WTI Brown Bag Seminar

18th October 2022, 12:30 - 13:30pm (Hybrid event)

Venue: Anna Nussbaum Auditorium, World Trade Institute, University of Bern Hallerstrasse 6, 3012 Bern
To join virtually via Zoom, please use this link or
with Meeting ID: 847 8839 7449 (Passcode: 509884)

Lobbying for Globalization

Abstract:

Using detailed information from lobbying reports filed under the Lobbying Disclosure Act, we construct a unique dataset that allows us to identify which firms lobby on Free Trade Agreements (FTAs) negotiated by the United States, their position (in favor or against) and their lobbying effort on the ratification of each trade agreement. Using this dataset, we show that lobbying on FTAs is dominated by large internationalized firms, which are in favor of these agreements. On the intensive margin, we exploit exogenous variation across FTAs to show that individual firms put more effort supporting agreements that generate larger potential gains – larger improvements in their access to foreign consumers and suppliers and smaller increases in domestic competition – and that are more likely to be opposed by politicians. To rationalize these findings, we develop a new model of endogenous lobbying on trade agreements. In this model, heterogeneous firms select into trade and choose whether and how much to spend lobbying on the ratification of an FTA, and politicians may be biased in favor of or against the agreement.

Biography of the speaker:

Michael Blanga-Gubbay

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Michael Blanga-Gubbay is a Postdoctoral Researcher at the University of Zurich (UZH), Department of Economics and a Senior Research Fellow at the Kühne Center for Sustainable Trade and Logistics at the University of Zurich.

He holds a Ph.D. in Economics from the Université Libre de Bruxelles - the European Center for Advanced Research in Economics and Statistics (ECARES).

Michael holds a Bachelor and a Master of Science in Economics and Social Sciences from Bocconi University in Milan; and a Master of Science in Quantitative Economics from the Université Libre de Bruxelles. During his Ph.D., Michael spent the 2018-2019 academic year at Harvard University, and the 2019-2020 academic year at Bocconi University.

His research interests are international trade and political economics.