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Research Brief

What is Lobbying?

by

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Lobbying has been a part of the American landscape since the start of the republic. According to the American League of Lobbyists, the official web site for lobbyists:

The term "lobbyist" came into usage early in the 19th century, although stories of its origin vary. One account describes "lobby-agents" as the petitioners in the lobby of the New York State Capitol waiting to address legislators. Another version of the story describes the lobby of the Willard Hotel as the meeting site for both legislators and favor-seekers during the early 1800s. Either way, by 1835 the term had been shortened to "lobbyist" and was in wide usage in the U.S. Capitol, though frequently pejoratively. (American League of Lobbyists, 2010)

Not surprisingly, this organization justifies lobbying as something that is good for everyone and is protected by the First Amendment of the Constitution in that there is a right of the people "to petition the government for a redress of grievances." I suppose, therefore, that lobbying is a form of petitioning the government for some kind of "grievance." Most people reading this might think that this is a rather flimsy justification for pouring millions of dollars into the hands of politicians to convince them to pass or not to pass a particular piece of legislation. They also try to paint a picture that all lobbyists are pretty much equal, as they note that:

Simply put, lobbying is advocacy of a point of view, either by groups or individuals. A special interest is nothing more than an identified group expressing a point of view — be it colleges and universities, churches, charities, public interest or environmental groups, senior citizens organizations, even state, local or foreign governments. While most people think of lobbyists only as paid professionals, there are also many independent, volunteer lobbyists — all of whom are protected by the same First Amendment. (American League of Lobbyists, 2010)

Further, it is a very legitimate form of activity:

Lobbying involves much more than persuading legislators. Its principal elements include researching and analyzing legislation or regulatory proposals; monitoring and reporting on developments; attending congressional or regulatory hearings; working with coalitions interested in the same issues; and then educating not only government officials but also employees and corporate officers as to the implications of various changes. What most lay people regard as lobbying — the actual communication with government officials — represents the smallest portion of a lobbyist's time; a far greater proportion is devoted to the other aspects of preparation, information and communication.

Lobbying is a legitimate and necessary part of our democratic political process. Government decisions affect both people and organizations, and information must be provided in order to produce informed decisions. Public officials cannot make fair and informed decisions without considering information from a broad range of interested parties. All sides of an issue must be explored in order to produce equitable government policies. (American League of Lobbyists, 2010)

On the other hand, the *New York Times* reports that "Lobbyists, political consultants and recruiters all say that the going rate for Republicans — particularly current and former House staff members — has risen significantly in just the last few weeks, with salaries beginning at \$300,000 and going as high as \$1million for private sector [corporate lobbyist] positions" (Lichtblau, 2010). Certainly in theory all groups have an opportunity to "petition the government for their grievances" (Lichtblau, 2010) but some are more equal than others. It is doubtful that churches, senior citizens groups, etc. are able to pay their lobbyists \$300,000 or more. The *Times* article goes on to point out that last year alone the 13,000 lobbyists in DC had revenues of \$3.5 billion – and it continues to climb.

As if hedging their bets, lobbying companies keep roughly an equal number of Republicans and Democrats on hand, in order to be prepared for any outcome of an election. The *Times* article mostly concerned the fact that many lobbying firms have begun to hire Republicans in anticipating of the outcome of November's mid-term elections. One example cited was JPMorgan Chase has just hired former Republican senator of Florida Mel Martinez as a "senior executive."

Back in November, 2008 the *Wall Street Journal* reported that "Washington's \$3 billion lobbying industry has begun shedding Republican staffers, snapping up Democratic operatives and entire firms, a shift that started even before Tuesday's ballots were counted and Democrat Barack Obama captured the presidency" (Williamson and Mullins, 2008). Michael Parenti, in his book aptly named *Democracy for the Few*, calls lobbyists "the other lawmakers." He describes what lobbyists do in the following way:

Along with the slick brochures and expert testimony, corporate lobbyists offer the succulent campaign contributions, the "volunteer" campaign workers to help members of Congress get reelected, the fat lecture fees, the insider stock market tips, the easy-term loans, the high-paying corporate directorship upon retirement from public office, the lavish parties and accommodating female escorts, the prepaid vacation jaunts, luxury hotels, lavish buffets and private jets, and the many other enticements of money (Parenti, 2002, p. 231).

Parenti goes on to describe one of the most influential lobbying organizations, the Business Roundtable, which he calls the "trillion-dollar voice" of big business. This organization describes itself as "an association of chief executive officers of leading U.S. companies with nearly \$6 trillion in annual revenues and more than 12 million employees. Member companies comprise nearly a third of the total value of the U.S. stock markets and more than 60 percent of all corporate income taxes paid to the federal government. Annually, they pay \$167 billion in dividends to shareholders and the economy" (Business Roundtable, n.d). Not surprisingly the organization believes the "the basic interests of business closely parallel the interests of American workers" (Business Roundtable, n.d). This is hard to believe when you look at the members of the Executive Committee. Among others are the Chairmen and CEOs of the following corporations: Verizon, State Farm, American Express, WellPoint, JPMorgan Chase, General Electric, Dow Chemical, Boeing, Proctor and Gamble, Exxon Mobil and AT & T, among others.

Not surprisingly California has its own Business Roundtable. Like its national counterpart, the members read like a Who's Who of California businesses. Among the list include: Anthem Blue Cross, AT&T, Automobile Club of Southern California, Bank of America (California), Edison International, Enterprise Rent-a-Car, Farmers Group, Kaiser Foundation Health Plan, KB Home, Newhall Land, PG&E, Safeway, State Farm, Wells Fargo Bank. The organization describes itself as follows: "Since 1976, the Roundtable has provided essential leadership on high-priority public policy issues. Through its 'big picture,' proactive focus on key business issues, combined with the prestige and influence of its members, the Roundtable is a powerful and compelling advocate for a strong economy and a healthy business climate in California" (California, Business Roundtable, n.d). More on California below.

Parenti notes that some of the top lobbying groups in DC "are funded by foreign governments that are among the world's worst human-rights abusers," such as Indonesia, Guatemala, Saudi Arabia, and Zaire (Parenti, 2002). The top lobbyists are typically corporate attorneys, former members of Congress, ex-congressional aides and the like. Jeffrey Birnbaum, writing in the Washington Post a few years ago, noted that "The number of registered lobbyists in Washington has more than doubled since 2000 to more than 34,750 while the amount that lobbyists charge their new clients has increased by as much as 100 percent" (Birnbaum, 2005). There is some dispute about that number. According to the Center for Responsive Politics, currently there are just under 12,000 lobbyists in the nation's capitol (down from a high of about 15,000 in 2007). Spending has increased significantly, from \$1.4 billion in 1998 to \$3.5 billion in 2009. Salaries for lobbyists start at around \$300,000. The Center also reports that the top spenders include some of the largest corporations and associations in the country, with the Chamber of Commerce leading the way (spending a total of \$651 million from 1998 through 2010), followed by such well-known corporations and associations as the American Medical Association, General Electric, Pharmaceutical Researchers & Manufacturers of America, AARP, AT&T, Exxon Mobil, and Boeing, to name a few (Center for Responsive Politics, 2010).

Thomas Frank, in his book *The Wrecking Crew*, wrote chapter called "The City of Bought Men." In this chapter he notes that many of the leading lobbyists have offices in one of the most prestigious locations in DC, that of 101 Constitution Avenue – what he calls "101 Con" – which is directly across the street from the Capitol. Frank says that "101 Con is K Street in a box, a private-sector Pentagon where ten stories of lobbyists plot their next thrust on behalf of the life insurance industry, the mining industry, or the retail hardware industry" (Frank, 2008, p. 177). On occasion fund-raising events are held on the rooftop terrace (Frank was told that rent there starts at \$10,000 a night!) which has a panoramic view of the Capitol and surrounding areas.

Frank quotes a study published in the early 1950s that noted that lobbying has always brought consistent pressure in one direction, namely toward the general goal of trying the "capture the government itself" and of course "on behalf of those with the means to pay their fees." Frank states the obvious: "Lobbying is how business pulls the levers of the state" (Frank, 2008, p. 183).¹ It goes without saying that one thing lobbyists are trying to do is to get as much taxpayer money as possible on behalf of their clients. A modern example cited by Frank is Akin Gump, "an international law firm that runs one of the largest lobby shops in Washington" (Frank, 2008,

¹ Frank was quoting from the following: Schriftgiesser, Karl (1951). *The Lobbyists: The Art and Business of Influencing Lawmakers*. Boston: Little Brown, p. 32.

p. 184)² This firm “advertises its ability to help employers defeat labor union initiatives” (Frank, 2008, p. 184). Likewise does the firm of Burson-Marsteller and a subsidiary firm called BKSH, both of whom give advice to “companies facing strikes.” Frank again states the obvious: “I know of no corporate lobby firms that sell themselves to workers as a ‘solution’ for getting management to the table” (Frank, 2008, p. 184). In fact it is hard to imagine any large corporations actively lobbying for any progressive liberal cause.

As if to prove a point, Frank noted that when Newt Gingrich took over in the mid-90s one of the first bills tried to ban certain lobbying groups – but the groups the bill referred to were those on the liberal side, such as environmental groups. This was a blatant attempt to “defund the left” but keeping intact pro-business and conservative lobbying (Frank, 2008, p.186-187). Many of those members of Congress involved during that time eventually ended up becoming lobbyists (Frank, 2008, p. 195).³ It was about the same time that the “K Street Project” got started.⁴ Led by key conservative Grover Norquist this project was a blatant attempt to “force businesses to behave as conservative loyalists...” and “to hire only conservatives as their lobbyists and to donate strictly to the campaigns of conservative politicians” (Frank, 2008, p. 188).⁵

² Also see Akin Gump Strauss Hauer & Feld LLP (2010). *Web page*. Retrieved from <http://www.akingump.com/>

³ Specifically about half who were part of the 1994 freshman class in Congress.

⁴ According to Source Watch this project was started “by the Republican Party to pressure Washington lobbying firms to hire Republicans in top positions, and to reward loyal GOP lobbyists with access to influential officials. It was launched in 1995, by Republican strategist Grover Norquist and House majority leader Tom DeLay.” Center for Media and Democracy (2008, Aug. 11). K Street Project. In *Source Watch*. Retrieved from http://www.sourcewatch.org/index.php?title=K_Street_Project

⁵ Norquist’s group was the Americans for Tax Reform, an ultra conservative organization. Their biggest current project is called “Countdown to the Biggest Tax Increase in American History.” (See <http://www.atr.org/>) This mainly concerns the expiration of the Bush tax cuts. This is a rather odd way to express this in that the richest of the rich gained more than \$1 trillion from these tax cuts and to allow them to expire would mean taxes on the upper 1% of Americans would return to the level they were in the 1990s.

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Randall G. Shelden most notable achievements at the Center on Juvenile and Criminal Justice is his evaluation of the Detention Diversion Advocacy Project, published by OJJDP in 1999. He is Professor of Criminal Justice, University of Nevada-Las Vegas, where he has been a faculty member since 1977. He received his Masters Degree in Sociology at Memphis State University and Ph.D. in Sociology at Southern Illinois University.

Mr. Shelden is the author or co-author of 14 books, including: *Delinquency and Juvenile Justice* (3rd edition), with Meda Chesney-Lind (which received the *Hindelang Award* for outstanding contribution to Criminology in 1992); *Youth Gangs in American Society* (3rd ed.), with Sharon Tracy and William B. Brown (Cengage Publishers); *Crime and Criminal Justice in American Society* (with William Brown, Karen Miller and Randall Fritzler, Waveland Press); *Controlling the Dangerous Classes: The History of Criminal Justice* (2nd edition, Allyn and Bacon); *Delinquency and Juvenile Justice in American Society* (Waveland Press); *Juvenile Justice in America: Problems and Prospects* (Waveland Press, co-edited with Daniel Macallair). His most recent book is *Our Punitive Society* (Waveland Press).

Mr. Shelden is also the author of more than 50 journal articles and book chapters on the subject of crime and justice. He has also written more than 100 commentaries appearing in local and regional newspapers. He is the co-editor of the Justice Policy Journal. His web site is: www.sheldensays.com

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