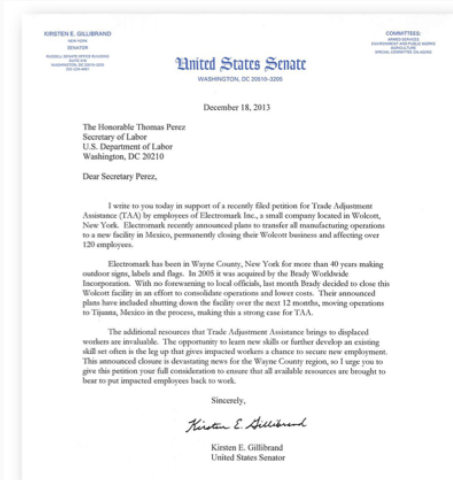


Legislators as Lobbyists

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Motivation



“I urge you to give this petition your full consideration to ensure that all available resources are brought to bear to put impacted employees back to work.”

Senator Kirsten E. Gillibrand
(D-NY)





Kirsten Gillibrand
United States Senator for New York

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At Gillibrand Urging, Department of Labor Will Provide Trade Adjustment Assistance for Laid-Off Electromark Workers

Federal Funds Will Provide Impacted Workers Support, Resources to Find New Jobs

January 16, 2014

Is this cheap talk?

Is this cheap talk?

Or are members of Congress (MCs) able to influence the bureaucracy's decisions that are supposedly based on objective criteria?

Q: How does the Congress control the bureaucracy?

1. **Agency Design Thesis:**

- Congress strategically designs the agency structure and process to influence the policymaking of agencies (e.g., McCubbins, Noll, and Weingast 1987).

2. **Casework & Grants:**

- Individual MCs benefit from the bureaucracy's complexity by addressing constituent casework (Fiorina 1977).
- Bureaucrats strategically allocate distributive benefits to MCs (Arnold 1979).

Congressional Influence on Bureaucracy

We know little about the frequency of individual MCs' interactions with agencies and how much influence MCs have over bureaucratic decisions

Congressional Influence on Bureaucracy

- Individual MCs take advantage of the bureaucracy's discretion
- MCs regularly contact agencies to represent their constituencies and influence agency decisions
- Agencies respond favorably to MCs requests in order to gain support for their budgets and programs, or to avoid public criticism

What We Do

- We use original data to measure the expressed preferences of MCs over agency decisions in order to provide a direct test of legislator influence
- We provide empirical evidence for the argument that MCs are effective lobbyists for their constituents

- 2005 - 2012 (109th-112th)
- Records of direct communication from House members and Senators to the DOL (27,310 contacts)
- DOL decisions on Trade Adjustment Assistance (TAA) petitions (17,300 petitions)

Trade Adjustment Assistance (TAA)

- Created to help U.S. workers that have been negatively affected by trade liberalization by providing job training, temporary income, and other assistance
- A petition is submitted to the DOL either by a company, a group of workers, or a labor union
- During 2005-12 period, 75% of the petitions were approved

Q1: Do Contacts Affect TAA Decision?

$$\text{TAA Approval}_{ijst} = \alpha_j + \alpha_s + \alpha_t + \beta \text{TAA Contact}_{ijt} + \Gamma \mathbf{X}'_{ijt} + \varepsilon_{ijst}$$

, where i = petition, j = congressional district, s = product type, and t = year.

- Two measures of *TAA Contact*:
 1. Direct TAA Contact: Total number of contacts from MCs on each petition (also use dummy)
 2. Indirect TAA Contact: Total number of contacts from MCs related to TAA from a petitioners' district and state - Direct TAA Contact

Q1: Do Contacts Affect TAA Decision?

	(1)	(2)
Direct TAA Contact	0.0264** (2.46)	
Direct TAA Contact Dummy		0.0799*** (3.72)
Indirect TAA Contact	-0.000782 (-0.47)	-0.000775 (-0.47)
Demographic Controls	Y	Y
Member Characteristics Controls	Y	Y
Year FE	Y	Y
District FE	Y	Y
SIC FE	Y	Y
<i>N</i>	15446	15446
adj. R^2	0.157	0.157

Note: t statistics in parentheses. ** $p < 0.05$, *** $p < 0.01$. Standard errors are clustered at the congressional district level.

Q1: Do Contacts Affect TAA Decision?

- When MCs contact the DOL in support of a specific petition it increases the approval rate of petitions:
 - 2.6% higher approval rate (1 additional contact)
 - 8% higher approval rate (dummy)
- Neither *Indirect TAA* contact nor the total number of non-TAA related DOL contacts from MCs matter on TAA approval rate
- This suggests that DOL is very *precise* in its response to a member's request
- Labor committee membership & leadership position are not significant

Addressing Selection Issue: Overturn Decision

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- Subsample: Petitions that are already denied
- Initially denied petitions are of similar, weak quality - offers greater confidence that results are due to the effect of MCs' contact and not solely to petition quality

Addressing Selection Issue: Overturn Decision

- Petitioners who are denied eligibility for TAA may request administrative reconsideration
- 2,334 cases out of 17,309 were reconsidered
- Of the petitions reconsidered, 14% of the cases overturned the initial decision, from denial to approval
- We compare the overturn rate of petitions with MCs' contact which takes place after the initial decision to petitions with no such contact

Q2: Do Contacts Affect Overturn Decision?

	(1)	(2)	(3)
Direct TAA Contact After Initial Decision	0.320*** (5.15)	0.306*** (4.92)	0.341*** (4.42)
Indirect TAA Contact		0.00279 (1.18)	0.000719 (0.17)
Demographic Controls	Y	Y	Y
Year FE	Y	Y	Y
District FE	N	N	Y
SIC FE	N	N	Y
<i>N</i>	2334	2334	2331
adj. <i>R</i> ²	0.067	0.072	0.104

Note: *t* statistics in parentheses. ** $p < 0.05$, *** $p < 0.01$. Standard errors are clustered at the congressional district level.

Conclusion & Implications

- Direct communication is a powerful tool for MCs to control the priorities and resources of federal agencies
- Policymaking power in Congress
- Bureaucratic Responsiveness and Representation