Politics beyond institutional design: The determinants of lobbying during the implementation of trade deals*

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Abstract

As trade agreements evolve over the years, they become increasingly complex, covering a broader array of issue areas with more profound commitments. This evolution generates new opportunities and challenges for lobbying activities. While interest group lobbying plays a pivotal role in the politics of trade agreements, a significant gap remains in comprehensively understanding the dynamics of lobbying during the PTA implementation phase. Addressing this gap, this paper derives supply- and demand-side hypotheses for lobbying taking place during the implementation of a PTA. Through a mixed-methods approach, combining instrumental variable regressions and a case study, the paper shows that the characteristics of implementing regulations matter but only in some contexts. I find evidence of "capture by sophistication" and a "quality over quantity" approach when implementation regulation is legally rigorous and complex. Supply-side factors also matter in some contexts. Lobbying path-dependence is relevant to explain how often a group lobbies, although the intensity of lobbying is sometimes best explained by timing. Membership-based groups are also more likely to plagued by collective action problems during the PTA implementation. Finally, not getting what one wants during the design stage (low preference attainment) is plausibly linked to greater political activity during PTA implementation. The study calls attention to the nuances of PTA implementation politics and has implications for trade governance moving forward.

Keywords: Preferential Trade Agreements. Lobbying. Implementation. Supply-side factors. Demand-side factors.

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1 Introduction

Trade agreements are becoming ever more complex over the years. While in the 1950s a PTA in average covered eight issue areas, recently they have averaged 17 (ILO 2016). And the commitments within specific policy areas have also become deeper (Bank 2022). Before, the language was often non-binding (e.g. "strive to ensure"); now, PTAs' issue areas such as labor and environment have binding commitments subject to judicial dispute settlement. The growing complexity and depth of trade agreements provisions can make their implementation equally more challenging and demanding. For instance, the implementing documents guiding the US-Mexico-Canada agreement (USMCA) are consistently longer than those of preexisting PTAs, except for the first NAFTA (Figure 2). The implementation rules of a PTA include anything ranging from how to file a complaint to a US bureaucratic agency to guidance on how US agencies are going to respond to petitions and engage with interagency consultation. That growing complexity opens opportunities for lobbyists trying to get some influence in the directions taken by the PTA during their implementation. For instance, 30% of USMCA's lobbying activity took place after the agreement cleared the US Congress.

Interest group lobbying is essential to understand the politics of trade agreements. However, lobbying taking place after a deal is approved by the Congress is often unaccounted for by the trade literature, largely focused on the politics of PTA design (Baccini et al. 2015; Kucik 2012; Lechner 2016; Meissner 2019; Dür et al. 2022; Cezar 2022a). That is an important gap to close since the implementation phase of new laws opens new supply- and demand-side lobbying points (You 2017; Ban and You 2019). To fill that gap, in this paper I start answering the following question: what are the determinants of interest group lobbying during the implementation of trade agreements? My argument is based on lobbying supply-side and lobbying demand-side factors or, in other words, it is based on the characteristics of the implementing regulation and the characteristics and strategies of the interest groups themselves. I argue that the increased availability of more complex and binding regulations creates lobbying entry points for more pervasive interest group engagement with trade agreements during their implementation. That process is more likely to take place among the largest-lobbying companies, due to "capture by sophistication". On the supply side, due to collective action problems, membership-based organizations are less prone to mobilize. In turn, groups that lobby the implementation of a deal the most are the ones that also lobby the PTA during its negotiation and ratification. Finally, limited preference attainment during the design stage triggers political activity

during the implementation of a trade agreement.

I test those hypotheses by means of a mixed methods approach. First, I employ instrumental variable regressions with robust standard errors. To test my preference attainment argument (H6), I turn my attention to the case of the implementation of USMCA's labor provisions. I argue that the limited ability of US international business to influence the design of sanction-based labor provisions in US trade deals led to a strategic shift over the years, culminating in stronger lobbying during the implementation of USMCA's labor provisions. All in all, I find interesting results that give nuanced support to my hypotheses. My quantitative analysis indicates that the complexity and bindingness of implementing rules are significant in two contexts: when explaining the lobbying behavior of organizations with the deepest pockets and when explaining the intensity and not the frequency of lobbying. In other words, when the implementation of a PTA is more complex and legally rigorous, interest groups prefer a "quality over quantity" lobbying approach. Additionally, the findings show that indeed there is a collective action problem during the implementation of a trade deal that makes membership-based organizations less likely to engage politically. My case study attests that lower preference attainment during the design phase of a PTA is connected to lobbying during the implementation phase, even when the odds would be against it.

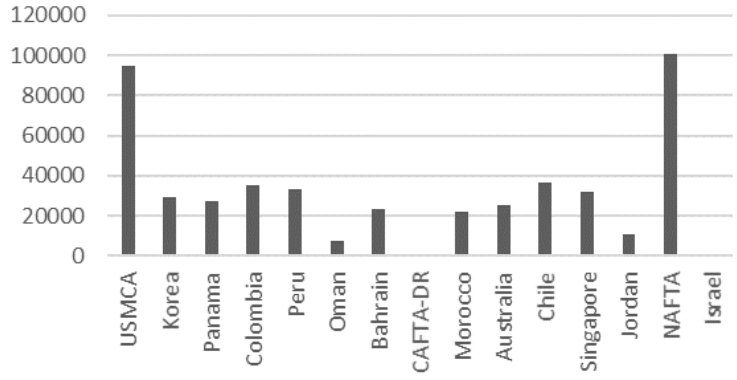

Figure 1: Number of words of implementation regulation on US PTAs

The paper has some key implications for the existing literature and for policy action. First is the need to consolidate a research agenda on the lobbying of trade policies during their implementation, given that some interest groups may have a higher/lower margin of maneuver to influence those topics after/before the ratification and given that PTA provisions are ever more complex. Although this applies directly to PTAs at first, implications go beyond. In a context in which certain players have lower ability to change the design of trade policies (Cezar and Montagner 2024) specially

given the diffusion of unilateral trade measures (e.g. European Union Deforestation Regulation and Carbon Border Adjustment Mechanism), this paper can give us some indications as to when lobbying the implementation of those policies is more or less likely. Additionally, some might argue that more complex implementing regulations could discourage interest group lobbying and thus be a strategy against interest group capture. Instead, the paper suggests that policymakers should be careful about how complex trade policy implementation is as it can lead to capture by the largest lobbyists. In the discussion section of this paper, I derive more policy implications and indicate some avenues for future research that could help develop an agenda on PTA implementation politics. Besides this introduction and the conclusion, the paper is organized as follows. First, I present a review of the literature on rule-making and on trade politics and PTA design. I then translate some of those expectations to the context of PTA politics while including elements of the literature on the preferences of interest groups and forum-shopping. After that, I present my methods section. In the empirical section that follows, I first start with the presentation of the results of the quantitative analysis. I then rely on the USMCA labor clauses' implementation debate to show that the diminishing preference attainment of US international business interests led them to push for alternatives to promote their interests.

2 Lobbying beyond PTA design

2.1 Lobbying design vs. lobbying implementation

The recent IPE literature has done an impressive job explaining the political determinants of the content of PTA provisions over the years (Lechner 2016; Baccini et al. 2015; Eckhardt and Lee 2018; Kucik 2012; Postnikov and Bastiaens 2014; Milewicz et al. 2018; Morin et al. 2018). The introduction of large datasets on the design of PTAs, most notably the Design of Trade Agreements (DESTA), and datasets on the design of non-trade issues in PTAs catalyzed the recent development of our understanding of what is included in trade deals and why. Multiple works also show the effects of trade agreements on the ground. Some, for instance, find that trade agreements can lead to environmental reforms in partner countries via a process of dialogue (Bastiaens and Postnikov 2017). Some have also find somewhat similar results applied to labor clauses (Raess et al. 2018). Other works explore the effect of PTAs on trade (Baier and Bergstrand 2007), on government repression (Spilker

and Böhmelt 2013), and many other fronts. Those works code the final PTA text, as signed and ratified by the legislative (e.g. whether labor and environmental clauses refer to the possibility of sanctions or not) and/or explore the connection between the design of PTAs and their on-the-ground impacts. In doing so, they fail to capture the nuances of the political process that takes place in between PTA design and its impacts. After a bill clears the legislative, the executive often needs to issue rules guiding its implementation, with impacts on how PTA design is translated to effective action. And although the politics of administrative procedures is pervasive, it is not studied enough (HAEDER and YACKEE 2015; You 2017).

If on the one hand we lack empirical evidence on what drives lobbying during the implementation of a PTA, on the other we also have very little on the way of theory, at least in the IPE field. To cover that gap, we can borrow insights from the field of US Politics whereby works show that administrative procedures can be subject to strong lobbying by interest groups after legislation has already cleared Congress (You 2017; Ban and You 2019). Yackee and Yackee (2006, 2010), for instance, find that organized interests that voice their preferences during the rule-making period are often able to change government policy in favor of their preferences. Lobbying timing also matters (Georgiou 2004; Stratmann 1998) as there are certain windows of opportunities where lobbying is more intense during the policy process (de Figueiredo 2004). Individual groups may be less likely to lobby through their associations during the regulation-making phase of a policy rather than the drafting of general laws due to problems of collective action (Hula 1999). Timing also matters for lobbying success, with citizen groups being arguably more successful during the agenda-setting stages (Binderkrantz and Pedersen 2019; Bevan and Rasmussen 2020) when public priorities are more likely to be represented (Jones et al. 2009). The implementation of policies, trade agreements included, opens new opportunities for lobbying. Interest groups that are not successful in attaining their preferences during the design stage of PTAs may still have another shot when seeking to guide how trade agreements are implemented. This work seeks to understand how.

2.2 Supply- and demand-side drivers of lobbying during PTA implementation

The choice to lobby a PTA during its implementation is not trivial as it involves costs. Besides, the implementation phase is often likely to be less politicized than the negotiation and ratification

phase of a deal, thus altering the cost-benefit analysis of when to lobby. That evaluation involves supply- and demand-side considerations. On the demand-side, negotiators and policymakers may take the lead in opening new spaces for interest group lobbying. This could be done, e.g. to increase the perception of legitimacy of the policymaking process. Junk et al. (2022), for instance, indicate that during times of crisis, policymakers foster lobbying access to gather more information about policies in uncertain situations. Others consider that policymakers open opportunities for selective lobbying so as to promote their own objectives (Woll 2007). Firms often do not know exactly what they want from the government and the information provided by policymakers can thus shape the very lobbying outputs of interest groups (Woll 2008).

New laws that require complex implementation regulations may lead to intended and unintended interest group outcomes. For instance, regulatory complexity may lead to a process of "expertization" of stakeholder involvement in trade politics and in other issue areas (Krick and Gornitzka 2018). As that "expertization" takes place, highly technical issues may lead interest groups to increase their ability to capture the policymaker in a process sometimes referred to as "regulatory capture by sophistication" (Hakenes and Schnabel 2014). Whenever an issue is highly technical, policymakers may have two incentives: (1) to seek out for information from interest groups and (2) to "rubber-stamp" interest groups demand on issues they do not fully understand. As a result, the more complex the regulations needed to implement a PTA, the greater the lobbying entry points of interest groups and the greater their lobbying efforts, all other things equal (H1). However, I expect some heterogeneity to be present. Interest groups' ability to capture the rule-maker should be be directly connected to their lobbying capacity. That is because the more sophisticated and complex an implementation bill is, the greater the costs involved in fleshing out the implementation, projecting its impacts and taking an assertive decision as to whether to lobby the rule-making process or not. As such, complexity should open more opportunities for lobbying from those with the deepest pockets and thus the disposable resources to buy the necessary time to understand complex rules and act upon them (H2).

The supply of binding regulations is also likely to affect lobbying outcomes. Recent research has indicated that PTA design matters to understand political attitudes to trade (Dür et al. 2022) and that sustainability clauses with a greater degree of bindingness are likely to influence the lobbying strategy of interest groups (Cezar 2022a,b) including through mechanisms of feedback loops. I expect

a similar process to happen in the implementation of PTA clauses. I expect to find that the greater the average degree of obligation of implementing regulation guiding PTAs, the greater the incentive for interest groups to overcome their collective action dilemmas to lobby the implementation of such PTA (H3). That is because – all other things equal – the greater the obligation of implementing regulation, the greater the expected concentrated costs and benefits that interest groups can potentially reap from it, thus incentivizing their political action. In other words,

> **H1:** The greater the complexity of the implementation bill of a PTA, the more interest groups lobby the implementation of that PTA.
>
> **H2:** The effects of H1 will be more significant among the largest-lobbying organizations.
>
> **H3:** The greater the bindingness, on average, of the implementing bill of a PTA, the more interest groups lobby the implementation of that PTA.

Besides supply-side characteristics, implementation lobbying will also follow an interest group demand-side logic. Interest groups may have incentives to lobby the implementation of a deal no matter the complexity and obligation involved. For instance, interest group lobbying tends to be path-dependent. If a group lobbies during the negotiation stage of a policy, it is likely for that group to also lobby the implementation stage, simply because it has a stake in the policy at hand (H4). Or else, interest groups may want to take "two bites at the apple" by lobbying distinct venues to achieve their objectives. Busch (2007) questions why certain members sometimes decide to pursue dispute settlement at the World Trade Organization (WTO) and sometimes decide to do so via preferential trade agreements. Investors may also want to selectively engage with the exhaustion of local remedies (ELR) principle to allow for forum-shopping, for instance.[1] Here too, I would expect some heterogeneity. Intra-industry cleavages due to firm-specific characteristics such as size, capacity and supply-chain integration render lobbying via trade associations more challenging (Osgood 2017), especially during the implementation phase of a deal. The rule-making stage of a PTA tends to be generally less politicized than the negotiation phase. For that motive, collective action problems should be greater during PTA implementation, thus incentivizing firms to lobby alone

[1] According to the ELR principle, investors should first wait for investment litigation domestically before suing at international courts. However, investors do not want the application of the ELR principle on investment issues and instead want strong investment provisions in trade agreements (IISD 2017). This would allow those interest groups to sue both at domestic courts and internationally and thus multiply their chances of attaining their preferences.

(Aizenberg 2023). PTA implementation lobbying should thus be dominated by individual firms (H5). Some could argue that during moments of lower political salience, the directors of trade associations can exercise greater entrepreneurship (Cezar 2023) and push for greater ex-post lobbying if that falls within their objectives. Still, I assume that trade association leadership will be afraid of being punished by their constituents down the line, and thus will avoid weighing in to forge a consensus on issues that are not directly pushed by the association's members.

Going from one venue of action to another can be constraining (Drezner 2006). That decision often boils down to lobbying capacity, but also to the strength of interest group preferences when lobbying a given PTA. How to account for that? I consider that interest groups that do not attain their preferences during the design stage of a trade agreement will have stronger incentives to lobby the implementation of a deal. That is because groups and individuals assess the prospect of losses and gains differently (Tversky and Kahneman 1992; Baldwin and Robert-Nicoud 2007) and will mobilize more whenever they face the prospect of losses. In practice, this means that the more interest groups fail to get what they want during the negotiation stage of a trade agreement, the more they tend to be politically active during the implementation stage to mitigate their losses (H6).

> **H4:** Interest groups are more likely to lobby the implementation of a PTA if they already lobbied the ratification and negotiation of that PTA.
>
> **H5:** Interest groups are more likely to lobby the implementation of a PTA individually rather than as part of their trade associations.
>
> **H6:** The lower the degree of interest groups' preference attainment during the negotiation and ratification of a PTA, the more interest groups lobby the implementation of that PTA.

3 Data and methods

The paper's main DVs are the number of lobbying reports issued by interest groups during the implementation of trade agreements and the volume of lobbying by interest groups in US dollars. The former accounts for the extensive margins of lobbying (how often a group lobbies) and the latter for the intensive margins of lobbying (how much money is invested). My unit of analysis is interest group lobbying per PTA per year. Here I define implementation lobbying as lobbying that

takes place after the date of ratification of a deal. My main IVs are the following: (1) the complexity of PTA implementation bills (H1 and H2), (2) the average obligation of PTA implementation bills (H3), (3) a dummy representing whether an interest group lobbied before the ratification of a deal (H4), (4) a dummy representing whether an interest group is an individual organization or an association/interest representation organization (H5) and (5) the level of preference attainment of US business interests on labor provisions in US PTAs (H6).

To obtain the data, I rely mostly on Lobbying Disclosure Act (LDA) reports filed by interest groups during US trade agreements' negotiation and implementation. That data is a proxy for the inside lobbying behavior of US interest groups. To obtain my DVs, I filtered the universe of LDA reports from 1999 to 2022 (6+ million observations), and selected all reports declared by the issuing party (the interest group I analyze) as being related to trade. I used keyword-in-context method to search combinations of terms and words relating to a specific PTA after the ratification of that PTA to capture as much as possible all reports that refer to trade deals negotiated and ratified by the US, using multiple unique identifiers to assure maximum coverage and reduce the number of false negatives (e.g. "US-Korea PTA", "KORUS", "Korea-US trade agreement", etc.) (see Appendix for full list of keywords). Since US lobbying reports are filled every three months, I only select the first set of reports filled in the three months following the ratification of the deal (e.g. if the deal was ratified by the US Congress on 12 November 2022, I do not count the lobbying reports for the months of October, November and December, and start counting the reports for the months of January, February and March 2023). To test Hypothesis 4, I also relied on public comments made by US interest groups during the implementation of USMCA. Those public comments are posted at regulations.gov, an integrated platform for groups and individuals to position themselves on US law- and rule-making issues.

I take demand-side independent variables from Congress.gov by explicitly looking for the implementation acts of US PTAs (e.g. H.R.5430 - United States-Mexico-Canada Agreement Implementation Act). Once I have all the implementing bills, I have to measure regulatory complexity (H1). Multiple works have endeavored to offer such a metric in the past. The simplest way to do so is to measure the word length of regulations (You 2017; Haldane and Madouros 2012). However, authors have also used lexical diversity to account for complexity, including by means of readability metrics (Kincaid et al. 1975). Li et al. (2014) use measures of entropy. Boulet (2011), Katz and Bommarito

(2014) analyze the network formed by different legal texts or regulations that refer to each other. Here, regulatory complexity is theoretically relevant insofar as it translates into lobbying entry points for interest group action. As regulations are a sequence of instructions on implementing law, I find it useful to define those entry points as specific excerpts of regulation that interest groups could individually tackle to change the set of instructions for PTA implementation. Word count solely is insufficient, as regulatory instructions could be quite concise and still offer entry points for lobbying. Following Colliard and Georg (2023), I measure complexity by referring to operators that separate regulatory instructions which could individually be tackled by interest groups. I select three types of operators: logical ("if", "when"), mathematical ("the greater", "up to", "above") and regulatory ("have", "shall", "should"). By summing up all those operators introducing regulatory instructions, I expect to get a solid indication of all lobbying entry points for interest groups during PTA implementation. I obtained the dictionary of connectors from Colliard and Georg (2023) who coded all logical, mathematical and regulatory connectors from the US Dodd-Frank implementing rules. The final dictionary has 650 words and phrases. To measure the impact of complexity on the largest-lobbying organizations, I created a subset with the top 50% organizations in terms of total lobbying expenditure on trade per year both before and after the ratification of a deal. I measure the average obligation of each batch of regulations related to a PTA (H3) by counting the number of words relating to high obligation or prohibition such as "shall", "must", "prohibited" and "required" and dividing them by the total number of words in PTAs' implementation bills. The high obligation and prohibition dictionary has 51 words and phrases (see Appendix).

In this paper, I seek to indicate a causal connection between the complexity and stringency of the implementation rules of trade agreements and implementation lobbying. There is an endogeneity problem at play, however. Interest group lobbying might define the complexity and stringency of the implementation rules of trade agreements. This could occur due to feedback loops in which lobbying on previous regulations affects the complexity of new regulations over the years, as trade agreement design is highly path-dependent (Allee and Elsig 2019). Since lobbying before and after the ratification of a deal are likely to be correlated, it is also possible that regulators shape implementing bills in anticipation of how much lobbying they expect certain clauses to attract, based on experience from previous lobbying behavior. To isolate the effect of the supply side (H1 H2, and H3) on implementation lobbying, I performed instrumental variable regressions. When measuring

the extensive margin of lobbying (how often a group lobbies), I ran a poisson regression with endogenous regressors (IVpoisson) and, for the intensive margins of lobbying (how much a group lobbies), I fitted a two-stage least-squares (2SLS) regression. All models include robust standard errors to correct for some heteroskedasticity and dispersion in the variables. To avoid truncation of log-transformed variables, I added a small constant to the total amount of lobbying after ratification and to the total number of lobbying reports.

As for the instruments, I use two. The first instrument is the number of days between the conclusion of PTA negotiations and the next presidential election cycles. This is because presidents are generally pro-trade (Lohmann and O'Halloran 1994) and may be more willing to offer concessions to their partners as elections approach to secure an agreement. This could lead to significantly less complex agreements with less stringent and simpler implementation rules, and therefore fewer entry points for implementation lobbying. This instrument satisfies the assumptions of (1) relevance, as there is a relevant theoretical basis to expect that presidents will try to conclude agreements as quickly as possible near elections, resulting in simpler and less binding implementation rules; (2) exogeneity, since electoral cycles are defined exogenously to trade lobbying variables, and (3) exclusion restriction, as the effect of the instrumental variable on the complexity and stringency of the implementation rules of trade agreements can only occur through its relationship with the president's propensity to offer concessions during the election period.

The second instrument is the World Uncertainty Index (WUI) which measures the presence of uncertainty-related words in the Economist Intelligence Unit reports. The logic is that higher uncertainty during the negotiation of a trade deal affects PTA design and could also lead to more complex and binding PTA implementation bills (Kucik 2015). That is because policymakers might respond to uncertain environments by drafting more detailed and stringent regulations to reduce ambiguity and ensure compliance. I use a three-year lag relative to the PTA's ratification date. Uncertainty should play a role during the PTA negotiation, once the PTA design is still under debate. By using a lag, I account for potential time gap between the signing and the ratification of a trade deal. A time lag also helps reduce the likelihood that lobbying efforts during PTA implementation are correlated with past uncertainty levels, thus addressing potential reverse causality concerns and meeting the exogeneity condition. In sum, this instrument satisfies the assumptions of (1) relevance, as there is a relevant theoretical basis to expect that uncertainty affects institutional design; (2) exogeneity, since *ex post*

lobbying is unlikely to be correlated with a lagged uncertainty variable, both because of temporal antecedence and because major causes of uncertainty are generally exogenously driven, and (3) exclusion restriction, as the effect of the instrumental variable on the complexity and stringency of the implementation rules of trade agreements can only occur through its relationship with the propensity to design more complex and binding rules because of greater uncertainty and not through trade lobbying during the implementation of a PTA.

To account for the path dependency of lobbying (H4), I simply added a dummy indicating if a given interest group lobbying during the implementation of a deal also lobbied during its negotiation and ratification. The same applies to H5, indicated by a dummy as to whether an interest group is an individual organization or an association/interest representation organization. The level of preference attainment (H6) is obtained qualitatively, via a concise review of the trajectory of US business interests and their demands on labor and trade in US PTAs, as further explained below. Preference attainment here is defined as how much a given policy meets the preferences of interest groups (Dür 2008). I derive those preferences empirically and theoretically.

Year	**PTA**	**Organization**
2021	Korea	US Chamber of Commerce
2021	USMCA	US Chamber of Commerce
2018	Korea	US Chamber of Commerce
2020	Korea	US Chamber of Commerce
2020	USMCA	US Chamber of Commerce
2020	USMCA	National Association of Realtors
2019	Korea	US Chamber of Commerce
2021	USMCA	Business Roundtable
2017	Korea	US Chamber of Commerce
2012	Korea	US Chamber of Commerce

Table 1: Largest lobbying amounts after ratification

Year	PTA	Organization
2020	USMCA	FEDEX Corporation
2020	USMCA	Toyota Motor North America, Inc.
2020	USMCA	Wal-Mart Stores
2021	USMCA	Association Of Equipment Manufacturers
2021	USMCA	Hyundai Motor Company
2021	USMCA	Air-Conditioning, Heating, and Refrigeration Institute
2021	USMCA	Volkswagen Group of America, Inc.
2021	USMCA	Amazon Corporate LLC
2020	USMCA	Pharmaceutical Research And Manufacturers of America
2020	USMCA	Honda North America Inc.

Table 2: Largest number of lobbying reports after ratification

A limitation of such quantitative analysis is that it does not account for *ex parte* lobbying (Yackee 2012), that is, the process of setting the rule-making agenda by blocking issues from emerging. Given that difficulty, I add a scope limitation to my analysis. I here primarily offer evidence on lobbying as the first face of power (Bachrach and Baratz 1962), or direct influence, and not on lobbying during the agenda-setting stage (the second face of power).

Beyond my IVs and DVs, I add control variables to account for possible alternative explanations. Additionally, the inclusion of year and sector fixed effects allows for the isolation of effects attributable to time- and sector-varying factors that could influence lobbying behavior. As for control variables, first I account for the size of the description of the lobbying expenditures of interest groups in each PTA. Lobbying disclosure reports have a dedicated space called "Lobbying Expenditures Description" where interest groups detail how they will lobby US officials. Some groups may decide, for instance, to disclose they will lobby "trade issues and agreements" and others may flesh out in further detail what exact agreements they will lobby and even what specific issue within that agreement. I furthermore include the total number of reports filled by the organization, as a proxy for lobbying capacity.[2] I also include the total GDP of the PTA signatory partners as lobbying may gravitate towards more economically relevant PTAs. That is the same rationale behind the inclusion

[2]I tried first using total lobbying amount, but the variable is higly collinear vis-à-vis my main independent variables.

of a proximity dummy, which simply refers to whether the deal is with a Central or North American country, as lobbying may gravitate towards PTAs that are closer to the US. I control for whether the year of lobbying coincides with the year in which a new ruling was launched, as that could affect lobbying intensity. For instance, although the Australia-US PTA was ratified in 2004, the US Customs and Border Protection (USCBP) launched a ruling relating to the deal in 2015[3].

As for the qualitative part of this paper, I study the pro-trade business interests' strategies during the implementation of USMCA's labor clauses. Does variation in their preference attainment during the PTA design influence their willingness to lobby the implementation phase of the USMCA? The lobbying of business interests during the implementation phase of USMCA's labor commitments can offer a hard case test to my preference attainment argument. First, during the implementation of USMCA's labor provisions, the USTR did not set any binding ruling on how labor petitions should be done or reviewed. It only published a non-binding guideline on labor petitions. It would not make much sense at first for US business to risk their reputation by posting public comments (outside lobbying) on the regulations.gov website for an implementation guideline that was not legally binding. That should be the case specially for business associations given their collective action problems. Additionally, although labor issues are certainly important to US business interests, they are arguably not as relevant as e.g. Investor-State Dispute Settlement (ISDS) provisions and other trade and investment issues, so it should be unlikely for them to weigh in during the implementation of a non-binding labor guidance. That guidance offered directions on:

- Who could file a labor petition in the framework of USMCA;
- How the designated agencies should proceed administratively after receiving a petition from an individual or an organization
- How the petition should be formatted and submitted to the relevant committee;
- What should each petition contain, as a minimum;
- What deadlines should be followed for reviewing petitions;
- What aspects the relevant committee would take into consideration when making a decision.

[3]USCBP-2015-0007-0003.

To gather business preference attainment over the years as part of my case study, I present a short summary of their strategic trajectory on labor and trade in the US, culminating in the USMCA. I argue that they have over the years achieved lower and lower success in influencing the design of labor clauses in US PTAs. That led to a strategic shift, from openly opposing labor provisions subject to sanctions to offering intricate support to them (Cezar 2022b), and then to focusing on the implementation aspects of USMCA's labor clauses. I try to show how business associations comments are plausibly connected to large firms with near-shoring in Mexico and how those comments should to address uncertainty concerns of such firms, given that they did not manage to tackle that concern during the design of the USMCA's labor clauses.

4 Supply-side and demand-side factors and lobbying during the implementation of PTAs (H1 to H5)

I now proceed to the econometric test of my hypotheses. Upon analyzing the results of the regressions, I find limited support for H1 and H3 and support - although with certain intricacies - for H2, H4 and H5. Results are shown in Tables 3, 4 and 5 below.

Starting with the hypothesis about the effects of complexity of implementing legislation on lobbying behavior (H1), it takes the direction expected in terms of their impacts on lobbying when accounting for lobbying intensity but not for lobbying recurrence, and the results are often not statistically significant, except for the intensive margins of lobbying without accounting for sector and year fixed effects. In that case, a 1% increase in complexity is associated with approximately a 2.838% increase in the logged total lobbying amount after the ratification plus one dollar. Still, year and sector-specific variables are better at explaining variation in lobbying behavior relative to complexity.

As for Hypothesis 2 ("capture by sophistication"), I found some interesting results. The findings are consistently statistically significant at the intensive margins of lobbying. In that case, a 1% increase in the complexity is associated with anywhere between 1.255% and 2.115% increase in the total lobbying amount of lobbying plus one dollar after the ratification among the largest-lobbying organizations. The results are not consistently statistically significant, however, for the extensive margins of lobbying. The only model that shows significance is the one of sector FE, whereby a

1% increase in complexity leads to an approximately 0.461% increase in the expected number of lobbying reports after the ratification. It is also interesting to notice a considerable degree of non-linearity in terms of the effects of complexity across lobbying percentiles. Figure 2 shows that the largest effect of complexity on lobbying activity takes place between the 60th and 90th percentiles in terms of organization-year total lobbying spending. Between the 30th and the 60th percentiles, the relationship is positive and approaches significance and between the 40th and 70th percentiles it is negative approaching significance. Interestingly, complexity is not statistically significant predictor of lobbying activity for the top 30% organizations in terms of lobbying expenditure on trade per year (see full output in the Appendix). Overall, the results attest the existence of a regulatory capture by sophistication mechanism but also suggest diminishing returns in such process. The interest groups at the very top of lobbying expenditure are likely already operating at a high level of influence. They might have already maximized their capacity to influence legislation, so further increases in complexity do not provide additional leverage.

The effect of average bindingness of implementing regulation (H3) on lobbying behavior during the implementation of a deal is somewhat similar to the effects of the complexity variables. That is in part due to the high degree of correlation between those variables, despite their theoretical relevance as distinct concepts. That correlation is the motive why I ran the bindingness hypothesis test separately from the complexity hypotheses test. Table 4 shows that the connection between bindingness and the number of times an interest group lobbies a deal after it is ratified is in fact negative, although not statistically significant. The effect is positive only when measuring how intense lobbying is and the results are statistically significant when not accounting for year fixed effects, meaning that time-specific variables are better at explaining variation in lobbying behavior than the actual bindingness of an implementing regulation. In that case, 1% increase in the bindingness of an implementing regulation (as measured by the number of words denoting bindingness divided by the total number of words in the bill) is associated with either 2.44% or 3.74% increase in the logged total lobbying amount after the ratification plus one dollar. All in all, the results for H1 to H3 indicate that implementing rules characteristics are not a very dependable measure of political activity, unless for the largest-lobbying organizations.

Hypothesis 4 often stands out for its confirmation across various model specifications, affirming the vital role of persistent lobbying efforts, specially at the extensive margins. The coefficient for

Lobbying persistence is always positive and statistically significant for the IVpoisson models using the full dataset. In that case, for a one unit change in lobbying persistence (lobbying before ratification versus not lobbying before the ratification), the difference in the logs of expected counts is expected to change by somewhere between 0.078 to 0.165. In other words, there is a 8.1% to 17.9% higher expected count of lobbying reports after ratification when a group has also lobbied before the ratification of the PTA. At the intensive margins of lobbying, something interesting happens as time-specific variables take away the significance of lobbying path-dependence on lobbying activity during the implementation of a PTA. That also happens for the effect of bindingness on lobbying activity. Interestingly, for the largest-lobbying organizations, controlling for timing (through year-fixed effects) allows the true effect of lobbying path dependence to become visible or more significant. Thus, timing has a relevant moderation effect on lobbying persistence, either by enhancing the effect of path dependence or by mitigating it. Finally, when dividing the data in percentiles ranges, it is possible to notice that lobbying persistence becomes statistically significant after the 30th percentile of largest-lobbying organizations. This suggests that lobbying persistence may not be such a driver of mobilization for the lowest-lobbying organizations during PTA implementation when accounting for sector and year-specific variables.

Hypothesis 5 expects that, due to collective action problems, membership organizations such as trade associations and labor unions will be less likely to engage in political activity during the implementation of a trade deal. That hypothesis is confirmed for the extensive margins of lobbying, although the direction of the coefficient is as expected across all model specifications, including the IVpoisson. For a one unit change in the variable *Membership Organization* (being a membership-based organization versus being an individual organization), the difference in the logs of expected counts of lobbying reports after the ratification of a deal is expected to diminish by somewhere between 0.0754 and 0.120 for the largest-lobbying organizations. In other words, there is a 7.83% to 12.77% lower expected count of lobbying reports after ratification when an interest group is a membership-based organization than when it is an individual organization. These results suggest that indeed the implementation phase of a deal poses collective action constraints that membership-based associations have difficulty overcoming. Still, that difficulty is only significant at the extensive margins of lobbying. In other words, if membership-based organizations want to lobby a PTA's implementation multiple times throughout the year, every time they do so they must build consensus

among their members for resources commitment, which can be challenging.

Table 3: Effects of complexity on lobbying activity after PTA ratification (IVpoisson and 2SLS)

	Number of Reports				*Log(Lobby Amount + 1)*			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Log(Complexity)	−0.171	−0.185	−0.243	−0.267	2.838**	1.951	2.401	1.621
	(0.232)	(0.246)	(0.320)	(0.362)	(1.198)	(1.221)	(2.122)	(2.180)
Lobbying Persistence	0.079**	0.078**	0.165***	0.153***	0.587*	0.685**	−0.124	−0.066
	(0.038)	(0.038)	(0.038)	(0.041)	(0.315)	(0.302)	(0.334)	(0.322)
Log(Total Reports + 1)	0.183***	0.203***	0.179***	0.194***	1.297***	1.209***	1.400***	1.318***
	(0.018)	(0.018)	(0.018)	(0.018)	(0.129)	(0.139)	(0.129)	(0.136)
Log(Length)	0.038***	0.040***	0.023	0.026*	0.695***	0.676***	0.688***	0.667***
	(0.013)	(0.013)	(0.012)	(0.012)	(0.101)	(0.103)	(0.102)	(0.102)
Ruling Year	−0.046	−0.015	0.109	0.125	−0.451	−0.445	0.097	0.146
	(0.058)	(0.057)	(0.091)	(0.099)	(0.345)	(0.331)	(0.584)	(0.555)
Proximity	0.378***	0.351*	0.330**	0.329**	−1.938***	−1.180*	−1.720**	−0.969
	(0.130)	(0.138)	(0.131)	(0.137)	(0.640)	(0.678)	(0.758)	(0.825)
Membership Organization	−0.080*	−0.114***	−0.074*	−0.100***	−0.235	−0.142	−0.256	−0.204
	(0.032)	(0.039)	(0.030)	(0.037)	(0.239)	(0.279)	(0.237)	(0.279)
Log(Total GDP)	0.131**	0.141***	0.012	0.023	−0.365	−0.351	−0.389	−0.463*
	(0.051)	(0.054)	(0.067)	(0.054)	(0.236)	(0.235)	(0.280)	(0.280)
Intercept	−2.183***	−2.257***	0.644	1.187	−12.42**	−5.840	−3.183	3.255
	(0.815)	(0.859)	(2.438)	(1.956)	(5.332)	(5.492)	(11.46)	(11.62)
Sector FE	No	Yes	No	Yes	No	Yes	No	Yes
Year FE	No	No	Yes	Yes	No	No	Yes	Yes
Observations	1,435	1,435	1,435	1,435	1,435	1,435	1,435	1,435

Note: Robust standard errors in parentheses. * p<0.10, ** p<0.05, *** p<0.01

Table 4: Effects of bindingness on lobbying activity after PTA ratification (IVpoisson and 2SLS)

	Number of Reports				*Log(Total Amount + 1)*			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Log(Bindingness)	−0.191	−0.172	−0.334	−0.371	3.741**	2.439*	3.589	2.199
	(0.287)	(0.289)	(0.447)	(0.397)	(1.503)	(1.469)	(2.812)	(2.736)
Lobbying Persistence	0.075**	0.072**	0.159***	0.148***	0.651**	0.731**	−0.075	−0.030
	(0.037)	(0.037)	(0.038)	(0.036)	(0.303)	(0.292)	(0.324)	(0.311)
Log(Total Reports + 1)	0.183***	0.203***	0.179***	0.193***	1.305***	1.217***	1.405***	1.323***
	(0.018)	(0.018)	(0.018)	(0.018)	(0.129)	(0.139)	(0.128)	(0.137)
Log(Length)	0.039**	0.041**	0.025*	0.028*	0.669***	0.660***	0.669***	0.656***
	(0.013)	(0.013)	(0.012)	(0.012)	(0.102)	(0.104)	(0.102)	(0.102)
Ruling Year	−0.056	−0.028	0.102	0.114	−0.319	−0.347	0.212	0.242
	(0.052)	(0.050)	(0.088)	(0.081)	(0.319)	(0.304)	(0.479)	(0.442)
Proximity	0.308**	0.271**	0.237**	0.226**	−0.838**	−0.399	−0.690	−0.266
	(0.053)	(0.053)	(0.058)	(0.062)	(0.285)	(0.291)	(0.392)	(0.357)
Membership Organizations	−0.081*	−0.112**	−0.075*	−0.098**	−0.217	−0.149	−0.238	−0.208
	(0.032)	(0.039)	(0.030)	(0.036)	(0.239)	(0.278)	(0.238)	(0.277)
Log(Total GDP)	0.112**	0.118**	−0.011	−0.001	−0.092	−0.153	−0.131	−0.284*
	(0.029)	(0.030)	(0.032)	(0.047)	(0.131)	(0.126)	(0.170)	(0.156)
Intercept	−4.020*	−4.015	−2.389	−2.535	21.839**	16.933*	23.845*	20.540*
	(2.031)	(2.049)	(6.195)	(3.411)	(9.675)	(9.392)	(12.338)	(11.862)
Sector FE	No	Yes	No	Yes	No	Yes	No	Yes
Year FE	No	No	Yes	Yes	No	No	Yes	Yes
Observations	1,435	1,435	1,435	1,435	1,435	1,435	1,435	1,435

Note: Robust standard errors in parentheses. * p<0.10, ** p<0.05, *** p<0.01

Table 5: Effects of complexity on lobbying after PTA ratification for largest-lobbying organizations (IVpoisson and 2SLS)

	Number of Reports				*Log(Total Amount + 1)*			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Log(Complexity)	0.290	0.461*	0.295	0.573	1.255***	1.094***	2.115***	1.578**
	(0.291)	(0.278)	(0.470)	(0.468)	(0.428)	(0.411)	(0.731)	(0.677)
Lobby Persistence	0.066	0.052	0.144***	0.110*	−0.146	−0.170*	−0.034	−0.043
	(0.049)	(0.050)	(0.056)	(0.057)	(0.105)	(0.099)	(0.114)	(0.109)
Log(Total Reports + 1)	0.217***	0.234***	0.199***	0.220***	0.407***	0.364***	0.401***	0.348***
	(0.027)	(0.027)	(0.028)	(0.028)	(0.052)	(0.052)	(0.050)	(0.050)
Log(Length)	−0.009	−0.018	−0.016	−0.024	0.283***	0.265***	0.286***	0.267***
	(0.019)	(0.021)	(0.019)	(0.020)	(0.042)	(0.038)	(0.042)	(0.038)
Ruling Year	−0.055	−0.031	0.019	−0.015	−0.271**	−0.246*	−0.576**	−0.374
	(0.085)	(0.081)	(0.140)	(0.152)	(0.132)	(0.126)	(0.251)	(0.230)
Proximity	0.154	−0.030	0.180	0.024	−0.661***	−0.466**	−0.751***	−0.473*
	(0.167)	(0.154)	(0.156)	(0.134)	(0.229)	(0.228)	(0.259)	(0.246)
Membership Organization	−0.082	−0.120**	−0.074*	−0.089*	−0.080	−0.003	−0.087	−0.019
	(0.043)	(0.056)	(0.042)	(0.054)	(0.088)	(0.098)	(0.089)	(0.100)
Log(Total GDP)	0.047	0.034	−0.043	−0.050	−0.024	−0.035	−0.071	−0.103
	(0.056)	(0.056)	(0.050)	(0.049)	(0.087)	(0.083)	(0.106)	(0.095)
Intercept	−3.774**	−4.753**	−0.982	−2.231	0.431	1.637	−2.368	1.890
	(1.268)	(1.187)	(2.439)	(2.561)	(1.951)	(1.883)	(4.092)	(3.894)
Sector FE	No	Yes	No	Yes	No	Yes	No	Yes
Year FE	No	No	Yes	Yes	No	No	Yes	Yes
Observations	717	717	717	717	717	717	717	717

Note: Robust standard errors in parentheses. * p<0.10, ** p<0.05, *** p<0.01

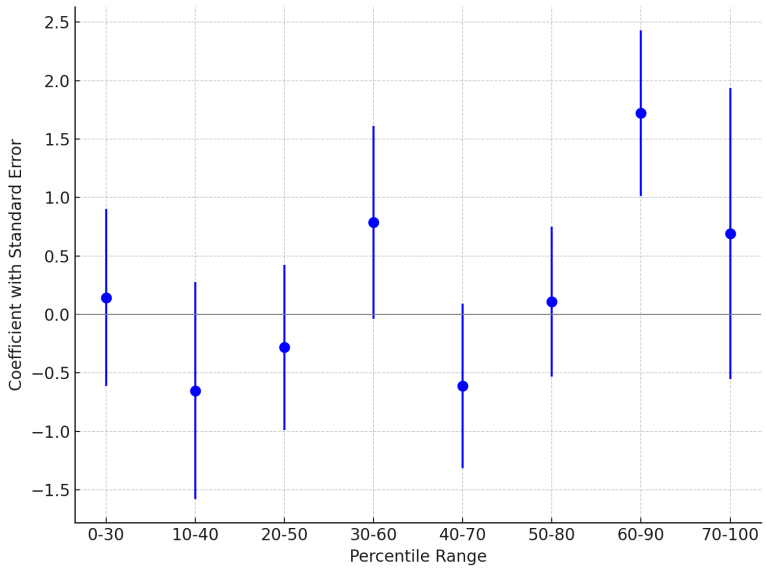

Figure 2: The effects of complexity across lobbying percentiles

4.1 Robustness tests

IVPoisson models are typically estimated using a two-stage method, where instruments are used to correct for endogeneity before fitting a Poisson regression model. For the model to be valid, the assumption is that the mean and variance should be equal. In my case, the dependent variable has a mean of approximately 2.83 and a variance of 3.37, indicating some overdispersion. This condition might initially suggest the use of a Negative Binomial regression. However, the AIC for the Poisson model is slightly lower (5148.227) than that for the Negative Binomial model (5150.227), indicating a better fit. Given the overall better fit of the Poisson model based on AIC and the use of robust standard errors to account for the overdispersion, the IVPoisson results are considered appropriate for analyzing the count data in this study.

The correlation matrix for the data used in the econometric models also indicates potential multicollinearity between key variables. However, upon running a simple OLS, the VIF (variance inflation factor) for most regressors falls well below the conventional threshold, except for the Complexity variable, which slightly exceeds it (VIF of 10.5). The variable contributing to the collinearity issue is the Total GDP of the PTA partners. I tested using average GDP instead of Total GDP, but this actually increased the VIF to 11.21. Since omitting GDP could lead to omitted variable bias—especially given the consistent literature on the gravitation of political activity towards the largest trade players Sattler and Bernauer (2011)—and since the VIF results are not particularly severe, I kept Total GDP

as a regressor.

Regarding instrument strength, tests indicate that the chosen instruments sufficiently address endogeneity and are not strongly correlated with the error term. The first-stage regression shows that my instruments are strong and explain a significant portion of the variance in the endogenous variable (R-squared of 0.924). The F-statistic for the first-stage regression in the full model (including sector and year fixed effects) is well above the conventional threshold of 10 (17.111), indicating strong instruments. Additionally, the overidentification test suggests that the instruments are valid. In the appendix, I present alternative model specifications using a five-year-lagged WUI index and the results stay consistent.

5 Preference attainment and the case of labor provisions in US PTAs (H6)

I now proceed to testing H6 using the case of labor clauses in the USMCA. Does lack of preference attainment during the negotiation of labor provisions trigger international business interests to lobby the implementation of such clauses? A prominent set of IPE works underscores the strategic rather than normative character of non-trade issues and the crucial role played by import-competing industries, labor unions and the civil society in shaping the design of those clauses Meissner and McKenzie (2019); Lechner (2016); Postnikov (2020); Raess and Sari (2018). Some have also started exploring the preferences and role of globally-integrated and pro-trade firms on the design of non-trade issues in PTAs (Lechner 2018; Cezar 2022a; Poletti et al. 2020). The expectations regarding the preferences of international and pro-trade interests vary between works anticipating support for stronger labor and environmental provisions in PTAs and those expecting opposition. Lechner (2018), for instance, indicates that some international business interests may benefit from stronger labor and environmental provisions in PTAs. The same applies to Malesky and Mosley (2018), who consider that some firms may incentivize labor standards in supply chains promote so to achieve greater markups. In other cases, however, international businesses may go against stronger labor provisions in trade agreements because of the costs associated with such clauses on their suppliers (Poletti et al. 2020).

I here side with the perspective that businesses that are highly integrated internationally will

generally fear that sanctions are misused and that they will lead to unplanned increase in production costs along their value chain. Even if labor clauses are not fully enforced, multinationals are afraid of the uncertainties associated with the inclusion of sanctions to assure compliance with those provisions (Business Council of Canada 1993). Integration to supply chains creates a network effect that echoes turbulence from one firm to another, thus making multinational companies more averse to uncertainty (Johns and Wellhausen 2016). In other words, I would expect globally-integrated businesses to generally have preferences against stronger labor provisions in US PTAs with regions where they offshore their production and to thus use implementation opportunities to engage in forum-shopping when their preferences in the design stage are not attained.

Below I show that US business interests have generally given primacy to the design of labor issues in US PTAs, generally lobbying for trade agreements to *not* include sanction-based labor provisions. However, as time passed, their strategic options narrowed down as sanctions became a necessary condition for US PTAs to be approved. US business interests then passed through at least three strategic re-adaptations when seeking to attain their preferences on trade-labor linkage, the most recent of them resulting in greater participation in consultation processes during the implementation of USMCA by business associations.

5.1 1992 – 2000: Open opposition against sanctions

The position of US global business in the early 1990s was profoundly against sanctions to promote labor rights via PTAs. According to the US National Association of Manufacturers (NAM), "the matter that is of most pressing concern to US manufacturers is the use of trade sanctions to enforce non-trade provisions or agreements. The NAFTA side agreements exercise showed that the executive branch is willing to include sanctions as enforcement mechanisms for non-trade issues. While the enforcement mechanisms in the NAFTA side agreements have been characterized as minimal, a precedent has been set" (US House of Representatives 1997). NAM's representative continues: "It is my strong recommendation that the [future trade deals] … include some guiding language suggesting the inappropriate nature of using unilateral sanctions for non-trade purposes" (US House of Representatives 1997). In 1993, the Business Roundtable and the US Chamber of Commerce underscored that "[the proposal of linking trade to labor and environment] threatens to create a new, politically unaccountable bureaucracy…", and characterized trade sanctions as "unnecessary"

and "counterproductive" (Mayer 1998).

5.2 2001 – 2007: Willingness to discuss fines but not sanctions

By late 1990s, the position of US global businesses started changing, although only to a very limited extent. Business groups were fearful that the absence of strong labor and environmental provisions in US trade deals could lead to trade deadlocks, especially after major policy defeats in 1997. During that period, NAM and other business coalitions showed some initial willingness to discuss issues related to labor and environment (US House of Representatives 1997). In turn, in February and March of 2001, during the process leading up to the approval of the US-Chile agreement, US exporters' coalitions such as the Business Roundtable were highly hesitant regarding the prospects of bipartisanship of US trade policy during the Bush government. As a result, they demonstrated some willingness to discuss the inclusion of labor provisions in US PTAs. According to a representative from General Electrics, "one issue that will be critical in building a political consensus for this agreement will be the way that labor and environmental issues are addressed" (Inside US Trade 2001). Groups such as Business Roundtable showed some willingness to acquiesce to fines.

5.3 2007 – 2019: Support for sanctions using intricate wording strategies

From 2007 on, two years after CAFTA-DR was almost killed in the US Congress, US large firms and business associations started explicitly supporting labor provisions in trade agreements. For instance, the NAM would support the inclusion of strong labor and environmental provisions in the Trans-Pacific Partnership (TPP). The same applied to Levi Strauss and Intel in 2017, the USCIB and the American Apparel and Footwear Association (AAFA). In all cases, however, these organizations had certain demands pertaining to the design of labor provisions. Cezar (2022b) shows that business interests - even when openly supporting sanctions - did so intricately to reduce their uncertainties. For instance, NAM indicated that more stringent labor provisions including references to the International Labor Organization's (ILO) eight "core labor standards" should not be included as negotiating objectives in the TPP. USCIB required NAFTA to "inclu[de] labor provisions consistent with those negotiated under TPP" (Cezar 2022b). It further underscored that "it is important that U.S. negotiators resist calls to extend the reach of any labor provisions in the TTIP beyond the approach employed in the recently approved trade agreements. Doing so would needlessly risk

eroding business and political support for the TTIP" (Cezar 2022b). Levi Strauss affirmed that "LS&Co. would support an update of the NAFTA's labor and environmental provisions, to reflect the current U.S. trade agreement template and incorporate the principles set out in the 'May 10' understanding" (Cezar 2022b). In other words, these groups supported hard trade-labor linkage only to the extent that labor clauses would be copied and pasted from previous agreements, as previous experience gave interest groups clues as to the actual propensity of sanctions being triggered. Still, they sought, as usual, lobby focus their positions on the PTA design of trade agreements (before the ratification).

5.4 Demand of lobbying during the implementation of USMCA's labor clauses

The intricate change in strategies of US international business shows that they engaged in political learning (learning about how to adapt to the political process) (May 1992) and did not change their deep-seated preferences against new sanction-based labor provisions. As such, the inclusion of new sanction-based labor provisions was against their preferences. As a result, the USMCA brought a very low degree of preference attainment to US international business precisely because it introduced new and stronger labor regulations. USMCA labor clauses broke with the tradition of previous PTAs (Claussen 2019) in two major ways. First, for sanctions in PTAs preceding the USMCA to be levied, the judges had to find that the breach of labor laws in the partner countries occurred in a "manner affecting trade". As experience eventually showed, that requirement was particularly hard to prove. Consequently, judges once acknowledged that a US PTA partner country indeed violated labor laws during the period in which a trade deal was in force, but that the connection between that violation and trade flows could not be asserted (ICTSD 2017). USMCA changed that state of affairs by shifting the burden of proof (Claussen 2018): all violations of labor clauses would be in a manner affecting trade, unless otherwise proven by the defendant. Second, the USMCA introduced the Rapid Response Mechanism (RRM), aimed at expediting the dispute process, yet another lesson learned by experience from previous US PTAs.

As a result of the low preference attainment of US business interests, I would expect them to lobby harder the implementation phase of the USMCA's labor provisions (Figure 3). After USMCA was ratified, USTR issued interim guidelines on 30 June 2020 giving directions on who should file

labor petitions in the USMCA, how to file such petitions and how they would be reviewed. That offered an opportunity for US business interests to have "a second bite of the apple" and attain some preferences that they could not during the design stage of USMCA. Only on 22 June 2023 did the USTR publish the final guidelines for labor submissions under the USMCA. The procedures concerned the Interagency Labor Committee for Monitoring and Enforcement, which was set to "coordinate the efforts of the United States to monitor the implementation and maintenance of the labor obligations of Canada and Mexico, to monitor the implementation and maintenance of Mexico's labor reform, and to recommend enforcement actions with respect to Canada or Mexico"[4]. Those guidelines are procedural and do not constitute a ruling. Although non-rulemaking activity matters as they can lead to informal rules (Yackee and Yackee 2010), I would not have expected large US business interests to risk their reputation with a non-rulemaking guideline and less so for business associations to overcome their collective action problems in doing so. Still, they did. The groups submitting such comments were trade associations globally integrated firms with near-shoring activities in Mexico and their trade associations, most notably the Retail Industry Leaders of America (RILA), National Retail Federation (NRF), US Chamber of Commerce, National Foreign Trade Council (NFTC) and US Council of International Business (USCIB) (Table 6).

When submitting public comments about the interim guideline, the strategies of the aforementioned business associations were mostly centered on three aspects: (1) to require the application of the exhaustion of legal remedies principle to Mexico; (2) to impose requirements on how petitions should be filled; (3) to define clearly what "sufficient and credible evidence" for a petition to advance.

The NRF, for instance, stated that "petitioners should be required to exhaust all other avenues prior to filing petitions with the OTLA in order to prevent petitioners from seeking multiple bites at the apple"[5]. Almost the same exact language has been used by the NFTC, which represents several hundred US businesses engaged in all aspects of international trade and investment: "Petitioners should be required to exhaust all other avenues prior to filing petitions with OTLA. A petitioner should be required to work through Mexican labor law remedies before alleging that the government has failed to enforce the law in a manner that has caused a Denial of Rights"[6]. The main demands of the key associations of globally-integrated business with near-shoring activities in Mexico fits well into my expectations: they could not attain their preferences during the USMCA design and

[4]Available at https://www.dol.gov/. Accessed on 23 March 2024.
[5]USTR-2020-0028-0005
[6]USTR-2020-0028-0003

sought alternatives to limit the uncertainties created by the legal innovations in the deal. For one, the demand for the USTR to define what constitutes "sufficient, credible evidence" for labor petitions reflects business uncertainty aversion. The same applies to the requirements related to the petition-filling process and to the requirement that all local remedies be exhausted before a court decision is applicable to Mexico. The principle of exhaustion of local remedies gives the State where the violation occurred "an opportunity to redress it by its own means, within the framework of its own domestic system … before its international responsibility can be called into question" (Trindade 1983). To business interests, the requirement that all local remedies be addressed reduces the uncertainty created by international court decisions that could negatively affect their variable costs. Table 6 shows that some of the Fortune 100 business interests with supply-chain connections with Mexico were represented by the associations lobbying the USMCA labor provisions.

While before USMCA, US business associations weighed in on the US PTA design debate, they preferred to avoid taking part in the debate on labor clauses during the USMCA. As business associations noticed less and less latitude for changing the design of US PTA labor clauses, they shifted their positions in an intricate manner. USMCA led to low preference attainment as business had to face considerable uncertainty in view of new clauses (RRM and the inversion of the burden of proof). To at least partially offset that, business interests lobbied the implementation of the USMCA's labor chapter and did so by seeking to bring more certainty to USMCA's labor rules - e.g. by requiring more precision in the petition process and the exhaustion of local remedies. US international business both lobbied via position papers and directly spent money on USMCA's labor implementation, as indicated by Figure 3.

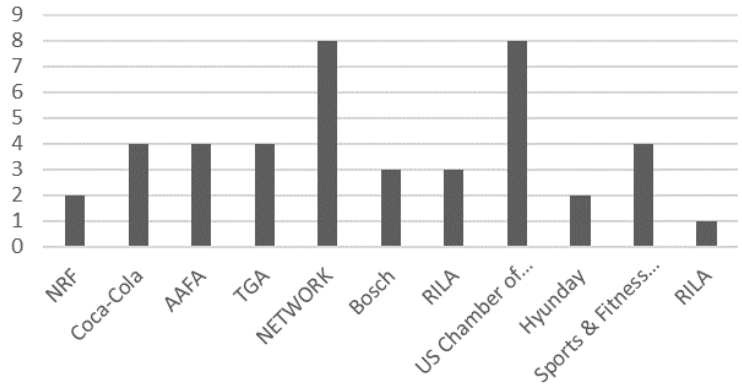

Figure 3: Number of USMCA lobbying reports containing "labor" after USMCA's ratification

Company	Business associations to which it belongs
Gap Inc	NRF, RILA
Amazon	US Chamber of Commerce, NRF, NFTC
Coca-Cola	NFTC, RILA, USCIB, NAM, US Chamber of Commerce
Home Depot	US Chamber of Commerce, NRF, RILA
Ford Motor	NAM
Archer Daniels Midland	NAM
GE	NAM, US Chamber of Commerce, USCIB
Delta Airlines	US Chamber of Commerce
FEDEX	NFTC, NAM
Intel	NAM, NFTC, RILA, NRF

Table 6: Selected firms with mergers and acquisitions and suppliers in Mexico. Source: Refinit Eikon and Center for Political Accountability

6 Conclusion

The IPE literature has long been concerned about the domestic sources of international institutions. But works on the domestic politics of trade agreements are often focused on the PTA text that is formally signed and ratified by PTA partners. Much less attention is given to the politics behind the operating procedures of those deals after the design stage, as part of bureaucracy rulings or guidelines that are published after the legislative phase. That is so even though lobbying after the ratification of a PTA can be relevant and pervasive. Bearing that mind, this paper sought to start unfolding the supply- and demand-side determinants of interest group lobbying during the implementation of PTAs. I argued that the complexity and the bindingness of PTA implementation regulation opens new venues for lobbying by interest groups. By the same token, I argued that interest groups are more likely to lobby the implementation of PTAs depending on their success during the design stage and on the path-dependence of their lobbying activities. Lobbying activity is however contingent on overall lobbying capacity and on organizational factors.

The analysis reveals a nuanced understanding of lobbying activities in response to trade agreement implementation bills. The complexity and the obligation of implementing regulations some-

times matter to explain the volume of lobbying, but they are not *per se* highly dependent measures of lobbying activity across the ensemble of interest groups. However, for the organizations with the deepest pockets, PTA implementation may indeed lead to "capture by sophistication". In other words, the political action of interests that lobby the most is triggered by the growing complexity of implementing regulation. The results are more consistent to explain the volume of lobbying and not its frequency. Often times, supply-side factors trigger a "quality over quantity" approach to lobbying whereby entities prioritize when to act politically. Furthermore, the findings overall confirm the significance of lobbying path-dependence for explaining the frequency of lobbying activities during PTA implementation. My qualitative study in turn shows a plausible connection between losses at the PTA design stage and the search for influencing the implementation of PTAs to limit such losses and mitigate uncertainty. This analysis highlights the multifaceted nature of political dynamics during PTA implementation, with lobbying persistence and preference attainment standing out as key drivers of lobbying behavior during the implementation of trade deals, and with demand-side logic applying mostly to the largest-lobbying companies.

How can the results of this paper be expanded beyond the US? The US is an influential case in trade and has the power to impose its PTA provisions on other countries given its bargaining power. This means that the rationale behind the implementation lobbying noticed here may be diffused to other countries. Besides, the growing opportunities and demand for implementation lobbying can also be noticed in the EU with the creation of the Chief Trade Enforcement Officer, first appointed on 24 July 2020. In addition to that, the EU created the Access2Market platform, allowing complaints from EU interests on trade barriers and violations of EU PTAs' sustainability commitments. Greater stakeholder access creates greater opportunities for lobbying during the implementation of a trade agreement (BusinessEurope 2020). In 2021, a group campaigning for the rights of Western Sahara's Saharawi people has launched a judicial review process against the Department of International Trade and Treasury over the implementation rules of the UK-Morocco Association Agreement, thus reminding us that the politics of PTA implementation goes beyond the US and the EU. In a context marked by little room-for-maneuver for certain countries and interest groups to modify the design of PTAs and by unilateral trade regulations that tend to have a highly sophisticated implementation, such as CBAM and EUDR, getting to know a bit more about the politics of trade implementation matters. It also gives us a fair warning: higher complexity in the implementation of trade policies

can foster capture by the most powerful and therefore be ineffective to mitigate inequalities among the least mobilized actors, including the most vulnerable ones.

Overall, my results add some nuance and build upon Dür et al. (2022), who suggest that institutional design affect interest group preference. I here show that the design of implementation rules matters too, although in very specific contexts. Future research should further test the contexts in which interest groups are more likely to lobby the implementation of trade agreements. To do so, it is key to both keep the supply and demand of lobbying in mind. For instance, public salience can be an important element to understanding the extent to which interest groups lobby harder the implementation phase of a PTA. Works have attested that lobbying timing matters (Georgiou 2004; Stratmann 1998) as there are certain windows of opportunities where lobbying is more intense during the policy process. Citizen groups are arguably more successful during the agenda-setting stages (Binderkrantz and Pedersen 2019) when public priorities are more likely to be represented (Jones et al. 2009). Highly salient and politicized deals may drive business interests to rely on the lower relative salience of the implementation phase to engage in lobbying. Further works could also benefit greatly from game-theoretical applications to explain the strategic behavior of firms when implementation deals have a high degree of legal rigor.

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Appendix

Selecting relevant lobbying reports for the DV

When looking for references to PTAs in lobbying disclosure reports (LDA reports), I searched a combination of keywords that could give us maximum coverage of the reports filed after the ratification of a PTA that still mentioned the deal. We excluded punctuation and spaces in the LDA reports "Activities Description". The combinations are the following:

- Australia: usaustralia fta, australiaus fta, fta with australia, australian fta, australia fta, usaustralia free trade agreement, ausfta, australiaus free trade agreement, aufta, usaus free trade agreement, ausus fta, australiaunited states fta, free trade agreement between the united states and australia, united statesaustralia free trade agreement, australiaus trade agreement, usaustralia trade agreement, australiaus economic partnership agreement, usaustralia comprehensive economic partnership agreement, australiaus trade deal, australia tpl;
- Morocco: usmorocco fta, moroccous fta, fta with morocco, moroccan fta, morocco fta, usmorocco free trade agreement, usmfta, moroccous free trade agreement, mafta, moroccounited states fta, free trade agreement between the united states and morocco, moroccounited states free trade agreement, moroccous trade agreement, moroccous economic partnership agreement, morocco tpl;
- Peru: usperu fta, perus fta, fta with peru, peruvian fta, peru fta, usperu free trade agreement, petpa, ptpa, peruus free trade agreement, peruunited states fta, free trade agreement between the united states and peru, united statesperu free trade agreement, perus trade agreement, perus economic partnership agreement, peru tpl;
- Panama: uspanama fta, panamaus fta, fta with panama, panamanian fta, panama fta, uspanama free trade agreement, patpa, pafta, panamaunited states fta, free trade agreement between the united states and panama, united statespanama free trade agreement, panamaus trade agreement, panamaus economic partnership agreement, panama tpl;
- Korea: uskorea fta, koreaus fta, fta with korea, korean fta, korea fta, south korea fta, korus, koreaus free trade agreement, korus fta, usrok free trade agreement, rokus fta, south koreau-

nited states fta, free trade agreement between the united states and korea, united stateskorea free trade agreement, koreaunited states fta, uskorea trade agreement, uskorean free trade agreement, koreanus free trade agreement, koreanus trade agreement, uskorea economic partnership agreement, koreaus economic partnership agreement, south koreaus economic partnership agreement, korea tpl;

- Israel: usisrael fta, israelus fta, fta with israel, israeli fta, israel fta, usisrael free trade agreement, ilfta, israelunited states fta, free trade agreement between the united states and israel, united statesisrael free trade agreement, israelus trade agreement, israelus economic partnership agreement, israel tpl;

- Oman: usoman fta, omanus fta, fta with oman, omani fta, oman fta, usoman free trade agreement, omfta, omanunited states fta, free trade agreement between the united states and oman, united statesoman free trade agreement, omanus trade agreement, omanus economic partnership agreement, oman tpl;

- Jordan: usjordan fta, jordanus fta, fta with jordan, jordanian fta, jordan fta, usjordan free trade agreement, jofta, jordan free trade agreement, free trade agreements with jordan, jordanunited states free trade agreement, jordanus trade agreement, jordanus economic partnership agreement, jordan tpl;

- Chile: uschile fta, chileus fta, fta with chile, chilean fta, chile fta, uschile free trade agreement, clfta, chileunited states fta, free trade agreement between the united states and chile, united stateschile free trade agreement, chileus trade agreement, chileus economic partnership agreement, chile tpl;

- Colombia: uscolombia fta, colombiaus fta, fta with colombia, colombian fta, colombia fta, uscolombia free trade agreement, uscfta, colombiaunited states fta, free trade agreement between the united states and colombia, united statescolombia free trade agreement, colombiaus trade agreement, colombiaus economic partnership agreement, colombia tpl;

- Bahrain: usbahrain fta, bahrainus fta, fta with bahrain, bahraini fta, bahrain fta, usbahrain free trade agreement, usbfta, bahrainunited states fta, free trade agreement between the united

states and bahrain, united statesbahrain free trade agreement, bahrainus trade agreement, bahrainus economic partnership agreement, bahrain tpl;

- Singapore: ussingapore fta, singaporeus fta, fta with singapore, singaporean fta, singapore fta, ussingapore free trade agreement, sgfta, singaporeunited states fta, free trade agreement between the united states and singapore, united statessingapore free trade agreement, singaporeus trade agreement, singaporeus economic partnership agreement, singapore tpl;
- USMCA: usmca, united statesmexicocanada, usmexicocanada, ussingapore, mexicocanada trade agreement, nafta, north america free trade agreement, usmca tpl;
- CAFTA: drcafta, cafta, dominican republiccentral america fta, central americadominican republicunited states free trade agreement, cafta tpl.

Selecting relevant complexity and binding words for the IVs

To create the variables bindingness and complexity, I relied upon Colliard and Georg (2023)'s dictionary of connectors.

- Complexity: a, about, above, absent, across, against, along, among, an, another, applicability, applicable, applicable to, applies, are, around, as follows, aside, asides, associated with, at, attributable to, bar, bars, be, be served, been, behalf, behind, being, below, between, beyond, borne, by, by reason of, by virtue of, can, cases, certain, common, commonly, commonly known, commonly known as, consisting of, contents, could, current, de novo, did, different, different classes, do, does, does not, doing, down, during, eliminated, etc, every, failing, following, follows, for, forth, from, gave, general, generally, generals, give, given, gives, giving, go, grandfathering, had, has, has specific, have, having, he, her, hereafter, hereby, hereof, herewith, him, his, how, i, identified, in, in accord with, in conjunction with, in connection with, in favor of the, in general, in lieu thereof, in light of, in the context of, in the light of, in turn, into, is, its, itself, just, later, listed, made, major, make, makes, making, many, matters, may, meant, met, might, miscellaneous, modified, most, much, must, near, of, off, on, on behalf of, once, one, one-, opposite, our, outside, own, part, particular, parts, past, pending, per, plus, preceding, present, pursuant to, referred to, related, relating, relating

to, respecting, same, saving, savings, several, she, some, specific, subsequent, substantially, such, table of contents, take, takes, than, that, the, their, them, themselves, there, thereafter, therefor, therefrom, thereof, thereof has been, thereon, thereto, theretofore, thereunder, therewith, these, they, this, those, through, throughout, to, together, toward, transitional, typically, under, up, various, varying, versus, via, was, were, what, whatever, whatsoever, whereby, wherein, which, whichever, who, whole, whom, whose, will, with, with a view to, with regards to, with relation to, without, would, your, all, any, anyone, anything, both, each, excepting, excluding, exclusively, jointly, neither, no, none, nothing, other, until, when, whenever, where, wherever, a variety of, accordingly, actually, additionally, after, almost, alone, also, alternate, altogether, and, anywhere, apart from, approximately, as, as a result, as a result of, as for, as long as, as opposed to, as soon as, as the case may be, as well as, at first, at least, because, because of, before, beginning, briefly, but, characterized by, compared to, comprised of, concerning, conditionally, conditioned on, considering, constituting, deduct, denominator, depending upon, differentiated from, divided, due to, earlier of, earlier than, either, entire, equal to, equally, equivalent, especially, even if, even though, exceeding, exceeds, except, except as, exceptions, exclusions, fewer than, finally, for any reason, for example, for the purpose of, for the purposes, further, granted, greater, greater than, greatest, herein, hereinafter, hereunder, higher, however, i mean, if, if not, if so, implies, imply, in accordance with, in addition, in addition to, in all, in any case, in any other way, in any such case, in case, in connection therewith, in every case, in excess of, in fact, in lieu of, in no case, in no instance, in order to, in particular, in proportion to, in relation to, in such a way as, in that, in the alternative, in the case, in the case of, in the event that, in the place, in which case, incidentally, including, inclusion, inconsistent with, indicates, initially, insofar as, irrespective of, larger, largest, later than, least, less frequently than, less than, lesser, lesser than, like, limited to, longer, longer than, more, more than, multiplied, next, non, nor, not, not later than, not only, notwithstanding, numerator, of any kind, on the grounds that, only, only if, or, or at least, otherwise, overall, particularly, penultimate, previous, previously, proportional to, provided, provided that, providing that, pursuant thereto, rather, ratio, ratios, regarding, regardless of, relates to, relative to, relevant to, represents, respectively, rounded to, second, similar, similarly, since, so, so as to, so far as, so long as, so that, sole, solely, specifically, still,

subject to, subsequently, succeeding, such as, that is, then, thereby, therefore, though, thus, to conclude, to resume, to the extent, together with, unconditionally, unless, upcoming, upwards of, very, whether, while, why, with emphasis, with reference to, with regard to, with respect to, within, yet, addition, additional, augment, average, decrease, decreases, deducted, deduction, deductions, differential, exceed, increase, increased, increases, lessen, maximize, maximizes, minimize, minimizes, minimizing, negative, fewer, less, minus, over, highest, maximum, maximums, median, minimal, minimum, minimums, smaller, total, triple, added, adding, additions, abolishment, censure, coerce, coerces, coercion, establishing, limit, limitation, limited, limits, mandate, mandated, mandatory, should, unlawful, acting in concert, add, allow, allowable, allowed, allowing, allows, amended, annul, annulling, approval, approvals, approve, approves, approving, assigned, authorised, authorization, authorize, authorized, authorizes, authorizing, averted, cannot, complies with, comply, complying with, computed, conferring, conferring authority, confers, conform, conforms, declare, deem, deemed, deems, denying, designated, determine, determined, determines, directed, disapproval, disapprove, disapproved, disapproving, divide, enabling, enforce, enforces, enforcing, enjoin, ensure, ensuring, establish, established, establishes, establishment, establishments, evaluate, evaluates, excepted, exception, exempt, exempted, exempting, exemption, exemptions, fraction, granting, higher-than-normal, implemented, implementing, impose, in conformance with, in conformity with, ineligible, instituted, instituting, justifies, limitations, limiting, mitigate, mitigates, obligate, overruling, permit, permits, permitted, permitting, precluding, preempting, prescribe, prescribed, presumed, prevent, preventing, prevents, prior approval, prohibit, prohibiting, prohibition, prohibitions, prohibits, promulgated, pro-rated, reauthorization, recommendations, regulate, regulated, regulates, remove, repealed, repealing, requested, require, required, requires, requiring, restrain, restrict, restricting, restriction, restrictions, restricts, satisfied, satisfies, set forth, shall, specified, subjecting, subtract, suitability, suitable, superseding, supervise, supervises, suspending, take effect, tripled, waive, waiver, waivers, waives, waiving

- Bindingness: bar, bars, had, has, have, having, must, excepting, excluding, exclusively, abolishment, censure, coerce, coerces, coercion, limit, limitation, limits, mandate, mandated, mandatory, should, unlawful, annul, annulling, cannot, complies with, comply, complying with, enforce, enforces, enforcing, enjoin, ensure, ensuring, excepted, exception, exempt, exempted,

exempting, impose, in conformance with, in conformity with, ineligible, overruling, pro-rated, restrain, restrict, restricting, restriction, restrictions, restricts, waiving.

Effects of complexity on lobbying across lobbying percentiles (2SLS)

	Log(Total Amount + 1)							
	0-30th	10-40th	20-50th	30-60th	40-70th	50-80th	60-90th	70-100th
Log(Complexity)	0.352	-0.175	-0.459	0.240	-0.539	-0.165	0.842**	0.624
	(1.810)	(1.579)	(0.695)	(0.450)	(0.359)	(0.360)	(0.404)	(0.782)
Lobby Persistence	0.042	-0.001	-0.234***	-0.043	0.114	-0.005	-0.060	0.118
	(0.186)	(0.156)	(0.083)	(0.078)	(0.073)	(0.071)	(0.076)	(0.114)
Log(Total Reports + 1)	0.116***	0.175***	0.111***	0.062*	0.038	0.021	0.123***	0.251***
	(0.043)	(0.043)	(0.034)	(0.037)	(0.033)	(0.032)	(0.036)	(0.055)
Log(Length)	0.013	-0.023	0.017	0.093***	0.098***	0.080***	0.038	0.210***
	(0.051)	(0.039)	(0.027)	(0.027)	(0.030)	(0.024)	(0.023)	(0.045)
Ruling Year	-0.117	-0.002	0.351**	0.048	0.184	-0.010	-0.114	-0.095
	(0.549)	(0.374)	(0.163)	(0.113)	(0.120)	(0.133)	(0.143)	(0.264)
Proximity	-0.164	-0.038	0.032	-0.242	0.095	0.202	-0.131	-0.497
	(0.899)	(0.617)	(0.251)	(0.189)	(0.171)	(0.144)	(0.152)	(0.258)
Membership Organization	-0.042	-0.148	-0.218***	-0.084	0.076	0.034	-0.082	0.006
	(0.103)	(0.112)	(0.077)	(0.076)	(0.073)	(0.062)	(0.067)	(0.109)
Log(Total GDP)	-0.028	0.075	0.036	-0.074	-0.011	0.010	-0.061	-0.094
	(0.247)	(0.209)	(0.078)	(0.081)	(0.070)	(0.071)	(0.066)	(0.088)
Intercept	7.462	9.306	13.042**	11.285**	16.667**	12.970**	7.018*	9.770*
	(9.983)	(8.803)	(4.763)	(2.651)	(2.105)	(2.367)	(2.948)	(4.935)
Sector FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	230	392	426	434	412	428	424	430

Note: Robust standard errors in parentheses. * p<0.10, ** p<0.05, *** p<0.01

Effects of complexity on lobbying across lobbying percentiles (IVpoisson)

	Number of Lobbying Reports					
	10-40th	20-50th	30-60th	40-70th	50-80th	60-90th
Log(Complexity)	-0.255	-0.280	0.308	0.792	0.358	-0.730
	(1.369)	(0.753)	(0.465)	(0.530)	(0.418)	(0.502)
Lobbying Persistence	0.097	0.118	0.145**	0.147*	0.157**	0.202***
	(0.127)	(0.080)	(0.073)	(0.077)	(0.074)	(0.069)
Log(Total Reports + 1)	0.048*	0.037	0.032	0.082***	0.135***	0.171***
	(0.026)	(0.026)	(0.026)	(0.030)	(0.030)	(0.037)
Log(Length)	0.039	0.014	-0.019	-0.005	-0.017	-0.028
	(0.035)	(0.024)	(0.022)	(0.024)	(0.022)	(0.024)
Ruling Year	0.050	0.086	-0.137	-0.329**	0.077	0.422**
	(0.371)	(0.156)	(0.132)	(0.167)	(0.154)	(0.189)
Proximity	0.340	0.386	0.219	0.005	0.062	0.416**
	(0.570)	(0.283)	(0.145)	(0.178)	(0.156)	(0.190)
Membership Organization	-0.033	0.047	0.000	-0.039	-0.108**	-0.135**
	(0.069)	(0.049)	(0.049)	(0.050)	(0.051)	(0.057)
Log(Total GDP)	-0.068	-0.053	-0.022	-0.016	-0.021	-0.008
	(0.192)	(0.116)	(0.085)	(0.083)	(0.061)	(0.069)
Intercept	3.694	3.605	-1.806	-6.352*	-2.504	6.326*
	(7.239)	(4.170)	(4.480)	(3.641)	(2.924)	(3.449)
Sector FE	No	Yes	Yes	Yes	Yes	Yes
Year FE	No	Yes	Yes	Yes	Yes	Yes
Observations	392	426	434	412	428	424

Note: Robust standard errors in parentheses. * p<0.10, ** p<0.05, *** p<0.01

Effects of complexity on lobbying across individual organizations

	Number of Reports				*Log(Total Amount + 1)*			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Log(Complexity)	-0.324	-0.405	-0.290	-0.425	2.584	1.818	1.910	1.276
	(0.326)	(0.402)	(0.406)	(0.498)	(1.651)	(1.754)	(2.463)	(2.619)
Lobbying Persistence	0.150***	0.139**	0.221***	0.195***	0.455	0.754*	-0.510	-0.248
	(0.0529)	(0.0550)	(0.0535)	(0.0539)	(0.428)	(0.407)	(0.448)	(0.428)
Log(Total Reports + 1)	0.194***	0.218***	0.194***	0.218***	1.348***	1.204***	1.481***	1.361***
	(0.0221)	(0.0230)	(0.0224)	(0.0232)	(0.158)	(0.163)	(0.154)	(0.159)
Log(Length)	0.0216	0.0180	0.0119	0.0115	0.843***	0.843***	0.858***	0.858***
	(0.0175)	(0.0187)	(0.0164)	(0.0176)	(0.136)	(0.134)	(0.137)	(0.134)
Ruling Year	0.0139	0.0700	0.0940	0.166	-0.404	-0.537	0.320	-0.00219
	(0.0761)	(0.0794)	(0.102)	(0.120)	(0.456)	(0.436)	(0.686)	(0.679)
Proximity	0.486**	0.510**	0.429***	0.501**	-1.368	-0.643	-1.291	-0.486
	(0.191)	(0.241)	(0.164)	(0.222)	(0.887)	(1.001)	(0.911)	(1.077)
Log(Total GDP)	0.135*	0.155*	0.0376	0.0502	-0.329	-0.378	-0.474	-0.534
	(0.0713)	(0.0867)	(0.0681)	(0.0829)	(0.330)	(0.344)	(0.371)	(0.390)
Intercept	-1.015	-0.664	0.463	1.362	-12.35*	-6.129	-3.297	1.836
	(1.082)	(1.302)	(2.203)	(2.493)	(6.992)	(7.535)	(14.80)	(15.19)
Sector FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Year FE	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Observations	960	960	960	960	960	960	960	960

Note: Robust standard errors in parentheses. * p<0.10, ** p<0.05, *** p<0.01

Effects of complexity on lobbying across membership-based organizations

	Number of Reports			*Log(Total Amount + 1)*			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Log(Complexity)	0.103	0.203	-0.0142	2.603*	1.482	3.498	2.018
	(0.349)	(0.384)	(0.451)	(1.582)	(1.378)	(3.383)	(3.109)
Lobbying Persistence	-0.0602	-0.0780	0.0430	0.846*	0.808*	0.395	0.284
	(0.0522)	(0.0514)	(0.0514)	(0.449)	(0.457)	(0.495)	(0.523)
Log(Total Reports + 1)	0.157***	0.157***	0.146***	1.165***	1.237***	1.249***	1.319***
	(0.0301)	(0.0447)	(0.0292)	(0.237)	(0.281)	(0.241)	(0.286)
Log(Length)	0.0663***	0.102***	0.0404**	0.490***	0.351**	0.503***	0.370**
	(0.0189)	(0.0362)	(0.0182)	(0.154)	(0.176)	(0.156)	(0.175)
Ruling Year	-0.156*	-0.0851	0.0570	-0.474	-0.191	-0.292	0.169
	(0.0908)	(0.212)	(0.150)	(0.487)	(0.420)	(0.893)	(0.707)
Proximity	0.185	0.0134	0.170	-2.642***	-1.869**	-2.635**	-1.637
	(0.181)	(0.246)	(0.154)	(0.855)	(0.765)	(1.156)	(1.080)
Log(Total GDP)	0.127*	0.174*	0.00395	-0.345	-0.350	-0.258	-0.179
	(0.0744)	(0.0969)	(0.0685)	(0.279)	(0.231)	(0.351)	(0.277)
Intercept	-4.456***	-6.866***	0.145	-8.965	1.072	-13.50	-4.121
	(1.319)	(1.759)	(2.440)	(8.312)	(7.780)	(19.90)	(18.64)
Sector FE	No	Yes	No	No	Yes	No	Yes
Year FE	No	No	Yes	No	No	Yes	Yes
Observations	475	475	475	475	475	475	475

Note: Robust standard errors in parentheses. * p<0.10, ** p<0.05, *** p<0.01

Effects of complexity on lobbying with five-year-lagged instrumental variable

	Number of Reports				*Log(Total Amount + 1)*			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Log(Complexity)	-0.254	-0.322	-0.215	-0.309	2.603**	1.769	2.093	1.458
	(0.231)	(0.252)	(0.389)	(0.313)	(1.155)	(1.168)	(2.026)	(2.049)
Lobbying Persistence	0.0816**	0.0827**	0.162***	0.156***	0.604*	0.697**	-0.113	-0.0595
	(0.0383)	(0.0387)	(0.0429)	(0.0374)	(0.312)	(0.299)	(0.332)	(0.319)
Log(Total Reports + 1)	0.182***	0.202***	0.180***	0.194***	1.294***	1.207***	1.398***	1.317***
	(0.0179)	(0.0183)	(0.0182)	(0.0182)	(0.129)	(0.138)	(0.128)	(0.136)
Log(Length)	0.0382***	0.0401***	0.0236**	0.0268**	0.695***	0.676***	0.686***	0.666***
	(0.0127)	(0.0131)	(0.0119)	(0.0126)	(0.101)	(0.103)	(0.102)	(0.102)
Ruling Year	-0.0367	0.00136	0.0995	0.130	-0.416	-0.419	0.162	0.178
	(0.0585)	(0.0577)	(0.105)	(0.0990)	(0.342)	(0.328)	(0.571)	(0.540)
Proximity	0.423***	0.426***	0.324**	0.348***	-1.822***	-1.087*	-1.622**	-0.913
	(0.130)	(0.144)	(0.135)	(0.115)	(0.617)	(0.647)	(0.725)	(0.776)
Membership Organization	-0.0799**	-0.113***	-0.0741**	-0.100***	-0.236	-0.147	-0.257	-0.207
	(0.0318)	(0.0395)	(0.0303)	(0.0371)	(0.239)	(0.279)	(0.237)	(0.279)
Log(Total GDP)	0.149***	0.172***	0.0124	0.0320	-0.318	-0.315	-0.353	-0.444
	(0.0508)	(0.0553)	(0.0509)	(0.0502)	(0.228)	(0.227)	(0.274)	(0.270)
Intercept	-1.966**	-1.901**	1.038	0.474	-11.63**	-5.204	-1.710	4.032
	(0.801)	(0.860)	(1.481)	(2.966)	(5.206)	(5.314)	(10.99)	(10.98)
Sector FE	No	Yes	No	Yes	No	Yes	No	Yes
Year FE	No	No	Yes	Yes	No	No	Yes	Yes
Observations	1435	1435	1435	1435	1435	1435	1435	1435

Note: Robust standard errors in parentheses. * p<0.10, ** p<0.05, *** p<0.01

Effects of bindingness on lobbying with five-year-lagged instrumental variable

	Number of Reports				*Log(Total Amount + 1)*			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Log(Bindingness)	-0.193	-0.178	-0.253	-0.402	3.730**	2.511*	3.468	2.032
	(0.291)	(0.292)	(0.452)	(0.392)	(1.506)	(1.472)	(2.780)	(2.728)
Lobbying Persistence	0.0730**	0.0694*	0.154***	0.148***	0.651**	0.729**	-0.0734	-0.0282
	(0.0368)	(0.0365)	(0.0387)	(0.0359)	(0.303)	(0.292)	(0.324)	(0.312)
Log(Total Reports + 1)	0.183***	0.203***	0.180***	0.193***	1.305***	1.218***	1.404***	1.322***
	(0.0180)	(0.0184)	(0.0183)	(0.0182)	(0.129)	(0.139)	(0.128)	(0.137)
Log(Length)	0.0394***	0.0408***	0.0245**	0.0286**	0.669***	0.659***	0.669***	0.656***
	(0.0127)	(0.0131)	(0.0118)	(0.0124)	(0.102)	(0.103)	(0.102)	(0.102)
Ruling Year	-0.0598	-0.0316	0.0815	0.107	-0.318	-0.352	0.225	0.260
	(0.0522)	(0.0501)	(0.0874)	(0.0771)	(0.319)	(0.304)	(0.474)	(0.438)
Proximity	0.310***	0.272***	0.255***	0.236***	-0.837***	-0.405	-0.699*	-0.277
	(0.0530)	(0.0529)	(0.0647)	(0.0575)	(0.285)	(0.291)	(0.390)	(0.355)
Membership Organization	-0.0803**	-0.108***	-0.0761**	-0.0976***	-0.217	-0.148	-0.239	-0.210
	(0.0319)	(0.0391)	(0.0305)	(0.0364)	(0.239)	(0.278)	(0.238)	(0.277)
Log(Total GDP)	0.113***	0.121***	-0.00364	0.00959	-0.0908	-0.159	-0.130	-0.283*
	(0.0295)	(0.0301)	(0.0334)	(0.0398)	(0.131)	(0.126)	(0.170)	(0.156)
Intercept	-4.072**	-4.125**	-0.615	-3.574	21.76**	17.40*	23.32*	19.82*
	(2.055)	(2.079)	(2.983)	(3.812)	(9.686)	(9.394)	(12.17)	(11.80)
Sector FE	No	Yes	No	Yes	No	Yes	No	Yes
Year FE	No	No	Yes	Yes	No	No	Yes	Yes
Observations	1435	1435	1435	1435	1435	1435	1435	1435

Note: Robust standard errors in parentheses. * p<0.10, ** p<0.05, *** p<0.01