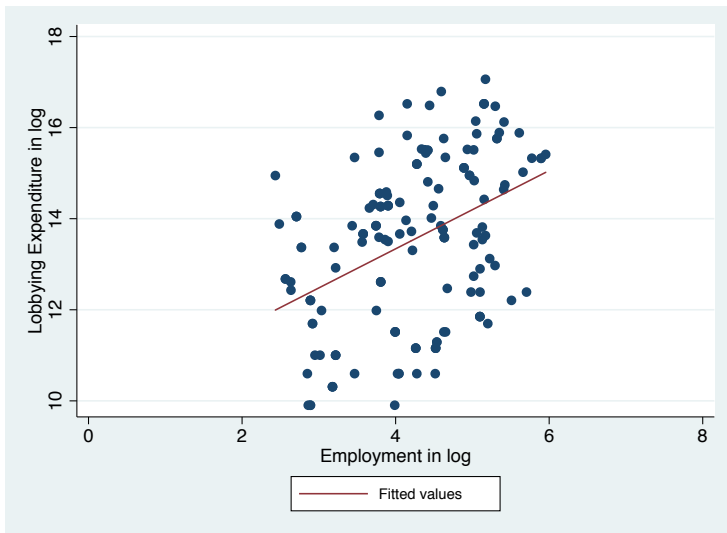


Figure 11: Firm size and lobbying expenditures on FTAs

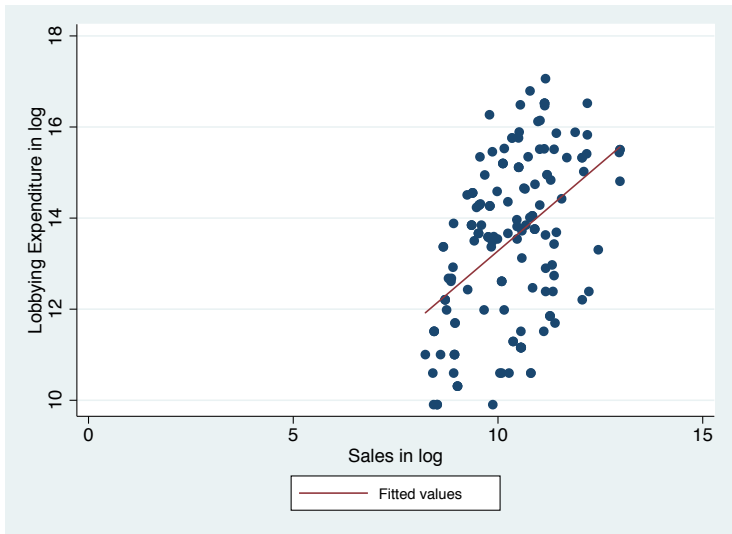


Table 2

Firm size and lobbying expenditures on FTAs

	Lobbying Expenditure		
	(1)	(2)	(3)
Sales _f	2159.2*** (25.35)		1604.6*** (13.28)
Employment _f		1114.8*** (21.71)	496.8*** (7.17)
FTA FE	Yes	Yes	Yes
SIC 2 FE	Yes	Yes	Yes
N	40,193	37,319	37,259
R ²	0.111	0.109	0.113

Figure 12: Lobbying expenditures on Trans-Pacific Partnership

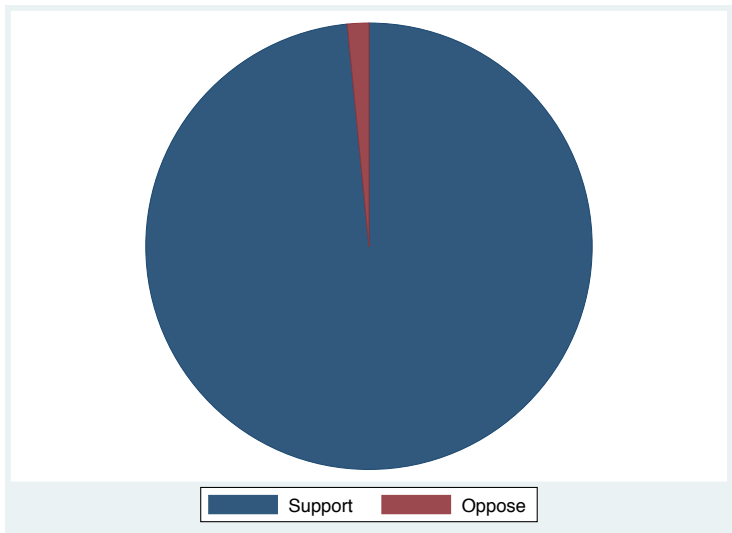


Figure 13: Lobbying expenditures on US-Korea Free Trade Agreement

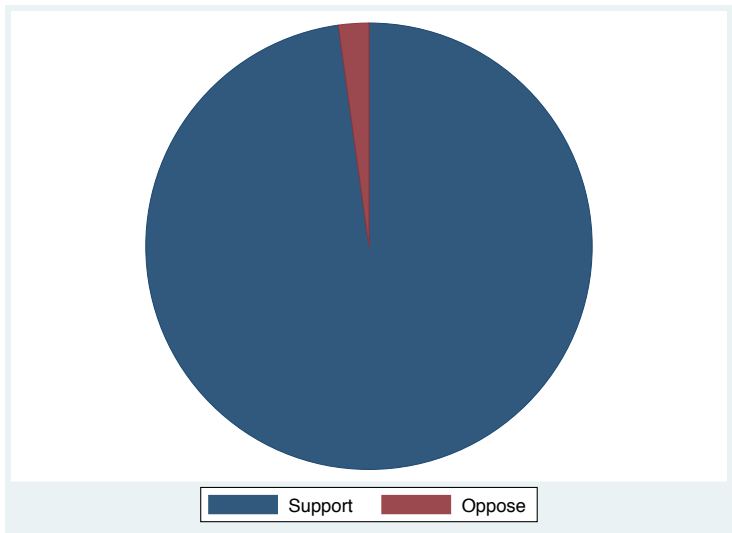


Figure 14: Lobbying expenditures on the ratification of FTAs negotiated by the U.S.

