The Domestic Effects of International Lobbying

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1 Introduction

Countries with poor human rights records often spend large amounts of money to hire public relations (PR) firms based in the United States to improve their image. A report by the Center for Public Integrity found that between 2010 and 2015, the 50 countries with the lowest scores on the Fragile States Index (and those with some of the worst human rights records) spent $168 million on PR in the U.S. Additionally, the same report found that between 2013 and 2015, this spending increased by 40 percent.[1] The link between human rights violators and these PR firms can be clearly seen through the case of Bahrain. In 2011, just as a domestic protest movement linked to the Arab Spring began to take shape, the government of Bahrain signed a contract with Qorvis, a large PR firm in Washington. The deal, worth over $40,000 a month, led to Qorvis working to improve Bahrain's image including writing a pro-Bahrain column in the Huffington Post.[2] These actions, designed to cover Bahrain's human rights abuses, illustrate how states use PR firms based in the United States to mitigate the negative consequences of such behavior.

[1] https://www.publicintegrity.org/2015/12/17/19051/us-lobbying-pr-firms-give-human-rights-abusers-friendly-face

[2] https://www.theatlantic.com/international/archive/2012/02/the-american-pr-firm-helping-out-bahrains-brutal-monarchy/253735/

In this project, we seek to understand how states interact with PR firms over time. Specifically, we are interested in PR specialization and state learning. We believe that states may cluster by PR firm as firms begin to specialize in specific PR content. For example, if a handful of firms represent the worst human rights offenders and do a good job of improving their image, it is likely that other poor human rights countries will take note of this and hire the same firm. Additionally, at the firm level, firms may begin to specialize in certain areas as they begin to gain more and more alike clients. We test this by using data from the Foreign Agents Registration Act (FARA). We compile a network between firms and states in order to see if clustering occurs. We find that clustering is present at the beginning of our sample but begins to lessen as we get closer to modern day. While not in line with our expectations, this trend proves interesting nonetheless. Below we give some background on foreign lobbying and lay out our expectations about clustering. Following this discussion, we introduce the FARA data and outline our network approach. Finally, we end with a brief discussion of our results and some possible ways forward.

2 Foreign Lobbying

Lobbying in the United States by foreign governments is not a new phenomenon. And the results of such lobbying can be quite substantial. For example, Freeman (2009) finds that states who lobbied in the U.S. were able to secure more foreign aid as a result of this lobbying. Montes-Rojas (2013) find similar results and argue that lobbying can affect how policy makers think about the United State's relationship with the lobbying country. Newhouse (Newhouse) points out that lobbyists can operate in a way that is different from traditional diplomats and can operate more effectively in Washington. As Newhouse points out, Washington is a town of insiders and often these lobbying firms can operate more successfully than traditional diplomats due to their connections and understanding of Washington politics. Importantly, beyond influencing policy makers, lobbying firms

can also impact the general population of the United States. (Lee, 2007) finds that states with active lobbying contracts see a significant increase in media coverage[3]. As we can see, foreign lobbying can influence how policy makers perceive a country and can impact actions towards the lobbying state. Additionally, lobbying can help change the narrative within the general population by increasing attention to a particular state. Thus, lobbying proves a powerful tool of influence for states seeking to affect U.S. policy and behavior.

3 Clustering and PR Specialization

The idea that PR firms would specialize in certain types of work and that states would hire those PR firms who have helped other similar states seems intuitive. And their exists anecdotal evidence to support such an idea. Take the PR firm Qorvis. Based in Washington DC, Qorvis is notorious for representing states with poor human rights. Since 2010, Qorvis has represented Libya, Bahrain, China, Sri Lanka, and many other countries considered to be human rights abusers. The monetary value of this work exceeds $20 million. [4] This trend, PR firm specialization, makes sense for a variety of reasons. First, it allows firms to hire specialists who excel at this type of work. Improving the image of a ”bad” state is very different work than lobbying on behalf of a trade partner. This specialization also helps firms advertise their services. Firms that can make a name for themselves within a certain sector of public relations will have an easier job putting forth their brand. Lastly, firm specialization is likely to happen organically due to successful firms being hired by other states for the same purpose. If state A hires firm i to improve its image abroad and firm i is successful; state B is likely to hire firm i for the same service. This type of state

[3]Lee looked at coverage from the *New York Times, Washington Post, ABC, NBC, CBS* and *CNN*.

[4]https://slate.com/news-and-politics/2015/12/meet-the-lobbyists-who-work-for-the-worlds-worst-human-rights-abusers.html

learning and emulation organically leads to firm specialization. These factors, along with the anecdotal evidence provided, leads to our hypothesis:

Hypothesis 1 *States with poor human rights records will, over time, tend to hire the same PR firms causing a clustering effect to be seen.*

4 Data

To evaluate the hypothesis above and explore the clustering of PR firms and states, we use data drawn from the Foreign Agents Registration Act. These data range from 1949-2013 and identify the foreign registrant (foreign government or state) and which PR firm they hire. The data also list how much the contract is worth though this is not required by the justice department and therefore is often omitted. Lastly, the data also provide a short paragraph with an overview of the nature of the lobbying contract. To connect PR contracts with human rights, we use human rights data from Fariss (2014). These human rights data take into account the changing standards of accountability within the human rights community. This changing standard comes from the idea that our perception of what constitutes a human rights violation has changed over time. This change leads to problems when looking at human rights data across time. To account for this, Fariss treats human rights scores as a latent variable and uses multiple data sources to estimate the latent level of human rights within a state. This measure better captures the level of human rights abuses within a state across time.

5 Network

We construct a weighted measure that takes into account both the number of contracts between a country and a lobbying firm, and the length each contract is in effect. First, we

calculate the duration of a contract by subtracting the enacted year from the termination year, and add one to this, such that the minimum length of a contract (i.e. one that started and ended in the same year) is coded with a duration of one. We then sum the total by firm-country dyad, for a measure we refer to as hire-years. We use hire-years to determine the edge widths connecting a country and firm node in our network. The measure can be expressed as:

$$\text{hire\_years}_f = \sum_{i=1}^{I} (t_i - e_i + 1) \tag{1}$$

Where f refers to a firm-country dyad, i refers to a specific contract, I is the total number of contracts between firm-country f, t is the year the contract was terminated, and e is the year the contract was enacted.

To illustrate different types of countries, we utilize Fariss' latent measure of human rights abuse. Given the changes in human rights over time, we opt to aggregate data by time period. Namely, we divide our data into three time periods: the first 10 years for which we have data (1949-1959), the last 10 year we have data (2003-2013), and finally, the 10 year period in between these two (1976-1986). For each 10-year period, we aggregate the total number of hire-years for each country-firm dyad, and compute the average Fariss score for the time period. We color our nodes based on their average Fariss score, where red refers to the bottom quartile (i.e. the worst offenders), orange and light-green refer to the middle quartiles, and green refers to the top quartile (i.e. those most respectful of human rights).

Beyond examining the changing visual network over time, we compute three additional measures to examine the relationships. First, we compute degree and eigenvector for each firm and country. We examine how these change overtime and the substantive implications this has in the next section.

Additionally, we compute a "human rights score" for each firm in each time period. The

initial inclination here is to use the mean Fariss score for all the countries hired by a specific firm, however we argue this is inappropriate for two reasons. First, it does not take into account length of contract. Thus a firm hired only for one year by a human rights abuser would receive the same score as a firm employed for decades by the same country. Second, averaging introduces the theoretical assumption that working for many ”good countries” somehow cancels out the effect of working for ”bad ones” Thus, we instead opt to simply sum the number of hire_years each firm spends employed by a country with a mean Fariss score less than 1.

6 Results

The figures below, taken from three different time slices within our data, show how states and PR firms cluster. The first time slice, 1949 to 1959 shows significant clustering. We see that many of the poor human rights states (colored red) tend to cluster together and hire the same PR firms. This relationship can be clearly seen in figure 1. Figure 2 provides another way to visualize this network. Here, we visualize the bipartite network by having states at the top of the graph and firms at the bottom. The algorithm for this network plot tries to minimize crossed lines or ties. This, in effect, clusters together states that share PR firms. As with the previous network graph, figure 2 shows a general pattern of clustering with poor human rights states clustering to the right of the graph and better human rights states tending to be more center and left.

However, where this effect is clearly seen in figures one and two, figures three and four provide the same results for 1976-1986, while five and six provide results for 2003-2013. It is evident that, overtime, these results fade. In 1976, the cluster of red countries is much less pronounced and incorporates many nodes with higher human rights scores. By 2003 this effective clustering is wholly gone.

Figure 1

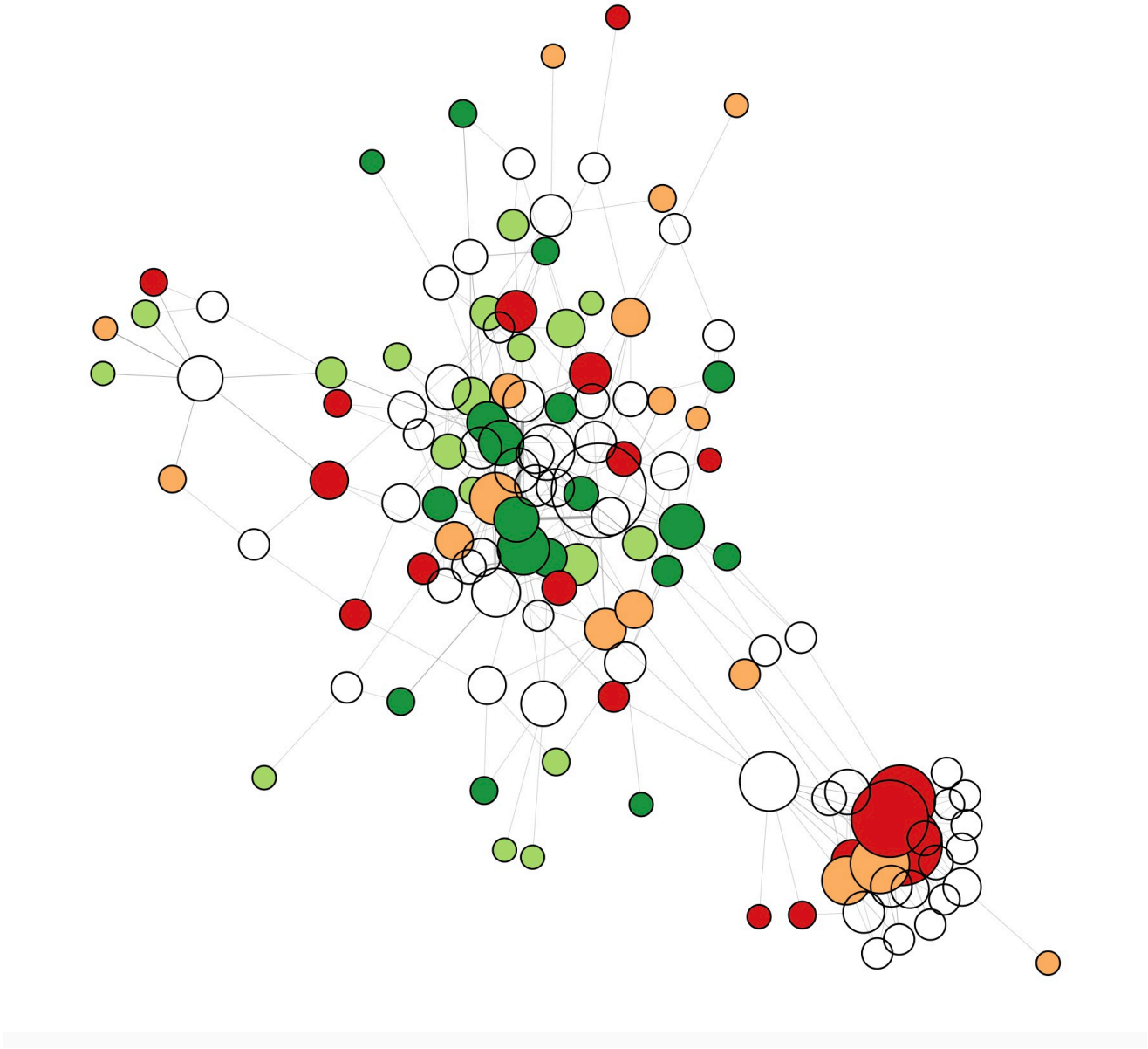

Figure 2

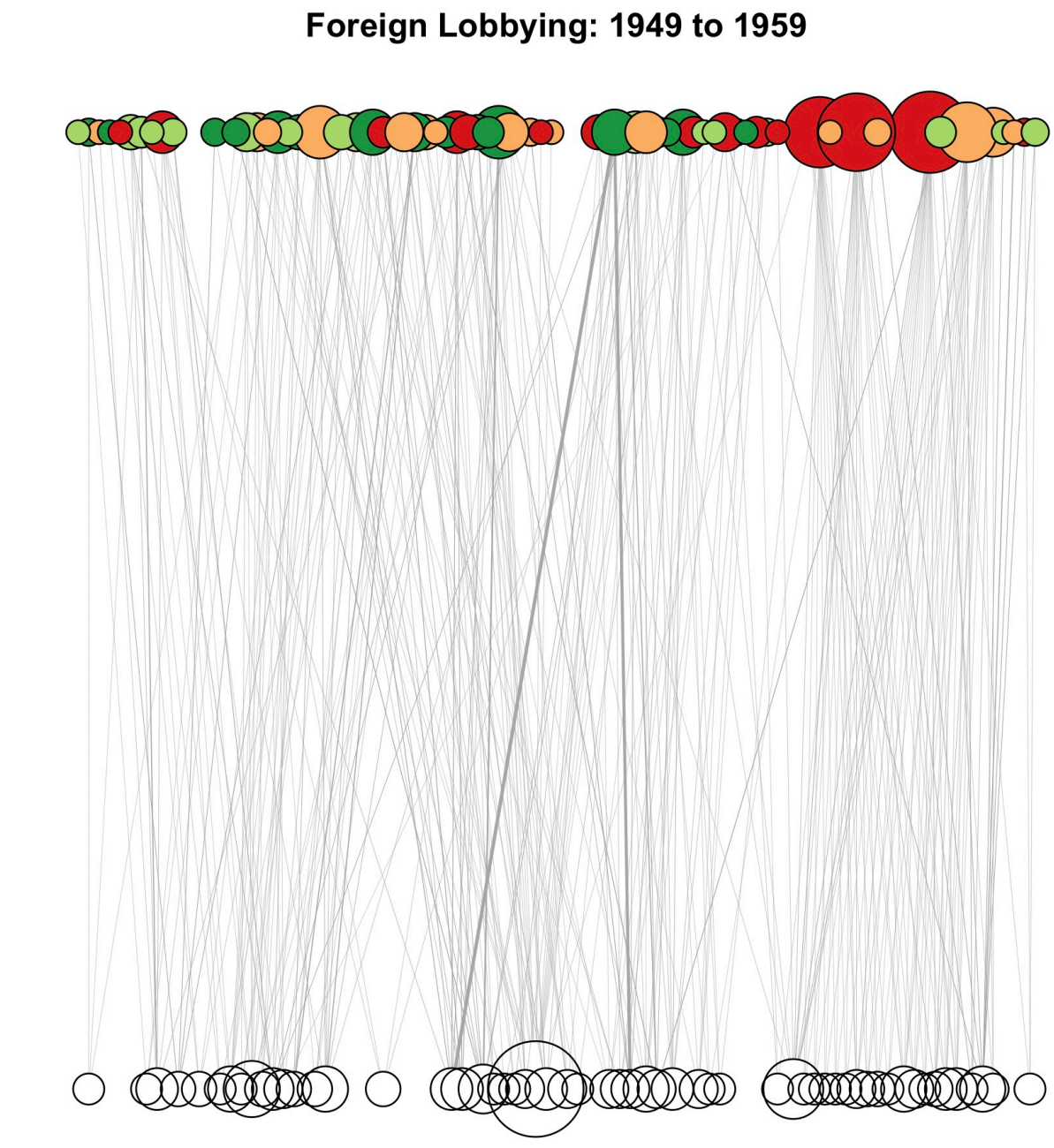

Figure 3

Foreign Lobbying: 1976 to 1986

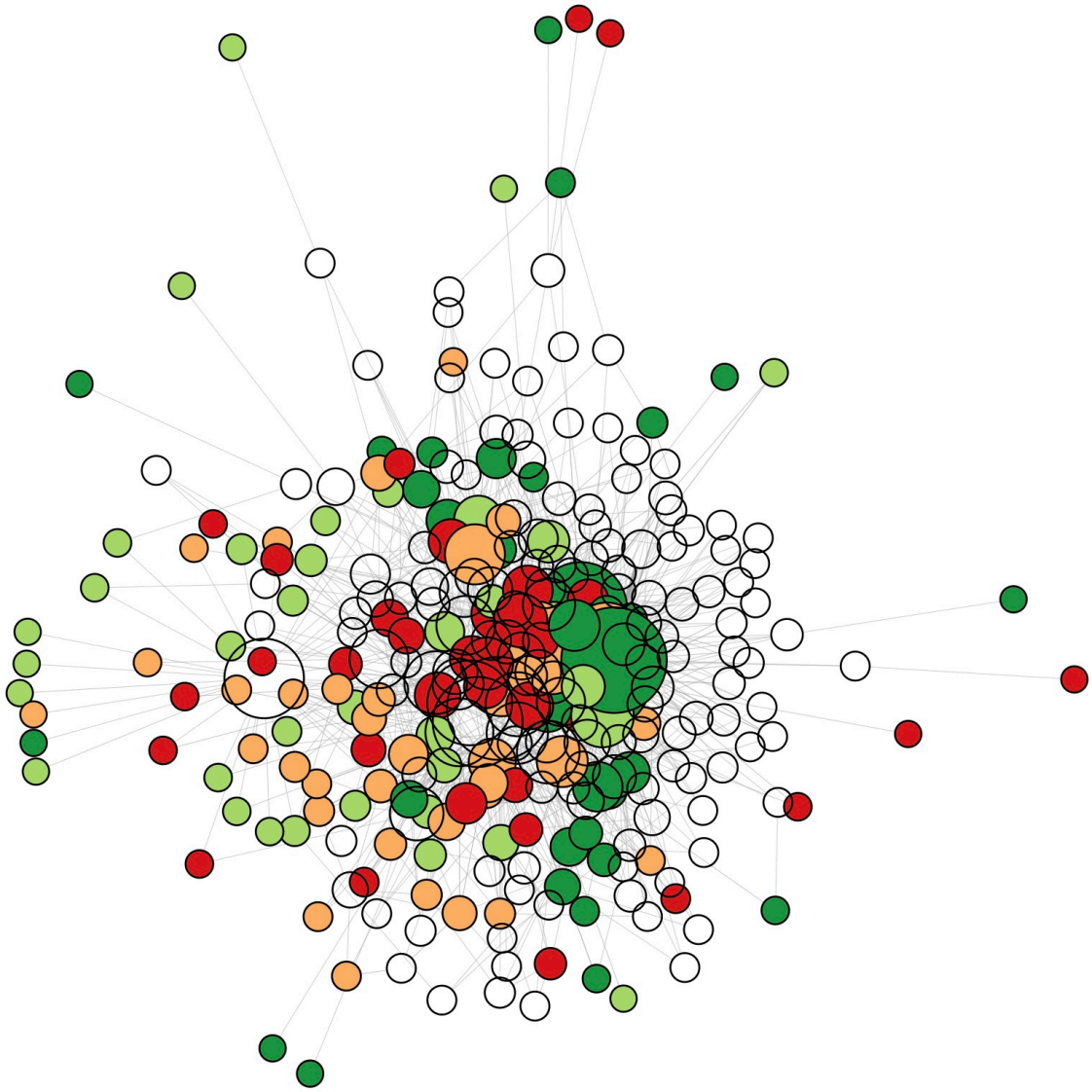

Figure 4

Figure 5

Foreign Lobbying: 2003 to 2013

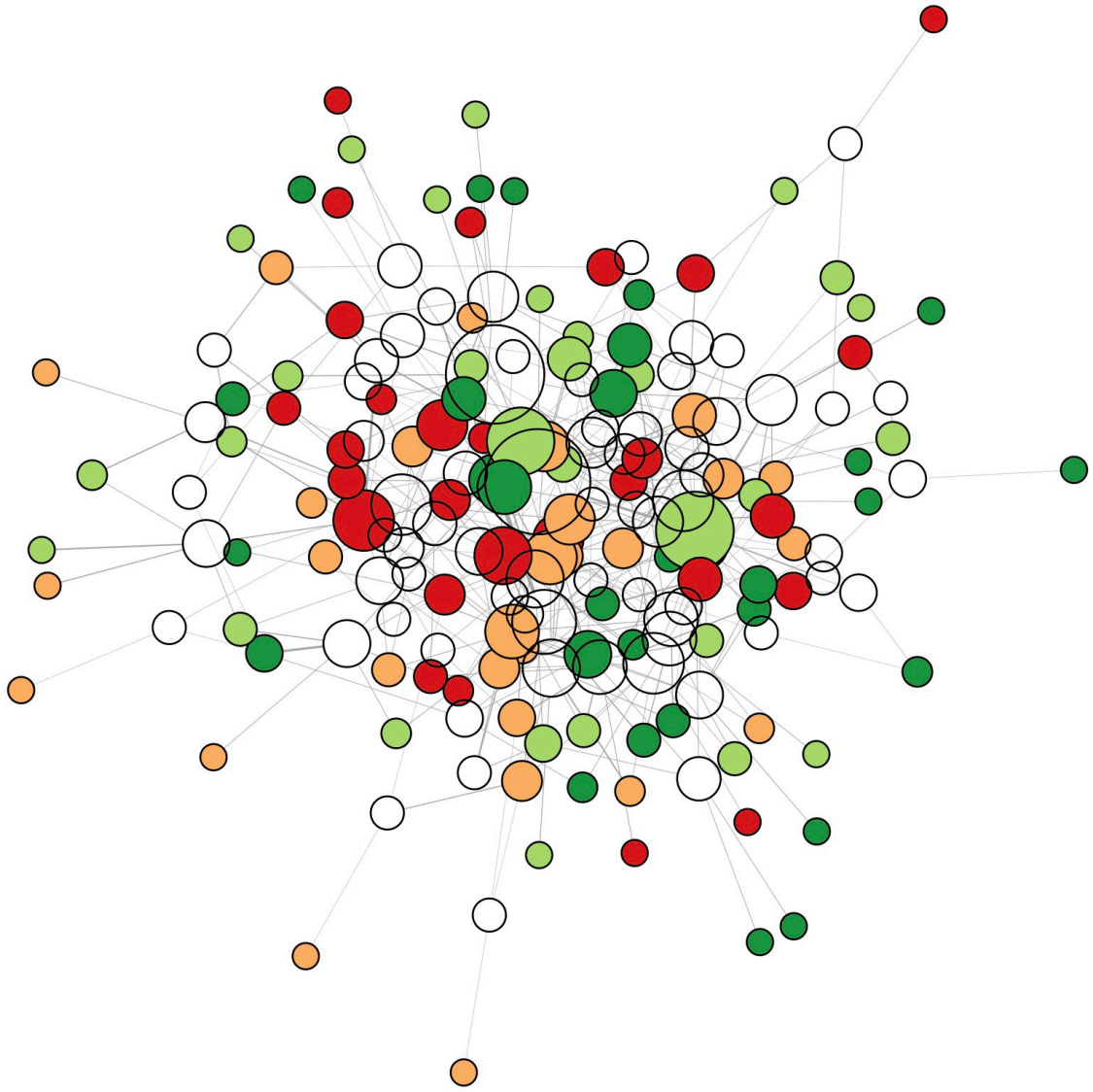

Figure 6

Foreign Lobbying: 2003 to 2013

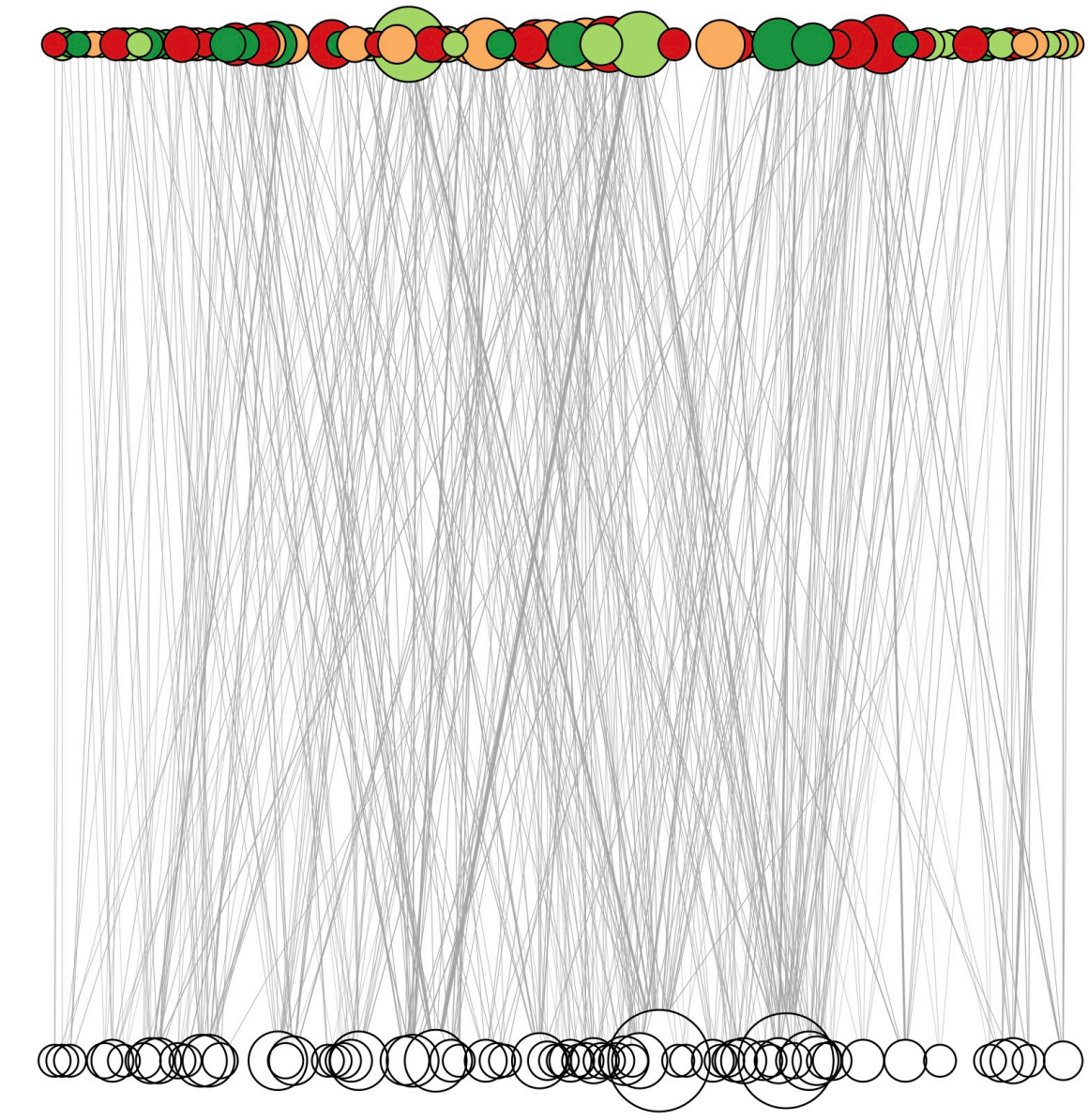

Table 1: Firm Centrality

Degree	Eigenvector
1949-1959	
EMB, Ltd. (21)	Smith, Edwin S. (0.67)
Smith, Edwin S. (11)	Safaritours, Inc. (0.61)
Frontaura, Pablo (10)	Maupintour Associates (0.59)
Squire, Sanders & Dempsey, L.L.P. (8)	American Travel Abroad, Inc. (0.53)
Klein & Saks (7)	Cosmos Travel Bureau, Inc. (0.5)
1976-1986	
Hill and Knowlton Strategies, LLC (60)	Hill and Knowlton Strategies, LLC (1)
North American Precis Syndicate (50)	North American Precis Syndicate (0.89)
Daniel J. Edelman, Inc. (46)	Daniel J. Edelman, Inc. (0.89)
van Kloberg & Associates, Ltd. (42)	Fleishman-Hillard, Inc. (0.62)
White & Case, LLP (33)	Akin, Gump, Strauss, Hauer & Feld, LLP (0.61)
2003-2013	
Glover Park Group, LLC (24)	Glover Park Group, LLC (1)
Podesta Group, Inc. (22)	Podesta Group, Inc. (0.71)
BLJ Worldwide LTD (12)	Mercury Public Affairs, LLC (0.35)
Mercury Public Affairs, LLC (11)	Fleishman-Hillard, Inc. (0.34)
Sanitas International, LLC (11)	BLJ Worldwide LTD (0.32)

Finally, we show our network statistics over time. Table one shows degree and eigenvector centrality for each firm, while table two shows the same for country. Interestingly, it appears the top actors in each group changes dramatically overtime. Substantively, this implies busy firms in one time period are not necessarily as central later on in life. Meanwhile, countries more involved in international lobbying efforts at one time are not always the most involved.

In table three, we display the top five worst offenders for each time period. ”Score” refers to the total number of hire_years the firm spent employed by countries with the worst human rights records, while proportion refers to the proportion of total hire_years contracted to these types of countries the specific firm is responsible for.

Echoing our earlier results, there seems to much more specialization early on. *Amtorg Trading Corporation*, the number 1 worst offender in the first time period, is responsible

Table 2: Country Centrality

Degree	Eigenvector
1949-1959	
Czechoslovakia (17)	Czechoslovakia (1)
Russia (16)	Russia (0.93)
Poland (14)	Poland (0.82)
Romania (11)	Romania (0.69)
Brazil (9)	Bulgaria (0.51)
1976-1986	
Japan (62)	Japan (0.96)
United Kingdom (55)	United Kingdom (0.94)
Canada (52)	Canada (0.84)
Mexico (37)	Mexico (0.68)
South Korea (37)	South Korea (0.61)
2003-2013	
United Arab Emirates (16)	Somalia (0.51)
South Korea (13)	United Arab Emirates (0.47)
Nigeria (11)	Iraq (0.45)
Iraq (10)	South Korea (0.44)
Azerbaijan (9)	Azerbaijan (0.39)

Table 3: Worst Offenders

Firm	Score	Proportion
1949-1959		
Amtorg Trading Corporation	4,770	0.352
Arab Information Center	520	0.038
Squire, Sanders & Dempsey, L.L.P.	460	0.034
DDB Worldwide Communications Group, Inc.	414	0.031
Davidson, I. Irving	304	0.022
1976-1986		
Hill and Knowlton Strategies, LLC	5,226	0.154
Daniel J. Edelman, Inc.	2,264	0.067
North American Precis Syndicate	1,598	0.047
Akin, Gump, Strauss, Hauer & Feld, LLP	1,406	0.042
DLA Piper US LLP	1,225	0.036
2003-2013		
Glover Park Group, LLC	285	0.063
Podesta Group, Inc.	210	0.047
Greenberg Traurig, LLP	165	0.037
Sorini, Samet & Associates, LLC	156	0.035
BLJ Worldwide LTD	132	0.029

for over 35% of contracting to bad abusive countries. Meanwhile, by the time you get to modern-day lobbying, *Glover Park Group*, the contemporary worst-offender, is responsible for only 6% of abusive lobbying efforts.

7 Discussion

The results provided above seem to show little support for our expectation of PR firm specialization. At the beginning of our sample, firms do seem to specialize with poor human rights states clustering around a handful of firms. However, contrary to our expectation, this clustering or specialization seems to go away with time. By the end of our sample, there seems to be little clustering among poor human rights states. This may be due to firms simply expanding their PR work and taking on diverse contracts. For instance, firms

who worked mainly for poor human rights states early in our sample may have expanded other departments within their company and now conduct PR for a host of differing states. This type of expansion would hide the kind of specialization we would expect to find.

Moving forward, we believe it would be beneficial to explore a number of possible avenues. First, a latent space model seems appropriate and potentially beneficial to our project. The idea being that lobbying for human rights represents a latent variable as most lobbying contracts fail to specify this as the purpose of the contract. Despite being omitted from the justice department declaration, we know from anecdotal evidence that this is in fact the purpose of the lobbying. A latent space model would allow us to try to capture this latent dimension and better map human rights contracts onto our graph of PR contracts. A second approach would be to run a community detection package specifically designed for bipartite networks. If we can determine communities of states that correspond to poor human rights, it may give us leverage on the idea that many of these contracts are related to improving the image of ”bad” states.

8 References

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