EXPLORING FOREIGN LOBBYING AS A METHOD OF STATE INTEREST REPRESENTATION IN THE UNITED STATES OF AMERICA

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ABSTRACT

Foreign lobbying in the United States is a largely relevant, but overlooked topic. While the employment of foreign agents for the purpose of protecting national interests abroad is similar to that of allocating diplomatic missions abroad, little is discussed on the former. As a means to start a discussion on foreign lobbying, this thesis seeks to explore the prevalence of these foreign agents, the rationale for implementing such a method of state interest representation, and the distinguishing factors which may cause states to lobby. Overall, the thesis aims to explore why some state governments lobby the US more than other states.

Such exploration is interesting and necessary given the emergence of questionable foreign activity in US domestic and foreign politics, over the last four years. The election of President Donald Trump brought to light the presence of foreign interests in American affairs. The transparency law accounting for these agents, The Foreign Agent Registration Act, or FARA, requires all foreign lobbyists to fully disclose their activities, payments, and for who they lobby for. Despite multiple reforms and renewed attention to the matter, the law remains rather powerless, as much lobbying activity happens behind closed doors. Nevertheless, the US Department of Justice maintains and frequently updates their FARA database, allowing access to all foreign agent information starting as far back as 1942.

In addition to the renewed interest in foreign lobbying as well as their role in the current political climate, there also seems to be an increased use of foreign agents employed by the United States allies, such as Japan, Israel, and South Korea, while countries completely void of bilateral relations with the US, such as Palestine, North Korea, Venezuela and Iran, are also making use of these agents. Therefore, this thesis claims that in addition to traditional diplomacy, foreign governments have included foreign lobbying as a method of state interest representation.

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1 | INTRODUCTION

1.1 | FOREIGN LOBBYING IN THE UNITED STATES

Lobbying governments for the purpose of inciting, protecting and developing interests has been central to many democratic governments through time. However, concerns about the influence of "foreign pressure" in domestic politics is growing (Leech, Mckay, Lyon, Bernhagen, & Chalmers, 2017). While lobby groups have often been associated with the shaping and influencing of domestic US political discourse (Tidwell, 2017a), the growth of foreign lobbying groups interested in US policy has also increased in the country. Although some major governments continue to work through their embassies in Washington, nearly 100 countries rely on their connections and lobbyists to protect and promote their interests in the US (Newhouse, 2009). In 1938, the United States Department of Justice enacted the Foreign Agents Registration Act (FARA) to monitor political activity and lobbying from foreign lobbyists. These *foreign agents* are employed by both public and private organizations; however, this thesis is only interested in those who lobby for foreign governments as it deems to illustrate an underexplored method of state interaction. Some have even claimed that this kind of work suggests a "steady decline and privatization of diplomacy" (Newhouse, 2009, p. 73) impacting how the United States conducts its own foreign policy (Newhouse, 2009; Tidwell, 2017; Stanzel, 2018).

Traditionally speaking, diplomacy, or the practice of realizing state interests and agendas abroad, has allowed governments to engage and protect national interests, internationally. However, in the last 10 years, the traditional methods of diplomacy have been altered drastically by globalization and the resulting information era. As a result, traditional diplomacy no longer serves its customary function ("The functions and purposes of modern diplomacy | Ditchley Foundation," 2010) allowing foreign lobby to take hold and thus providing foreign governments with a tool to protect their own interests in the US.

1.2 | RESEARCH QUESTION

Lobbying is not new to state interaction with the US (i.e. employment of Foreign Agents). Despite rising numbers in foreign agent employment by foreign governments, growing discussions on foreign involvement on US elections and US domestic policies (Brown, 2017; Elving, 2019; Goodman & Saunders, 1985; Lipinski, 2018), and the periodic implementation of new laws on foreign lobbying activities, very little academic literature exists on foreign

lobbying. There are of course exceptions. Those that do exist focus on the effect of foreign lobbying on specific domestic or foreign policy domains. In addition, there does not seem to be any research on why states lobby or how this may differ across countries.

Although this thesis looks broadly at the shift in the way states interact diplomatically with the US (i.e. the addition of foreign lobbying to traditional state interest representation strategies), its primary goal is to analyze the intensity of foreign lobby in contemporary US foreign policy. To do this, the following research question has been formulated: *why do some foreign governments lobby more than others in the US?*

1.2.1 Sub-Questions

To best answer the research question, this research found it necessary to explore and answer three relevant sub-questions. These include: 1. *how and why have states adopted lobbying as a method of state interest representation;* 2. *how prevalent is the employment of foreign agents as a method of state interest representation;* and 3. *which identifying factors explain differences between states lobbying the US?*

The purpose of the first two questions is to analyze the emergence of foreign agents as an addition to traditional methods of state interest representation in the US, to establish how prevalent the phenomenon of foreign agent employment is, and to resolve whether there is an increase or decrease of employment of agents over time. The third sub-question offers an exploration into the factors which will help answer the main research question.

1.3 | Approach

This thesis found the use of the United States as the primary actor of analysis in discussing foreign agents necessary, as FARA is an American law and policy on foreign agents makes the possibility for such agents endless. Similarly, as the US is constantly at the forefront of international relations, it gives more reason for other states to engage consistently with it. Therefore, exploring how states differ in their employment of foreign agents in the US seemed a sound choice.

While the central goal of this thesis is to understand foreign lobby employment in the US and the different factors for employment, across countries, the secondary goal is to place foreign lobbying as a means implemented by states when engaging with the US and as a supplement to diplomacy. Due to a lack of prior research, this thesis aims to make the first exploratory analysis on the participation of foreign lobbying by foreign governments in the United States. This thesis expects that factors including those that are relevant in most bilateral

relationships, such as economic, military, trade, and diplomatic engagement might help narrow down explanatory factors for why some states employ more foreign agents than others.

To test these effects, the thesis utilized a multiple regression model. Such a model was necessary as the quantitative research conducted in the thesis is exploratory in nature and looks at a variety of independent variables. To run the regression, a unique dataset consisting of collected data from the US Department of Justice (DOJ) on Foreign Agents, the US Census Bureau, and the US Agency for International Development (USAID), as well as over 30,000 manually selected data points, was utilized.

1.4 | Relevance

1.4.1 | Academic Relevance

It is this thesis's belief that its academic relevance is two-fold. The thesis aims to explore identifying factors distinguishable between states to understand why some may lobby more than others in the US. To illustrate this discussion, two empirically grounded sections are offered. The main objective is to offer factors for differences between state governments in lobbying the US. The thesis also analyzes the general addition of foreign lobbying to foreign interest representation in foreign government interaction with the United States. By theoretically distinguishing between the types of foreign interest representation in the US and adding lobbying to these state methods, the descriptive analysis makes both theoretical and empirical contributions to both lobbying and diplomatic research. This thesis suggests not that a slowdown in traditional means of representation nor a shift away from traditional diplomacy has occurred. Rather, it suspects that there has been a growing addition to the way states interact diplomatically with the US; one that has not been accounted for in this way. Thus, this thesis claims that in addition to traditional methods of diplomacy, states have also used foreign lobby as a method of foreign interest representation. It argues that foreign lobby is similar to other diplomatic methods in that foreign lobbies try to influence US positions favorably toward the countries they work for. Neither argument presented in this thesis has been explored in literature. Therefore, such findings would offer a first empirically grounded discussion on government lobbying in the US.

1.4.2 | Social Relevance

Between 2016 and the present day alone, the number of foreign principles in the United States increased by 487 individual foreign agents, and the amount of US dollars spent in lobbying efforts total at over 2 billion (Foreign Lobby Watch, 2020). While not every foreign principle is

government related, these initial figures do indicate a significant general mobilization of foreign agents for interest representation. This thesis suspects that states are now, and have been, employing foreign lobbyists in vast quantities.

Foreign lobbying has also been a particularly interesting topic in recent years as investigations of Russian involvement in the 2016 presidential elections (Lipinski, 2017) called FARA and the influence of foreign governments on US domestic and foreign policy into question. In the past, FARA was notorious among legislatures for being a toothless law with little to no enforcement or standing (Lipinski, 2017). After the House of Representatives Committee on Appropriateness demanded that the Office of the Inspector General (OIG) review the DOJ's enforcement of FARA, findings show that the trend in indictments of foreign agents deviated significantly in 2017, as a result of the Russia investigations (Lipinski, 2017; Brown, 2017; Straus, 2019). In practice, this thesis helps to improve transparency for the US public in understanding the influence of foreign governments in their interactions with the US, as well as the nature of foreign lobby activities.

1.5 | STRUCTURE

The thesis is structured as follows: the introduction (Chapter 1) is followed by what is effectively a case discussion and literature review which opens the relevant conversations on foreign interest representation and foreign lobbying (Chapter 2). Chapter 3 consists of a theoretical framework which lays out the expectations and hypotheses for the empirical findings. Chapter 4 elaborates on the research design, offering a deeper dive into the data collection, while also defining and developing the key independent variables researched, identifying the models used, and exposing the challenges to this research. Chapter 5 discusses the empirical findings of the data collection and research, while Chapter 6 analyzes these; rejecting and confirming the hypotheses presented in Chapter 4. Hereafter, a summary of the key findings and conclusion to the thesis can be found.

2 | Representation of Foreign Interests

The following section serves as both a literature review and a note on terminology. To explore what foreign lobbying means and to understand why some foreign governments lobby more than others in the US, the literature review breaks down how foreign interest representation has bridged over to include foreign lobbying, what lobbying in the US entails, why and how states would use lobbying to protect their interests, and which factors help distinguish between states. The section introduces key arguments, especially in regarding foreign lobby as a supplement to foreign interest representation strategies and helps set up the argumentation for why some states lobby more than others.

2.1 | Current Methods of State Interest Representation

For centuries, leaders of civilizations, nations, and states have relied on the practice of diplomacy to maintain relations with others. However, the 21st century has witnessed an abrupt interruption of traditional modes of diplomatic relations. Stanzel (2018) states four indicators for this change: (1) The personality of the individual diplomat; (2) technical developments, especially due to digitization, which cause fundamental changes for which diplomats and states can communicate; (3) the increase of diplomatically active actors; and (4) the new sensitivities of various publics to foreign policies (p. 6). This discussion is critical to establishing a shift in diplomatic measures and understanding the opportunity for other forms of state interest representation abroad. While it is important for this thesis to address Stanzel's 3rd statement on the change in diplomacy, it should also be discussed how states have attempted to modify their existing methods of diplomacy to address ongoing changes. To analyze how foreign governments have implemented lobbying as a method of state interest representation towards the US and how it is positioned compared to other methods of state interest representation, the following section analyses five state strategies of interest representation toward the US: (traditional) diplomacy, public diplomacy, diplomatic lobbying, special envoy, and the employment of foreign agents; positing traditional diplomacy on one end of the paradigm and lobbying at the other end, as can be seen by *Figure 1*.

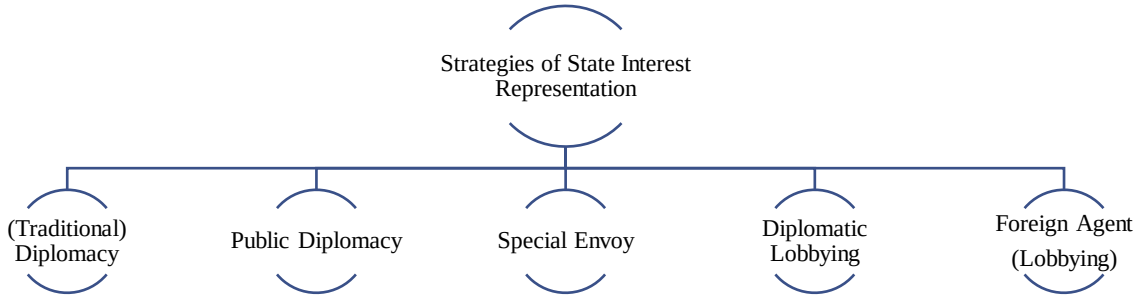

FIGURE 1

Diplomacy is the "act of conducting negotiations between two persons, or two nations at a large scope" (Relations, 2011) for the purpose of maintaining and fortifying peace between two nations. The traditional role of a diplomat is to act as the representatives of a state and "can be said to consist in representing his home state by acting as the mouthpiece of his government and as the official channel of communication between the government of the sending and receiving states," (Sen, 1965, p. 46). Diplomats work out of their home country's foreign missions abroad. A foreign mission refers to "all people, facilities, and activities in support of a country carrying out its foreign policy in the United States (or as part of an international organization like the Organization of American states)" (National Capital Planning Commission, 2020, n.p.). The mission acts out of interest of their state in hopes of completing a specific agenda abroad. The governments these diplomats represent, foster a strategy of 'representation' to ensure the host state that the mission's purpose does not involve interference in domestic politics (Tidwell, 2017b). This pragmatic approach manages the relations between states and other institutions in the intergovernmental space with the aim of arriving at peaceful conflict resolutions (Stanzel, 2018).

Public diplomacy, on the other hand, refers to the use of communication resources to attract the publics of other states (rather than just their governments) and does so without the use of force or coercion (Berridge, 2015; Nye, 2008; Stanzel, 2018; Young, Deos, & Pigman, 2006). The goal of public diplomacy is to share information and increase attraction for the purpose of both developing soft power abroad and representing "an opportunity to gain influence and shape international agendas," (Bátora, 2005, p. 1). For example, Pope Francis's visit to the US in September 2015 is a prime example of public diplomacy. As the Pope stands as the diplomatic figurehead of the Holy See, his world-wide visits are part of a strategy to

"create a more favorable view of the Vatican" and that can potentially increase the (soft) power of the Catholic Church ("Top 10 Public Diplomacy Moments of 2015: CPD's Picks | USC Center on Public Diplomacy," 2016).

A more discreet method of state interest representation is the use of *special envoys.* This method refers to sending a person abroad "to conduct diplomacy with a limited purpose for a limited time" (Berridge, 2015, p. 223). These individuals are predominantly sent by leaders of any given government or by the bureaucracy for which the leader works. They do not have any legal status, nor are they granted permanent positions within the government (Wriston, 1960). Special envoys serve out their tasks or appointments and are largely dismissed following these tasks. As they serve as interest representatives of any given leader during their incumbency, the special envoy reflects the "working habitats" of the given leader, rather than that of the state (Wriston, 1960, 223).

Diplomatic lobbying is the use of diplomats to directly advocate a missions' interests on the host government or the use of lobbying firms to aid missions in lobbying efforts. While this interest representation method is *also* largely unexplored in research, it does however reveal a shift toward lobbying methods by some states, in place of or as a supplement to, diplomacy. For example, the Australian embassy in Washington D.C., recognised "the importance of information, developed a database supporting its work, with information on every Congressman [sic] and their district, with details on the amount of Australian investment there (and number of jobs that reflected), exports to Australia from that district, other Australian connections, visits, contact we had had with them and their disposition towards the FTA" (Tidwell, 2017). More often than not, however, foreign agents are employed to take on the task of lobbying the American Congress.

The aforementioned methods of state interest representation are for the most part carried out in the manner of a foreign mission. However, *foreign lobbying* is often only accomplished by individuals outside of a government's diplomatic mission. Foreign lobbying refers to the reliance of foreign principles (foreign states, companies, political parties, organizations, etc.) on foreign agents (lobbyists) to protect and promote their interests abroad (Newhouse, 2009). These 'lobbyists' are defined as anyone – including an individual, firm and/or other organization – providing services or acting on behalf of a foreign principal (Brown, 2017b; Department of Justice/NSD, n.d.; Foreign Lobby Watch • OpenSecrets, 2020; Lipinski, 2018). They could also be anyone at the order, request, or under control of a foreign principal and engaging in "political activities for or in the interests of such foreign principal" (Foreign Lobby Watch, 2020, para. 1). Foreign agents conduct the majority of their lobbying

through informational lobbying, although money can be channeled indirectly into political campaigns (Mahoney, 2007). In the cases of both diplomatic lobbying and foreign lobbying, states have come to outsource traditionally diplomatic activities to private firms and non-state representatives (AALEP, 2018).

While foreign lobbying is not usually associated with the kinds of diplomatic methods of state interest representation mentioned above, it is this thesis's argument that it should be viewed as such when discussing foreign representation.

2.1.1 | Justifying Foreign Lobbying as a Method of State Interest Representation

States delegate different levels of interest representation strategies depending on their desired output. These strategies, 'tactics,' or the "specific and direct actions taken at a given moment in time as part of an operation and/or in pursuit of strategy*"* (Holmes & Rofe, 2016, p. 34), are how states have generally pursued diplomacy (Holmes & Rofe, 2016). The purpose of foreign representation (diplomats) versus foreign lobby (foreign lobby agent) are not so different: both actors attempt to influence the host country toward legislation and policies that are favorable to them and both agents advocate interests and favorable outcomes for the country they represent. Defined as such, the biggest difference between traditional diplomacy and traditional lobbying is that lobbyists use capital to influence legislation and will often drive their points through appeals to the public. Although traditional diplomats avoid this by relying on their legitimacy as state representatives to drive their state ambitions, *public diplomacy* makes use of appeals to the public. In this way foreign agents are carrying out similar tasks to that of some diplomats.

This thesis posits that both diplomacy and lobby are discrete human practices constituted by the explicit "construction, representation, negotiation, and manipulation of necessarily ambiguous identities" (Sharp, 1999, p. 33). While diplomacy is a respected craft, concerns about the 'power of pressure groups' in influencing politics is as old as time (Leech et al., 2017). However, in the case of diplomatic lobbying, the lines between lobbying and diplomacy are blurred. Both methods of interest representation employ the use of lobby, which is traditionally seen as an antonym of diplomacy. Nevertheless, because of changing norms in state-to-state relations, many states have resorted to these alternative methods of representation.

If we think back to the four points Stanzel makes on the changing nature of diplomacy, his third argument helps explain the emergence of foreign agents. He claims that while the diminishing influence of traditional diplomacy exists, professional diplomacy has also been

overshadowed by non-diplomatic actors who carry out traditionally diplomatic tasks. While these can also include members of politically active NGO representatives or even high-profile members of the public, Newhouse (2009) claims that the introduction of (public) foreign lobbyists may have also had a role in this. At least in the case of the US, he argues that the employment of foreign agents by foreign governments has dramatically changed the way in which diplomacy has been conducted in the US and how the US conducts its own foreign policy. Newhouse argues that the use of foreign agents employed either through existing public relations or law firms suggests that (traditional) diplomacy is in steady decline and replaced by privatized methods of diplomacy. Stanzel (2018) suggests a similar argument on the changing aspects of diplomacy. He too recognizes that international actors' activities implicate (or are a form of) diplomacy and that these activities are growing in number (Stanzel, 2018).

2.2 | Foreign Lobbying in the United States

In 1938, the United States Department of Justice (DOJ) enacted the Foreign Agents Registration Act (FARA) as a way to monitor political activity and lobbying from foreign agents. The law resulted from fears that Nazi propaganda would infiltrate the US (Grandados, 2018). Today, FARA "permits direct representation of foreign interests through the hiring of paid agents, generally individuals with access to power or knowledge and expertise on pertinent issues" (Moon, 1988, p. 72). The act requires transparency from both foreign principles and foreign agents when partaking in any lobbying activities (Brown, 2017). However, lobbying the American government has long been seen as an extension of the 1st Amendment: the right "to petition the Government for a redress of grievances" (U.S. Const., 1776, amend. I). Seen as a constitutional right, as a part of participatory democracy, and as a method of engaging a productive government (Weiser, 2020), lobbying as a means to engage with the US Congress does not seem so unconventional.

Drutman (2010) states that lobbying in the US can be theorized through a combination of three conventional theories. First is the "quid pro quo exchange process" (p. 834), or the exchange of a favor in return for another. This process suggests that the Congress members will support legislation and support special interests in exchange for electoral support or for campaign contributions (Drutman, 2010). The second argues that lobbying is about working with (Congressional) allies, or those already inclined to position themselves favorably toward a particular interest. Interest groups are more likely to lobby their Congressional allies than undecided or opposing members (Hojnacki & Kimball, 1998). The purpose of this is to "shape the content of legislation and mobilize legislatures" to act on the behalf of the interest group

(Hojnacki & Kimball, 1998, p. 775). The third theory claims that lobbying is about using expertise and information to change opinions on legislation and policy.

2.2.1 | WHY STATES LOBBY

To best capture how prevalent the employment of foreign agents as a method of state interest representation is and thus discover which identifying factors explain differences between states lobbying the US, it first is vital to grasp how and why states have adopted lobbying as a method to ensure national interests are protected. Newhouse (2009) offers three simple explanations for why they may do so. First, he argues that lobbyists can operate within the Congressional system in ways that experienced diplomats cannot (i.e. embassies and diplomats may not be as comfortable or effective on Capitol Hill compared to their lobbying counterparts) and are received better by US Congressional members than are foreign diplomats.

In sum, Drutman's theories and Newhouse's argumentation claim that lobbying Congress is about using tactics available to lobbyists, such as the ability to grant favors and sharing expertise and information in order to persuade policymakers toward outcomes favorable to the interests of the lobby client. Foreign diplomats, however, can be seen as only enhancing the outcomes for their home governments regardless of the outcome for the US, while American lobbyists lobbying on the behalf of a foreign government may also ensure outcomes are in line with US national interests (Newhouse, 2009). In theory, foreign lobbying maximizes favorable outcomes for both parties involved.

Newhouse's (2009) second argument states that foreign governments require help from Washington to "support their interests and not their advisories" (p. 76). Aidt and Hwang (2008) support this claim by arguing for the positive role of foreign lobbying on promoting social objectives in the US. They state that foreign lobbying aids US legislatures in understanding how policy choices produce cross national externalities and how these externalities can be internalized and effectively accounted for when making policy decisions (Aidt & Hwang, 2008, p. 2). The authors make clear that governments employ foreign agents simultaneously all over the world. However, the US is one of few countries who make public the activities of foreign agents. Recognizing the use of foreign agents in other parts of the world such as the EU and China is also important in that it recognizes that states are using foreign agents in a relatively similar manner that they do diplomats.

Gawande et al., (2009) and Maloney et al., (2007) also reveal that information barriers may serve as a reason for the heightened use of foreign agents in a country: countries with

lower diplomatic visibility, such as non-allies or warring countries may then employ less traditional methods of state interest representation.

2.2.2 | Adopting Foreign Lobby

Although it is still unclear how states have adopted lobbying as a method of state interest representation, Newhouse's third argument offers an explanation. He argues that missions are spread thin and have limited access to the right people and offices on Capitol Hill necessary to represent their home states interests effectively. In some cases, such as those regarding the diplomatic missions of Israel, Ireland, Australia, and Japan, diplomatic lobbying may also include extra employment of foreign agents or lobbying firms to aid the mission in such endeavors (Tidwell, 2017). This has been seen in the US, where Australia and Japan have used staff within their embassy to also act as lobbyists (Tidwell, 2017). In a similar way, local lobbyists may be hired by an embassy to either work with embassy staff or work on behalf of the embassy to lobby Congress directly (Tidwell, 2017). In Australia's case, a Congressional Liaison Office (CLO) specifically made to advocate policy interests, support the growth of political relationships, and interpret relevant US political developments was created (Tidwell, 2017). Other countries such as Canada, the UK, and Israel (Tidwell, 2017) also have CLO's in their embassies.

Embassies may also choose to employ foreign agents of their own. The capacity of the mission to engage with US legislatures, however, is also of importance in how much influence the foreign principle has: they may then find the recruitment of lobbyists far more fruitful. For example, Newhouse identifies stakeholder monitoring (e.g. Congress members) as a method available to lobby firms that embassies tend to lack. Lobby firms, from which foreign agents may be hired, have the capacity and institutional set-up to monitor Congress members, their staff, and "even some representatives in state legislatures who are considered rising figures" (Newhouse, 2009, p. 75). Furthermore, lobbying firm's ability to track policy change is central to their success. Embassy's, residences, chanceries, and/or missions are responsible for far more and therefore not focused or capable of spending such time on tracking and monitoring.

2.3 | Existing Literature on the Effects of Foreign Lobbying

The literature review has thus far distinguished between different forms of state interest representation and has elaborated on foreign lobbying to discuss why foreign lobbying can be viewed as a method of state interest representation. To understand why some states lobby more than others in the US and to ultimately discover channels for which the research question of

this thesis can be answered, it is also important to understand why states lobby the US to begin with and which factors contribute to said lobbying.

While it is widely recognized by scholars who analyze the acts of foreign lobbyists in the US that foreign agents play a role in maintaining and perpetrating the interests of foreign governments through policy change in the US (Aidt & Hwang, 2008; Kim & Oye, 1999; Newhouse, 2009; Tidwell, 2017), it is not yet known or discussed which factors may lead some countries to lobby more than others. However, there is a limited amount of academic work on foreign lobby as a means of state interaction. Apart from John Newhouse (2009) and Tidwell (2017) and a few others discussed below, the role of foreign governments employing foreign agents has been largely overlooked.

Gawande, Krishna, & Robbins (2004; 2006) focus on the effects of foreign lobby on international trade policies. What the authors find is that foreign lobbying significantly impacts trade policy when a foreign lobby represents an industrial sector attempting to lower tariffs on imports of that sector. In a similar analysis, Kee, Olarreaga, & Silva (2004) look at the success of Latin American countries lobbying for lower tariffs on import products in the US. Their results were similarly conclusive: lobbying by Latin American exporters is a significant determinant of tariff preferences in the US (Kee et al., 2004, p. 23). Both Gawande et al., and Kee et al., find that foreign lobbying is quite beneficial for countries lobbying the US for preferable trade policies (Maloney et al., 2007). Although neither paper discusses public foreign principles, but rather focuses on private foreign principles or partnerships between the two, both papers are important for understanding the relevance of foreign lobbying in influencing the US and offering a reason for why foreign principles may employ foreign agents in the US.

Gawande, Maloney, & Montes-Rojas (2007, 2009) take a different approach, looking at foreign lobbying in the US and the implications these have for the Caribbean. Maloney et al. (2007) found that Caribbean countries seeking to increase tourism with the US use foreign lobbying to 1. Effectively increase tourism; 2. “Lobbying by foreign principles may also be viewed as a mechanism of overcoming informational barriers” (Maloney et al., 2007, p. 15). The arguments set forth by Maloney et. al. is important in two ways for this thesis. First is a point particularly important to both papers: the use of foreign lobbying is not necessarily exclusive to rich countries. Secondly, a primary motivation for employing foreign lobbying in the US is to expand trade.

Other papers such as (Angel, 2000; Hrebenar & Thomas, 2011) look at the lobbies of large Asian countries toward the US. While the lobby of South Korea has been driven largely

by military and security, trade frictions and human rights, China has focused on strengthening ties between themselves and the US, weakening ties between the US and Taiwan, as well as harnessing economic development (Hrebenar & Thomas, 2011). While it is clear that countries have different national interests and objectives when employing foreign agents, it is also interesting to look at how foreign agent employment differs across regions. While Japan has been traditionally associated with the phrase "big Asian lobby" (Angel, 2000; Hrebenar & Thomas, 2011) India, South Korea, Pakistan and China all invest hundreds of thousands in lobbying the US every year.

Summary

This chapter aimed to do three things: introduce key points relevant to the research, such as what is lobbying, how does this manifest itself in the US, and how foreign lobbying fits into the scheme of foreign interest representation by foreign governments. It also aimed to answer the first sub-question posed in this thesis: *how and why have states adopted lobbying as a method of state interest representation.* It was discovered that governments use foreign lobbying in the US for multiple reasons: 1. Operating within Congress is challenging and therefore missions find that hiring foreign lobbyists is beneficial to the mission; 2. States require the help of the US to help realize their interests abroad, and foreign lobbyists are able to better portray such issues so that both the US and the foreign country are mutually benefitted; 3. Foreign missions may be ill-equipped to lobby Congress; 4. Information barriers may cause low diplomatic visibility. In sum these points reveal that foreign lobbying is used when other methods of state interest representation do not suffice in protecting national interests in the US. However, it is also recognized that different issue topics may lead countries to lobby for different reasons. In addition to those reasons already mentioned, policy domains such as trade, foreign aid, and foreign policy (diplomatic relations and alliances). The section looked at existing literature to pinpoint these identifying factors that may affect foreign governments' use of foreign agents. Such distinctions are important to understand why some countries lobby more than others in the US. The following section looks at these factors in depth and offers expectations for which variables may have an effect on foreign agent deployment.

3 | Theoretical Framework

The following section explores independent variables found in existing literature that may have a relationship with the overall employment of foreign agents.

3.1 | Expectations

3.1.1 | Expectations on Foreign Agent Employment

The descriptive analysis of this thesis aims to discover whether there has been an addition of lobbying to interest representation and diplomatic methods and how states have employed lobbyists into their diplomacy. Based on the work of Stanzel (2018), Tidwell (2017) and Newhouse (2009), this thesis expects that the use of foreign lobbying has increased over time as traditional methods of lobbying have become less effective. This thesis will also explore the employment of foreign agents across regions and expects that certain regions will have higher foreign agent employment than others and that foreign agent employment will vary across them.

3.1.2 | Expectations for Independent variables on Foreign Agents

To explore why some states lobby more than others, five variables have been selected based on the literature discussed in the literature review.

Both Tidwell (2017) and Newhouse (2009) claim that the size of an embassy or foreign mission may determine the capacity of the mission to engage in diplomatic lobbying, or the direct interaction of diplomats and foreign missions with US legislatures. While this suggests that the bigger the embassy the less likely the use of foreign agents, it is near impossible to discover the size of an embassy for each country in the US over 75 years. It is however possible to track the diplomatic relations between all countries with the US over 75 years. The US has sought to establish bilateral relations with most countries since WWII opened it up to increased international involvement (Reynolds, 2006). Today, all but 5 governments, Iran, Bhutan, Palestine, Venezuela and North Korea, have diplomatic relations with the US (Feldman, 2019). The literature review revealed that this thesis does not view foreign lobbying as a replacement of diplomacy, but rather as a supplement to state interest representation strategies. To discover however, the relationship between diplomacy and the employment of foreign agents this thesis analyses whether or not diplomatic relations with the US is an indicator for foreign agent employment. Based on the position taken in the literature review, this thesis expects that diplomatic relations do not (at least) have a negative correlation with foreign agent employment. It cannot be sure whether a positive relationship or no relationship is present.

Based on the research conducted by (Angel, 2000; Gawande, Krishna, & Robbins, 2004; Gawande et al., 2006, 2009a; Hrebenar & Thomas, 2011; Kee et al., 2004; Maloney et al., 2007) it is expected that foreign lobby presence increases trade. Similarly, the use of foreign lobbying is not necessarily exclusive to rich countries: all countries employ various amounts of foreign agents. As expanding trade with the US seems to be the primary motivation for employing foreign lobbyists (Gawande et al., 2009; Maloney et al., 2007), "a variety of rich and poor countries participate in lobbying activities through FARA channels" (Gawande et al., 2009a, p. 2). This is also clear when analyzing foreign principles registrants: almost all currently recognized states are present in the database. However, this has not been empirically researched. Thus, income group serves as an interesting condition to regress on: whether or not country income offers states the capacity to employ foreign agents in the US.

Therefore, this thesis expects trade to have a positive correlation with the employment of foreign agents. Furthermore, this thesis suspects that 'income group' does not have a negative effect on foreign agent deployment. It *is*, however, expected that 'income group' affects the average amount of foreign agent employment if the income group is 'high income.'

As has been mentioned previously, Gawande et al., (2009) and Maloney et al., (2007) argue that countries with lower diplomatic visibility, such as non-allies or warring countries may employ less traditional methods of state interest representation in order to combat information barriers. In such cases, it would be expected that countries with diplomatic relations have a negative effect on foreign agent employment.

However, when taking a glance at the OpenSecrets database, the top 5 countries in lobbying expenditures, including South Korea, Japan, Israel, Qatar, and Saudi Arabia, are all US allies or countries with strong bilateral relations with the US. Similarly, the top 5 foreign principles in foreign lobby spending are the governments of Japan, South Korea, Saudi Arabia, the Bahamas, and Bermuda. Based on the observation made by this research as well as on the arguments made by Angel, (2000) and Newhouse (2009) who claims that "even countries that have strong bilateral relations with the United States, such as Australia, Japan, and Norway, need lobbyists as well as embassies" (p. 73), this thesis expects that the variable (x) allies, has a strong correlation with the number of foreign agents employed per country. However, an expectation cannot be made for certain on whether this is a positive or negative effect.

Finally, Hrebenar & Thomas (2011) found that governments employed foreign agents when in need of either military and/or economic support. Therefore, this thesis expects that military and economic aid will have a positive relationship with the employment of foreign agents.

3.2 | HYPOTHESES

Discussed in the previous sections is the idea that diplomacy has become more ineffective and therefore additional methods of state interest representation ought to also be used to ensure the protection of national interests abroad. Since it has been argued that foreign lobbying has been used as an addition to diplomacy as a method of state interest representation, this thesis expects that H_0 will be rejected and of which H_1 is not to be rejected.

1 | H_0 | Between 1945 – 2019, the number of foreign agents employed by foreign-public actors has not increased in the US.

1 | H_1 | Between 1945 – 2019, the number of foreign agents employed by foreign-public actors has increased in the US.

Again, as foreign agents are viewed as a supplement to diplomacy, rather than a replacement, it is believed that H_0 is to be rejected.

2 | H_0 | The presence of diplomatic relations between the US and a given country does not have an effect on the average number of foreign agents employed.

2 | H_1 | The presence of diplomatic relations between the US and a given country does not have a negative effect on the average number of foreign agents employed.

Expanding trade was seen to be the primary motivator behind foreign governments employing foreign agents in the US in that foreign agents are able to lobby Congress to lower trade policies and tariffs. Therefore, it is expected that the null hypothesis will be rejected.

3 | H_0 | The presence of trade between the US and a given country has no relationship with the average number of foreign agents employed.

3 | H_1 | The presence of trade between the US and a given country has a positive relationship with the average number of foreign agents employed.

Countries with lower diplomatic visibility employed more foreign agents in the US. However, at face value, it also seems likely that allies lobby the most in the US. Therefore, this thesis expects that the H_0 will not be rejected.

4 | H_0 | The presence of an alliance between the US and a given country has no effect on the average number of foreign agents employed.

4 | H_1 | The presence of an alliance between the US and a given country correlates with the average number of foreign agents employed.

Since it was found that foreign lobbyists are often employed to lobby for foreign aid, especially that of economic and military aid, this thesis expects to reject the null hypothesis (H_0).

5a | H_0 | The presence of economic aid from the US to a given country has no correlation on the average number of foreign agents employed.

5b | H_0 | The presence of military aid from the US to a given country has no correlation on the average number of foreign agents employed.

This thesis expects that the H1 hypothesis to be favorable:

5a | H_1 | The presence of economic aid from the US to a given country has a positive correlation on the average number of foreign agents employed.

5a | H_1 | The presence of military aid from the US to a given country has a positive correlation on the average number of foreign agents employed.

Since expanding trade was seen as a key motivator for employing foreign agents, it should not matter the income group for which a country belongs. However, it seems logical to expect that countries within a higher income bracket have the means to employ more foreign agents on average. Therefore, this thesis favors null hypotheses 6a, 6b, and 6c, and expects to reject null hypothesis 6d.

6a | H_0 | Income group ‘low income’ does not have an effect on the average number of foreign agents employed.

6b | H_0 | Income group ‘lower-middle income’ does not have an effect on the average number of foreign agents employed.

6c | H_0 | Income group ‘upper-middle income’ does not have an effect on the average number of foreign agents employed.

6d | H_0 | Income group ‘high income’ does not have an effect on the average number of foreign agents employed.

This thesis does not favor H_1 6a, 6b, and 6c, but does favor 6d.

6a | H_1 | Income group ‘low income’ does have an effect on the average number of foreign agents employed.

6b | H_1 | Income group ‘lower-middle income’ does have an effect on the average number of foreign agents employed.

6c | H_1 | Income group ‘upper-middle income’ does have an effect on the average number of foreign agents employed.

6d | H_1 | Income group ‘high income’ does have an effect on the average number of foreign agents employed.

4 | RESEARCH DESIGN

This thesis utilized an exploratory approach to analyze the use of foreign agents by state governments in the US. Using the data collected, this thesis analyzes the statistical data through descriptive inference to establish both how and why states employ foreign lobbyists in the US, as well as to discover the phenomenon and prevalence of foreign agent employment and to resolve whether there is an increase or decrease of employment of agents over time. To discover why some states lobby more than others and to explore the correlation between independent variables *ally, diplomatic relations, foreign aid, income group, and trade* on the employment of the dependent variable, foreign agents, this thesis used a multiple regression model with fixed effects. This will be explored further in the "Models" section below.

4.1 | DEPENDENT VARIABLE

4.1.1 | FOREIGN AGENTS

This thesis operationalizes state interest representation by measuring the number of foreign agents employed in the US by public foreign principles per year. A steady increase in the number of foreign agents would imply an increase in efforts by foreign governments to lobby the US as a method of state interest representation. The US Department of Justice (DOJ) website has an archival database, FARA Quick Search, which contains all foreign principles (the country of origin), primary registrants (the foreign agent), and all registrants who have registered within the database. Every registered document contains the name of the registrant, the foreign principle, the country represented, and the registration/termination date for both. For the purpose of this research the thesis used the *historical list of all registrants by country or location represented (active and terminated)* (The United States Department of Justice – FARA Quick Search, 2020). The historical list consists of all 16,142 registered foreign agents and foreign principles from the year the FARA law was passed, 1938 to the present year, 2020. This dataset was used to discover the overall trend of both publicly and privately employed foreign agents in the US. This will also be analyzed by *region* to explore whether or not certain regions vary in their use of foreign agents.

To calculate the use of foreign agents employed by states, the research had to individually sift out any non-state and non-governmental actors. Using the following keywords, '*state,' 'government,' 'ministry,' 'consulate,' 'embassy,' 'commission,' 'committee,' 'party,' 'office,' 'bureau,' 'department,' 'republic,' 'authority,' 'kingdom,' 'mission,' 'delegation,' and 'central bank,'* the majority of state foreign principles could be

selected. However, others that could not be selected through key words i.e. those written in different languages, or for example, political parties that did not have the key word '*party'* within their title, were selected manually. This was to ensure that the data collected was as concise as possible. This method of data selection resulted in a dataset of all registrants employed by public foreign principles in the US between 1942 and 2020.

4.2 | Independent Variables

4.2.1 | Year

The selected data range, 1942-2019, was selected for two reasons. Because the thesis aims to discuss the addition of foreign lobbying as a method of interest representation in state interaction with the US, it was necessary to collect data from the beginning of FARA implementation and DOJ data collection. However, the DOJs data collection did not begin until 1942. Therefore, data between 1938 when the law was passed to 1942 is not accounted for. The second reason is that 2020 is an outlier year. Measurements on every level are distorted due to the outcomes of the virus.

Finally, the "year" fixed effects were measured through dummy variables, with the exception of 1945.

4.2.2 | Country

The 198 countries observed were based on the list of countries who had between the years 1942 – 2019 employed foreign agents. These included countries who once existed, such as Yugoslavia, and those who were founded later. Country was treated as an ID variable, also known as an indicator variable, within the regression.

4.2.3 | Ally

Variable "ally" was collected by analyzing the relationships between the US and 198 countries over a 75 – year period (1945-2019). Both "ally" and diplomatic relations were manually collected, which resulted in more than 30,000 manually inserted data-points into the final dataset.

This thesis accounts for alliances ("ally") and/or strong bilateral relations between the US and 198 countries, city states, and islands, between the years 1945 – 2019. Used as a dummy variable for the regression, this research attaches the value of 0 if countries were not US allies and 1 if they are US allies. For example, Afghanistan was marked with a 0 between 1945 – 2011 and marked with a 1 between 2012 – 2019. This is because in 2012 the US and

Afghanistan signed the Enduring Strategic Partnership Agreement which effectively deemed Afghanistan a Major Non-NATO Ally (U.S. Department of State, 2019). Therefore, countries were labeled an ally if the US and said country had a formal agreement by ways of treaty or union, or as in the case of Afghanistan, were declared allies to the US. Additionally, countries that did not exist but were founded within the given time period of the study have been left blank until the year they were founded: for example, the former Yugoslavia countries.

4.2.4 | DIPLOMATIC RELATIONS

For the statistical analysis, this thesis uses the variable "**DipRel**" to account for diplomatic relations between 198 countries and the United States. This variable takes on two values: 0 if no diplomatic relations were present and 1 if diplomatic relations were present. Diplomatic relations are accounted for based on whether or not the country had a consulate or embassy in the US. Similar to Ally, countries which were founded within the time frame were left blank until the year of founding. The dummy variables were used over the 75 – year period between 1945-2019.

4.2.5 | FOREIGN AID – ECONOMIC AND MILITARY – INCOME GROUP

The variables 'military aid,' 'economic aid,' and 'income group' were collected through the US Agency for International Developments' (USAID) online database. The complete dataset, *Foreign Aid Explorer Dataset,* is the official record of US foreign aid to date (last updated 23/04/2020) (US Agency for International Development, 2020).

- Military Aid and Economic Aid: Foreign aid categorization is based on the categorizations needed for reporting to Congress (USAID, 2018). Both military aid and economic aid were under the same column in the USAID dataset. These had to be separated by aid type for the final dataset used in this thesis.

Foreign aid is operationalized by measuring the sum of US dollars per year in Economic aid (**eco_aid_cur**) and Military aid (**mil_aid_cur**). It is used to measure the effect of economic and military aid provided by the US to each observed country, each year, between 1946-2019 on the employment of foreign agents in the US. The variables were then measured by whether or not the economic aid or military aid was present in each country, over every year. Economic aid was measured using indicator (dummy) variables 1 if a country received economic aid in a given year, and 0 if it did not receive economic aid in a given year. The same process was put on military aid (1 = aid; 0 = no aid).

Income group is measured by four income group types: low income, lower middle income, upper middle income, and high income, all of which were given a group ID. This variable was used to measure whether or not income and foreign agent employment correlated. The names, and therefore values, have been allocated by the World Bank (USAID, 2018).

4.2.6 | TRADE

The independent variable "**im_ex_sum"** is measured first by summing the imports (im) and exports (ex) to measure the total amount of trade between the US and a given country, per year. This is used to explore a causal relationship between the employment of foreign agents and the amount of trade a country may have with the US. The higher the measurement of the variable trade, the higher the number of foreign agents this thesis expects to be employed. The variable trade was then measured by whether or not trade between the US and the observed country was present in each country, over every year measured.

Trade was collected from the United States Census Bureau database. The dataset under Trade in Goods by Country, labeled *Exports, Imports and Trade Balance by Country, Monthly Totals, 1985 – Present,* was used to measure the amount of imports and exports between the US and 198 trading countries (including islands) (Trade, 2020).

4.2.7 | REGION

The second set of multiple regressions were measured in a similar fashion, with all the above independent variables included, except for all countries. Instead, this thesis looked at regional trends, allocating countries to one of six USAID classified regions: East Asia and Oceania, Europe and Eurasia, the Middle East and North Africa, Sub-Saharan Africa, South and Central Asia, and the Western Hemisphere. Each region was given an ID and thus regressed to measure the effects of the above independent variables on the employment of foreign agents (Y).

4.4 | METHOD OF ANALYSIS

4.4.1 | APPROACH

An exploratory design is typically used on the premise that exploration is needed to answer the proposed research question. In this case, exploration was necessary for four reasons: 1. there did not exist a guiding framework or theory to build from, 2. independent variables were unknown, 3. measures and instruments were not available, and 4. a control group was not present to conduct an experiment and/or make causal inferences (Crewswell & Clark, 2006). While the literature review made the case for foreign lobby as a method of state interest representation, as well as for possible independent variables for which may have a relationship

with the employment of foreign lobbying, the second half uses these findings and subsequent expectations to test the data.

Through the literature review as well as through the analysis, this thesis uses both descriptive and exploratory discussions to discover both the emergence of foreign agents as a tool of state-to-state interaction to make correlations between identifying factors that may relate to the differences between state foreign lobby employment. While it is quantitively interesting to explore and explain the factors that explain *why* some states lobby more than others, this thesis also employs a descriptive component to understand the motivation behind lobby when diplomacy is traditionally used to obtain similar outcomes.

The final dataset used for the panel data consisted of the total foreign agents per country/per year between 1945-2019, allies/non allies and diplomatic relations between 1945-2019, foreign aid and income group between 1946-2019, and US trade between 1985-2019. Panel data, or longitudinal data, is particularly important in such research as it allowed the thesis to control for unobservable variables and accounts for individual heterogeneity (Torres-Reyna, 2007). However, the full dataset consisting of all independent variables (x) regressed to find the impact on dependent variable (y) can only be measured with accuracy from 1985 onward, as US trade date for all countries only begins in that year. Therefore, the results measured in the analysis can only be estimated from 1985 onward. That being said, fixed effects remove variable bias and helps account for the forty years between 1945-1985 where trade values are not present.

To test the relationship between the independent variables and foreign agents, this thesis used a multiple regression, fixed effects model. This model estimates the effects of the independent variables listed above on the employment of foreign agents. Fixed effects were used to reduce the variable bias. This is revealed further, below.

4.5 | MODELS

4.5.1 | FIXED EFFECTS MODEL

Because this thesis analyses the relationship between multiple variables and the employment of foreign agents in the US over a period of time, this thesis uses a multiple regression analysis with fixed effects. Multiple regression is a regression model in which more than one (X) independent variable is used to simultaneously consider the relationship of a single (Y) variable ("Multiple Linear Regression Analysis," 2013; "Multiple Regression with Two Predictor Variables," n.d.) Such a regression is necessary given the exploratory nature of the research:

because we do not know which indicators correlate with the employment of foreign agents, multiple independent variables need to be tested.

This thesis found fixed effects to be the best model as it was beyond the scope of this research to adequately control for all variables such as size of diplomatic mission over time (mission capacity over time) or other variables that might affect diplomacy, such as war or change and/or shifts in government. By using fixed effects, this thesis assumes that regression controls for each unobserved omitted variable that is constant over time for each country. Due to this thesis's analyses of foreign agent employment in every year between 1942 – 2019, the given sample does not have a year effect. Therefore, the thesis used a fixed effect model to assess all units over time. The model allowed for a time dummy, giving a value to every year. Dummies were made for every variable with the value of either 0 or 1. Furthermore, the use of fixed effects ensured that the regression controlled for unobserved characteristics such as spikes or dips in data that are constant or could be correlated with the observed independent variables. It also ensures the effects of the omitted variables have on the employment of foreign agents, in this case "countries," will also have the same effect later; the effects are constant, or "fixed" (Williams, 2018). In other words, fixed effects recognize that there may be country specific differences that don't change over time and accounts for these. The regression also made use of *clusters*, which allowed the data to treat each country as a group rather than an independent observation every year. Clustering, or aggregating countries was also necessary to treat countries as individuals over time. In the second set of regressions, the data was clustered by region using region IDs.

In sum, by using fixed effects (group dummies) and clustering, the thesis controls for average differences across countries in any observable or unobservable outcomes, and greatly reduces the threat of omitted variable bias.

4.5.1.1 | Regression Formula: Fixed Effects

The first formula is as follows:

$$Y_{ct} = \alpha + \sum_{k=Albania}^{Zimbabwe} \beta_k COUNTRY_{kc} + \sum_{j=1946}^{2019} \gamma_j TIME_{jt} + \sum_{i=Low\ Income}^{High\ Income} \eta_i INCOME_{ic} + \nu ALLY_d + \rho TRADE_d + \mu ECOAID_d + \omega \mathrm{MILAID_d} + \lambda DIPREL_d + \varepsilon_{it}$$

- Y_{ct} denotes the outcome variable, or the number of foreign agents, for a given country, in a given year.
- α signifies the starting value of the reference country (Afghanistan).
- β indicates the group effect of individual country (k).
- γ denotes the individual year effects which were substituted by dummies for every individual year (j), except the year 1945.
- η indicates the income group, for a given income group ID (*i*).
- ν indicates the indicatory (*d*) variable "ally."
- ρ denotes the effect of the dummy (*d*) indicator "trade."
- *M* signifies the dummy (*d*) variable "economic aid."
- ω represents the indicator variables (*d*) "military aid."
- λ represents the indicator variables (*d*) "diplomatic relations."
- ε_{it} is an error term.

The second formula follows the same logic, with *Yct* replaced by Y_{income_group}, per country, over time. All formulas of this kind are identical, only replacing the income name with one of six regions measured, including East Asia and Oceania, Europe and Eurasia, the Middle East and North Africa, Sub-Saharan Africa, South and Central Asia, and the Western Hemisphere.
For example:

$$Y_{subsahafrica_{ct}} = \alpha + \sum_{k=Albania}^{Zimbabwe} \beta_k COUNTRY_{kc} + \sum_{j=1946}^{2019} \gamma_j TIME_{jt} + \nu ALLY_d + \rho TRADE_d + \mu ECOAID_d + \omega \mathrm{MILAID_d} + \lambda DIPREL + \varepsilon_{it}$$

4.6 | CHALLENGES TO RESEARCH

It should be noted that the work of foreign agents and foreign lobbying is hardly acknowledged in academia. The authors discussed in the literature review do not take into account the role of states in lobbying the US. Aside from (Tidwell, 2017b) who discusses the effect of the Australian state using diplomatic lobbying towards the US, most authors reviewed focus on the role of foreign lobby on influencing policy outcomes for specific industries or policy domains. Despite these studies, the use of foreign lobbying in the US remains rather understudied, especially in a way that presents it as state interest representation in the US. However, others have recently come into light by questioning the role of foreign agents in the election of President Trump (Lipinski, 2017) and those who question the legitimacy and safety of foreign agents on interfering in domestic policy (Brown, 2017b).

The lack of literature on foreign agents on American foreign policy could be a result of information and knowledge gaps: i.e. both the effects of lobbying and diplomacy are difficult to quantify as most interactions happen behind closed doors. Even broadly analyzing foreign agents within the US poses a challenge. To grasp the full image and effect of foreign lobbying is to assume the data presented by the Department of Justice (DOJ) is complete. However, the data collected by FARA is only as reliable as the agents that fill out their forms correctly, or at all. If the documents are incomplete, incorrect, or simply not filled out, then the record of the agent is unreliable. Exemptions of FARA registration are also broad, as individuals falling under the category commercial, diplomatic, religious, academic, legal, and/or other nonpolitical actors do not meet the criteria necessary to qualify as foreign agents. Nevertheless, to conduct research, the information provided by the DOJ as well as the database created by OpenSecrets must be treated as complete as can possibly be.

This thesis is unique in that it not only presents the state employment of foreign agents as a supplement to diplomacy and other state interest representation, but it analyses which factors contribute to state employment of foreign agents.

5 | Empirical Findings

This section presents this thesis's empirical findings related to both the descriptive and explanatory analyses of the research. It begins with a report of the findings regarding the number of foreign lobby agents employed by public foreign principles between the years 1942–2019, which is followed by the findings of both regressions.

5.1 | Foreign Agent Employment Over Time

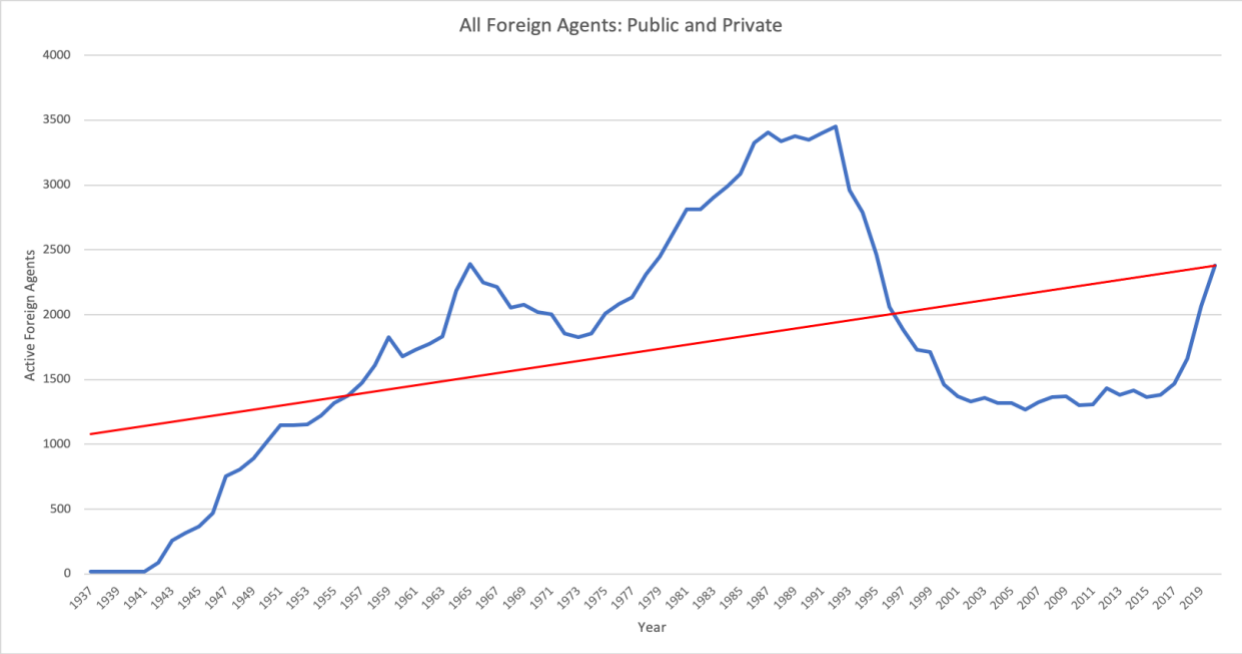

Figure 5.1 – Total Number of Foreign Agents, per Year

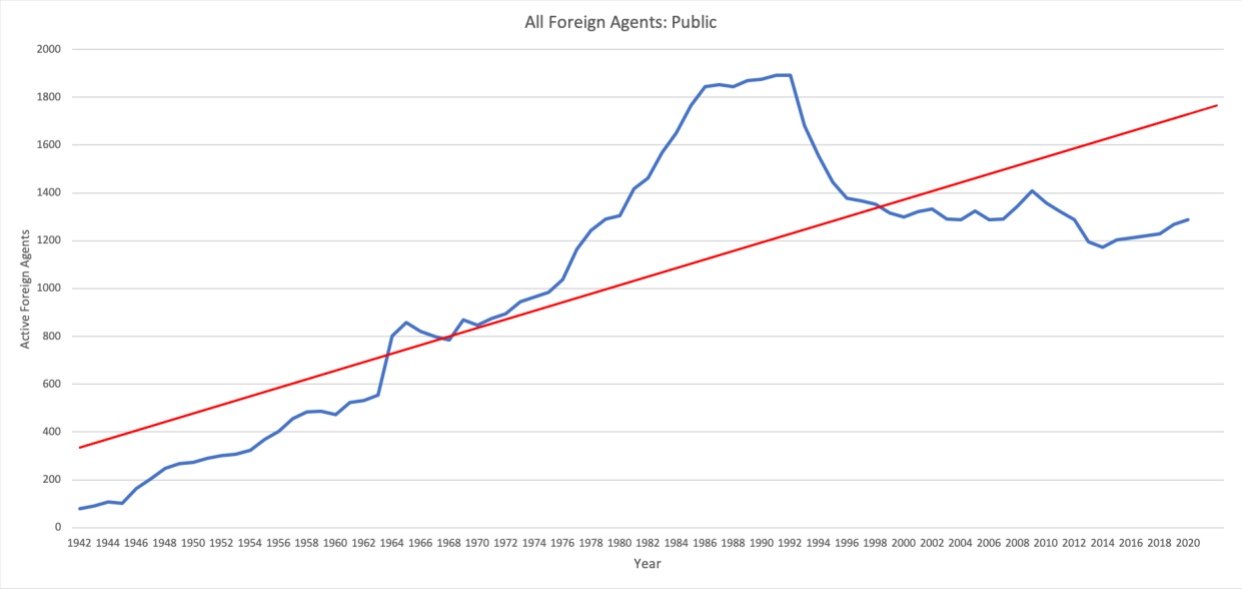

Figure 5.2 – Total Number of Publicly Employed Foreign Agents, per Year

Figure 5.1 and Figure 5.32 both show the amounts of foreign agents employed in the US over a 77 – year time span between 1942-2019. Figure 5.1 accounts for all foreign agents employed by both public and private foreign principles. Figure 5.2 accounts for public foreign principle employment of foreign agents. Both figures show a sharp decrease in foreign agents between the years 1992-1996. However, the sharp decrease is much larger when including foreign agents employed by private foreign principles compared to that of foreign agents employed solely by public foreign principles. Figure 5.2 reveals, in comparison to Figure 5.1, that from 1942 until the present there has been a steady increase of active foreign agents employed in the United States by public foreign principles.

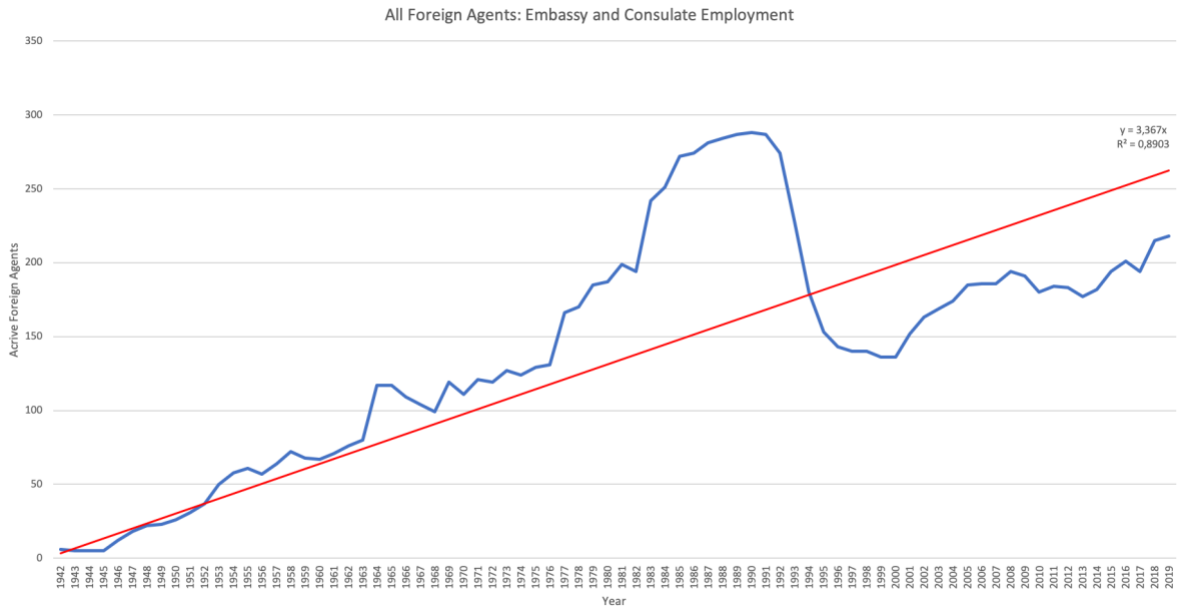

FIGURE 5.3 – TOTAL NUMBER OF FOREIGN AGENTS EMPLOYED BY FOREIGN MISSIONS, PER YEAR

Figure 5.3 reveals that embassies and consulates have been increasingly hiring foreign agents to act as state interest representation in the United States on behalf of both the governments they represent as well as the mission. As was in Figure 5.1 and 5.2, this graph shows a significant decrease in foreign agent use between 1992-1996. However, the steady increase following that point reveals that embassies and consulates stationed within the US were steadily increasing their use of foreign agents thereafter. Figure 5.3, like Figure 5.1 and 5.2 shows that public foreign principles are increasingly using foreign agents.

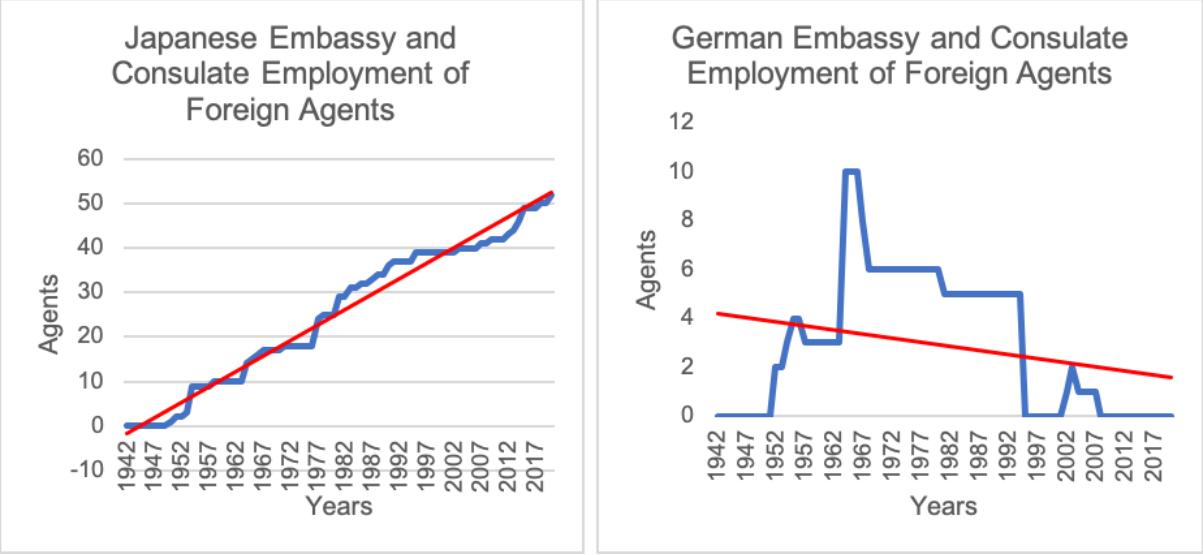

FIGURE 5.4 – TOTAL NUMBER OF FOREIGN AGENTS EMPLOYED BY THE JAPANESE AND GERMAN MISSIONS, PER YEAR

As can be seen from Figure 5.4, some embassies use foreign agents more than others. Japanese diplomatic missions have been employing foreign agents and lobbying firms regularly since 1942. On the other hand, countries such as Germany, who are similar economically and in size to Japan, hardly employ foreign agents through their missions.

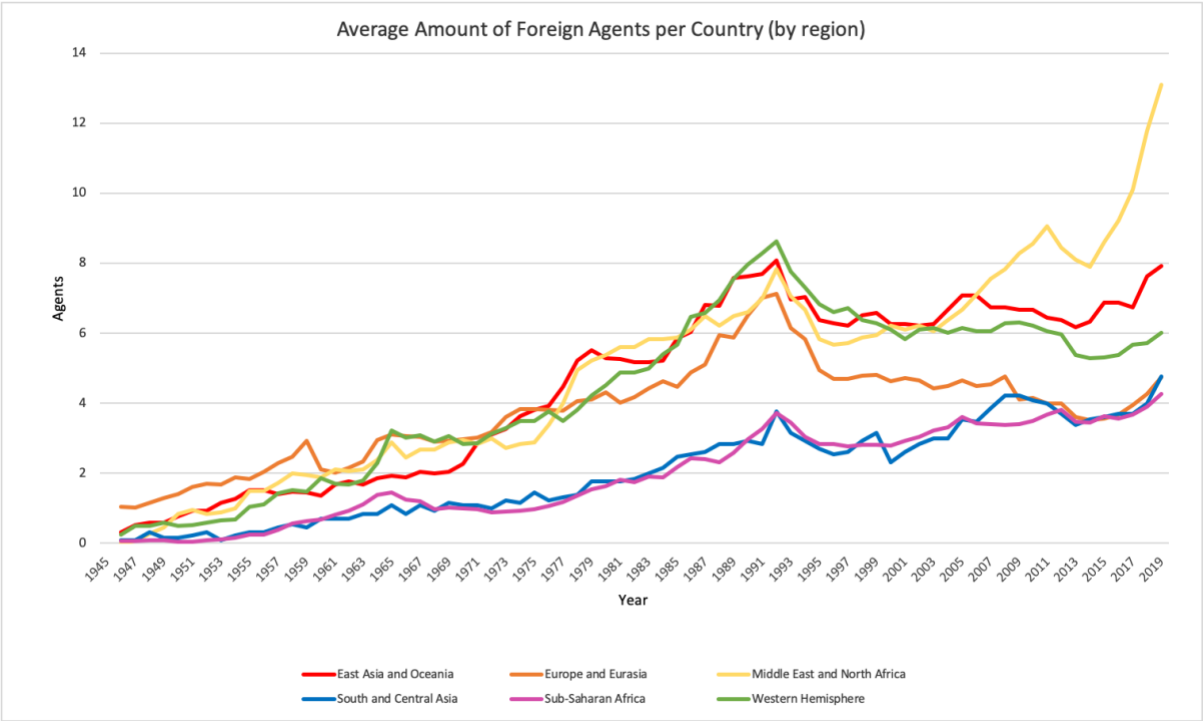

FIGURE 5.5 – AVERAGE NUMBER OF FOREIGN AGENTS (PER REGION, PER YEAR)

The graph above, Figure 5.5, provides a visualization of the average amount of foreign agents employed per country, per year, over a 75 – year time period (between 1945-2019). The

countries have been broken down by region, *East Asia and Oceania*, *Europe and Eurasia*, *Middle East and North Africa*, *South and Central Asia*, *Sub-Saharan Africa*, and the *Western Hemisphere*. The graph shows that for the majority of the years spanned until 1992, East Asia and Oceania, Europe and Eurasia, Middle East and North Africa, and the Western Hemisphere have grown relatively simultaneously, with the Middle East and North Africa growing substantially in the last 15 years give or take. Additionally, South and Central Asia and Sub-Saharan Africa have grown steadily since 1945 largely avoiding the 1992 dip experienced by the rest of the world.

5.2 | Regression Findings

This section presents the regression results of this thesis. Table 1 offers the correlations between variables ally, diplomatic relations, trade, foreign aid and income group on the employment of foreign agents per country, per year, while Table 2 – 7 looks at the correlations between independent variables ally, diplomatic relations, trade, and foreign aid on the average foreign agent employment, per region, per year.

5.2.1 | Regression Results I

Table 1. - Ally, Diplomatic Relations, Trade, Foreign Aid and Income Group per Country, per Year

Fixed effects (within) regression			Number of Observations = 14,847	
Group variable: ID (country name) R-Sq.: Within = 0.2073 Between = 0.0930 Overall = 0.1320			Number of Groups = 198 Observations per group: Minimum = 74 Average = 75.0 Max = 75	
Corr (u_i, xb) = 0.0545			F (83,197) = 4.98 Prob > F = 0.0000 Std. Err. Adjusted for 198 clusters in ID	
Foreign Agents	Coef.	Std. Err.	t	P>|t|
Ally	0.010	.518	0.02	0.984
Diplomatic Relations	-0.007	.580	-0.01	0.990
Trade	3.367	.610	5.52	0.000
Economic Aid	-0.740	.343	-2.15	0.032
Military Aid	-0.291	.352	-0.83	0.409
Low Income	-0.026	.436	-0.06	0.952
Low-Mid Income	-0.937	.268	-0.35	0.726
Upper-Mid Income	-0.266	.280	-0.95	0.343
High Income	0.883	.387	2.28	0.023

* All regressions are multiple regressions and made use of a fixed effects model.

Table 1 provides results for the causal relationship between independent variables *ally, diplomatic relations, trade, economic aid, military aid,* and *income group* on the employment of dependent variables – foreign agents – per year (1945-2019), per country. As can be seen from the table, variables "Ally" and "Diplomatic Relationship" have close to no correlation with the employment of foreign agents. This means that both alliances and having diplomatic

relations do not play a significant role on the average employment of foreign agents in the United States, across countries. Contrarily, variables "Trade," and "Economic Aid" both have a significant correlation with foreign agent employment. While trade increases the number of foreign agents employed in the US, economic aid has a negative correlation on foreign agents: the more economic aid, the less foreign agents. However, military aid proved to be statistically insignificant. During the research, it was found that the amount spent by the US on trade and foreign aid (both economic and military) were both highly statistically significant. In practice, however, the size of the relationship was very low and insignificant. Therefore, this thesis concludes that the amount of US dollars spent in foreign aid and trade does not correlate with foreign agent employment.

The variable income group is split into four indicator variables, "Low Income," "Low-Middle Income," "Upper-Middle Income," and "High Income." Aside from high income, which correlates significantly, the variables are uncorrelated. This means that high income earning countries use more foreign agents.

5.2.2 | Regression Results II-VII: Regions

Table 2. – Region East Asia and Oceania

Fixed effects (within) regression			Number of Observations = 1,997	
Group variable: ID (country name)			Number of Groups = 27	
R-Sq.:			Observations per group:	
Within = 0.3145			Minimum = 74	
Between = 0.1458			Average = 75.0	
Overall = 0.2027			Max = 75	
Corr (u_i, xb) = 0.0674			F (26.26) = -	
			Prob > F = -	
			Std. Err. Adjusted for 27 clusters in ID	
Foreign Agents	Coef.	Std. Err.	t	P>|t|
Ally	2.488	2.036	1.23	0.231
Diplomatic Relations	0.222	2.106	0.11	0.917
Trade	5.681	1.741	3.26	0.003
Economic Aid	-2.596	1.476	-1.76	0.091
Military Aid	-2.209	1.244	-1.78	0.087

Table 2 shows results for the region East Asia and Oceania. In this region, none of the observed independent variables had a positive correlation on the average employment of foreign agents.

TABLE 3. – REGION EUROPE AND EURASIA

Fixed effects (within) regression			Number of Observations = 3,330	
Group variable: ID (country name) R-Sq.: Within = 0.1440 Between = 0.2049 Overall = 0.1259			Number of Groups = 45 Observations per group: Minimum = 74 Average = 75.0 Max = 75	
Corr (u_i, xb) = 0.0959			F (44,44) = - Prob > F = - Std. Err. Adjusted for 45 clusters in ID	
Foreign Agents	Coef.	Std. Err.	t	P>|t|
Ally	-.017	.755	-0.02	0.981
Diplomatic Relations	1.101	.923	1.19	0.239
Trade	2.847	1.28	2.22	0.032
Economic Aid	-0.866	.468	-1.85	0.071
Military Aid	-0.497	.560	-0.09	0.930

Table 3 reveals the results of the regression on the region Europe and Eurasia. Here it is observed that on average, trade between the region and the US has a positive correlation on the employment of foreign agents to the United States. All other variables proved to be uncorrelated and are not statistically significant.

TABLE 4. – REGION MIDDLE EAST AND NORTH AFRICA

Fixed effects (within) regression			Number of Observations = 1,332	
Group variable: ID (country name) R-Sq.: Within = 0.4265 Between = 0.1403 Overall = 0.2971			Number of Groups = 18 Observations per group: Minimum = 74 Average = 75.0 Max = 75	
Corr (u_i, xb) = 0.0427			F (17,17) = - Prob > F = - Std. Err. Adjusted for 18 clusters in ID	
Foreign Agents	Coef.	Std. Err.	t	P>|t|
Ally	1.606	1.77	0.91	0.377
Diplomatic Relations	0.501	1.03	0.49	0.631
Trade	1.821	1.97	0.92	0.368
Economic Aid	2.210	1.08	2.04	0.057
Military Aid	0.381	.734	0.52	0.610

Table 4 offers the results for the region Middle East and North Africa. Here economic aid is the only variable with a statistically positive correlation with foreign agent employment.

TABLE 5. – REGION SOUTH AND CENTRAL ASIA

Fixed effects (within) regression			Number of Observations = 962	
Group variable: ID (country name)			Number of Groups = 13	
R-Sq.:			Observations per group:	
Within = 0.3188			Minimum = 74	
Between = 0.1367			Average = 75.0	
Overall = 0.2012			Max = 75	
Corr (u_i, xb) = 0.0551			F (12,12) = -	
			Prob > F = -	
			Std. Err. Adjusted for 13 clusters in ID	
Foreign Agents	Coef.	Std. Err.	t	P>|t|
Ally	0.915	1.29	0.71	0.494
Diplomatic Relations	0.587	.956	0.61	0.551
Trade	2.369	2.39	0.99	0.342
Economic Aid	-1.179	.725	-1.63	0.130
Military Aid	0.762	.686	1.11	0.288

The variables tested on the region South and Central Asia, Table 5, did not have correlates with the average employment of foreign agents.

TABLE 6. – REGION SUB-SAHARAN AFRICA

Fixed effects (within) regression			Number of Observations = 3,256	
Group variable: ID (country name)			Number of Groups = 44	
R-Sq.:			Observations per group:	
Within = 0.1981			Minimum = 74	
Between = 0.0000			Average = 75.0	
Overall = 0.0726			Max = 75	
Corr (u_i, xb) = -0.0082			F (83,197) = -	
			Prob > F = -	
			Std. Err. Adjusted for 44 clusters in ID	
Foreign Agents	Coef.	Std. Err.	t	P>|t|
Ally	-4.001	.645	-6.02	0.000
Diplomatic Relations	0.676	.503	1.34	0.187
Trade	2.291	1.06	2.15	0.037
Economic Aid	-0.265	.226	-1.18	0.246
Military Aid	0.174	.204	0.86	0.395

Table 6 displays the results for the region Sub-Saharan Africa. Unlike Tables 2-5, Table 6 reveals that alliances have a negative correlation with foreign agents: i.e. on average foreign agents are employed less if an alliance is present between a country in the region and the US. Furthermore, this region shows that trade has a positive correlation with the employment of foreign agents.

TABLE 7. – REGION WESTERN HEMISPHERE

Fixed effects (within) regression			Number of Observations = 2,812	
Group variable: ID (country name)			Number of Groups = 38	
R-Sq.:			Observations per group:	
Within = 0.2866			Minimum = 74	
Between = 0.0500			Average = 75.0	
Overall = 0.1005			Max = 75	
Corr (u_i, xb) = -0.0733			F (83,197) = -	
			Prob > F = -	
			Std. Err. Adjusted for 38 clusters in ID	
Foreign Agents	Coef.	Std. Err.	t	P>|t|
Ally	-0.476	.644	-0.74	0.464
Diplomatic Relations	-1.653	.916	-1.80	0.079
Trade	1.204	1.65	0.73	0.470
Economic Aid	-0.329	.290	-1.13	0.265
Military Aid	-0.083	.748	0.11	0.911

Table 7 shows that the independent variables did not have a significantly positive correlation with the region Western Hemisphere.

5.3 | SUMMARY OF EMPIRICAL FINDINGS

Figures 5.1 – 5.5 look at the prevalence of foreign agent employment in the US between the years 1945 – 2019. Revealed here is both the growth of foreign agent registration and employment for every country as well as the average amount of employment between regions. Table 1 – 7 looks at the correlation between multiple independent variables and foreign agent employment. While Table 1 looked at general trends across all countries, for all years observed, Table 2 – 6 revealed average regional trends. What was found is that trade and being a high-income country are positively correlated with the employment of foreign agents, while receiving economic aid from the US had a negative correlation with foreign agent numbers.

This trend was not however, consistent across regions. Trade did have a positive correlation for the regions Sub-Saharan Africa, Europe and Eurasia, and East Asia and Oceania. Economic aid had a positive correlation on foreign agents in the Middle East and North Africa, which from the results of Figure 5.5 also happens to be the region with the highest average number of foreign agents employed. The independent variables tested did not have significant effects on neither the Western Hemisphere nor did South and Central Asia. Finally, for all tables, with the exception of Sub-Saharan Africa, having an alliance with the US did not correlate with foreign agent employment.

6 | EMPIRICAL ANALYSIS

6.1 | DESCRIPTIVE ANALYSIS

While Stanzel (2018) suggested that the 21st century has experienced a shift in the way diplomacy has been conducted, from the research laid out here, it seems that this shift began after the Second World War. The data collected from the DOJ and used for the research conducted in this thesis reveals that foreign agents are gradually being used more and more, especially after the 1992 – 1996 decrease. Figure 1 reveals the overall trend of foreign agents as used by both public and private foreign principles, while Figure 2 reveals the overall trend for public foreign principles. If comparing the two graphs, both show an increase in foreign agents since 2014. However, in 2019 around half of these were publicly employed lobbyists. Interestingly, Figure 2 reveals that the increase since the 1992 – 1996 drop has been significantly higher among embassy and consulate foreign principles in the United States. At any rate it reveals that foreign missions in the US are making use of both traditional methods of diplomacy alongside the use of foreign agents.

Among individual embassies this is also seen. By isolating the missions of two countries, Japan and Germany, it is clear that even among countries of the same caliber (i.e. economically, diplomatically (with the US), population-wise) foreign agent use is significantly different. The Japanese mission did not experience the same overall trend witnessed in Figures 1 and 2, while the German mission, with what little foreign agents they had, lost all. The differences between missions can be explained by a few things: 1. The capacity of the mission to play a role in whether or not the embassy or consulate can afford to spend resources on directly lobbying or engaging with US Congressmen (Tidwell, 2017; Newhouse, 2009). 2. Despite the capacity of the mission, diplomats might find their lobbyist counterparts more readily prepared and equipped to track and monitor policy (Newhouse, 2009). 3. The mission may have delegated space for lobbyists to work within the mission as a guiding hand in diplomatic lobbying (Tidwell, 2017). While it is impossible to measure the capacity of missions in the US, especially over a 77 – year period, these factors do explain variations between foreign mission employment of foreign (agents) lobbyists.

Another reason for heightened use of foreign agents is the lack of diplomatic visibility with a country and the ensuing information barriers. These countries, such as non-allies or warring countries may then employ less traditional methods of state interest representation and use foreign agents. In collecting data for the thesis, it was found that countries with little to no

bilateral relations with the US, such as the governments of North Korea, Iran, Palestine, and Venezuela have in the last decade used foreign agents there (one, six, three, and twelve foreign agents respectively). This led the thesis to believe that foreign agents are also used in cases where diplomacy and other bilateral relations are not present as a means to protect national interests. However, what it does not explain, is the mass use of foreign agents by countries such as Japan and Israel who are both American allies and experience a high level of diplomatic visibility with the US.

The sharp decrease of foreign agent employment may be accounted for in two ways. The Lobbying Disclosure Act of 1995, which effectively removed a class of agents who could register under FARA ("Frequently Asked Questions," 2020), reduced the scope for which a person could be registered as a foreign agent (Brown, 2017b). Leading up to the act, between 1992 – 1993, numerous Bills passed both the Senate and The House to tighten lobby rules (Claybrook & Holman, 2006; Straus, 2019; *The Foreign Agents Registration Act ("FARA"): A Guide for the Perplexed*, 2019; "United States: Foreign Agents Registration Act Amendment," 1966).

At the same time, an increase in diplomatic efforts, named the "diplomatic inflation," could be felt worldwide (Sharp, 1999). Following the end of the Cold War, more states and new actors required more representation abroad and "even the resident embassy prospered" (Sharp, 1999; Wolfe, 2007). With an increase in diplomacy and a decrease in the number of actors registered as foreign agents, it is possible that such a sharp decrease can occur. Unfortunately, it cannot be sure that either one of these, or even a combination of these, is what caused the decrease in foreign agent employment during this time.

6.2 | Analysis of the Regression Models

The research explored and identified six variables that may have been correlated with foreign agent employment. Independent variables diplomatic relations, the presence of an alliance, foreign aid – military and economic – trade relations, and income group (low, lower-middle, upper-middle, and high) along with the time-invariant variable, country, was observed over 75 years.

As was laid out in the "Expectations" section, the thesis expected that foreign aid would have a positive relationship on the employment on foreign agents. However, the results revealed not only that military aid did not have a significant correlation with foreign agent employment, but that across all countries economic aid had a negative correlation on foreign agent employment. With exception to the Middle East and North Africa, this held true for all

regions observed as well. Only here did economic aid prove to correlate with foreign agents. Hrebenar & Thomas' (2011) study focuses on the rise of the Chinese, Indian, and South Korean lobbies in the US and how the lobbies are driven on military aid, economic aid, and trade. Given this, it could have also been expected that such positive correlations would be seen in the regions South and Central Asia and East Asia and Oceania. However, in both cases, economic aid and military aid were uncorrelated with foreign agents, while trade was only positively correlated in East Asia and Oceania.

It was expected by the majority of literature discussed that trade had a strong, positive correlation with the employment of foreign agents. In fact, trade has the strongest correlation with foreign agent employment compared to all other independent variables, with a t-value of 5.52.

It was also expected that countries with an alliance with the US would have on average higher amounts of foreign agents. This result, along with that of diplomatic relations, was most surprising. Both had close to no effect on the employment of foreign agents. Interestingly, when regressing on trade and foreign aid by the sum of both in US dollars, both alliances and diplomatic relations had a significant correlation with foreign agent employment: diplomatic relations were negatively correlated and alliances positively correlated. However, when regressing on the indicator values for trade and foreign aid, the significance of alliances and diplomatic relations ceased to be significant. Aside from the region, Sub-Saharan Africa, which showed a negative correlation between alliances and foreign agents, all other regions showed alliances to be uncorrelated.

While neither Gawande et al., (2009) nor Maloney et al., (2007) claimed that countries of all income groups employ foreign agents, specifically in the Caribbean region, it was still expected that countries with a high income would employ more foreign agents than all other income groups. On average, this was true for the high-income group. All other income groups showed little to no relation with foreign agents' employment.

Tables II – VII combined with Figure 6 offer the regional trends of foreign agents over six regions. The average amount of foreign agents employed by regions East Asia and Oceania, Europe and Eurasia, and Sub-Saharan Africa, are all significantly affected by the variable trade, while the variables tested on South and Central Asia and the Western Hemisphere showed no significant effects. What stood out in the Middle East and North Africa, is that economic aid had a significant effect on the average foreign agent employment. For Sub-Sahara Africa, alliances between the US and these countries had a significantly negative correlation with foreign agent employment.

6.3 | Hypotheses Rejection/Confirmation

Looking at the results and analysis of the last two chapters, the hypothesis formulated in section 3.2 can either be confirmed or rejected:

The thesis expected that the employment of foreign agents had increased between the years 1945 – 2019. Based on the results in Chapter 5, the hypothesis H_0 is rejected and the hypothesis H_1 can be confirmed.

Rejected

1 | H_0 | Between 1945 – 2019, the number of foreign agents employed by foreign-public actors has not increased in the US.

Confirmed

1 | H_1 | Between 1945 – 2019, the number of foreign agents employed by foreign-public actors has increased in the US.

Confirmed

2 | H_0 | The presence of diplomatic relations between the US and a given country does not have an effect on the average number of foreign agents employed.

Rejected

2 | H_1 | The presence of diplomatic relations between the US and a given country does not have a negative effect on the average number of foreign agents employed.

Expanding trade was seen to be the primary motivator behind foreign governments employing foreign agents in the US in that foreign agents are able to lobby Congress to lower trade policies and tariffs. What was found was that trade had a highly statistically significant correlation with foreign agent employment. Therefore, as was expected, the thesis rejected the null hypothesis and confirmed the hypothesis.

Rejected

3 | H_0 | The presence of trade between the US and a given country has no relationship with the average number of foreign agents employed.

Confirmed

3 | H_1 | The presence of trade between the US and a given country has a positive relationship with the average number of foreign agents employed.

While it was expected that the presence of an alliance between the US and a country would result in more foreign agent employment, alliances had almost no effect on foreign agent employment. Thus, the hypothesis was rejected, and the null hypothesis confirmed.

Confirmed

4 | H_0 | The presence of an alliance between the US and a given country has no effect on the average number of foreign agents employed.

Rejected

4 | H_1 | The presence of an alliance between the US and a given country correlates with the average number of foreign agents employed.

Since it was found that foreign lobbyists are often employed to lobby for foreign aid, especially that of economic and military aid, this thesis expects to reject both null hypotheses (H_0). However, it was found that economic aid had a negative effect on foreign agent employment. Therefore, both the null hypothesis (H_0) and hypothesis (H_1) were rejected for economic aid. Furthermore, it was found that military aid had no relationship with foreign agents, which rejects the hypothesis and confirms the null.

Rejected

5a | H_0 | The presence of economic aid from the US to a given country has no correlation on the average number of foreign agents employed.

5a | H_1 | The presence of economic aid from the US to a given country has a positive correlation on the average number of foreign agents employed.

5a | H_1 | The presence of military aid from the US to a given country has a positive correlation on the average number of foreign agents employed.

Confirmed

5b | H_0 | The presence of military aid from the US to a given country has no correlation on the average number of foreign agents employed.

This thesis favored null hypotheses 6a, 6b, and 6c, and expected to reject null hypothesis 6d on the grounds that all countries employ foreign agents and therefore ‘income group’ did not play a significant role; unless, the income group was high. What was found is that ‘income group’ does not play a significant role in low, lower-middle, and upper-middle income groups on foreign agents. However, it did play a role in higher income countries. Thus, the

expectations were correct: null hypotheses 6a, 6b, and 6c were confirmed, while 6d was rejected, and hypothesis (H_1) 6a, 6b, and 6c were rejected, while 6d was confirmed.

Confirmed

6a | H_0 | Income group ‘low income’ does not have an effect on the average number of foreign agents employed.

6b | H_0 | Income group ‘lower-middle income’ does not have an effect on the average number of foreign agents employed.

6c | H_0 | Income group ‘upper-middle income’ does not have an effect on the average number of foreign agents employed.

Rejected

6d | H_0 | Income group ‘high income’ does not have an effect on the average number of foreign agents employed.

Thus,

Rejected

6a | H_1 | Income group ‘low income’ does have an effect on the average number of foreign agents employed.

6b | H_1 | Income group ‘lower-middle income’ does have an effect on the average number of foreign agents employed.

6c | H_1 | Income group ‘upper-middle income’ does have an effect on the average number of foreign agents employed.

Confirmed

6d | H_1 | Income group ‘high income’ does have an effect on the average number of foreign agents employed.

7 | CONCLUSION

7.1 | SUMMARY

This thesis discussed the emergence of Foreign Agents as a method of state interest representation and the subsequent interaction with the US, while also analyzing *why* these foreign agents are used and how this can be compared across both country and region levels.

First this thesis compared traditional methods of state interest representation to foreign lobbying, positioning foreign lobbying and the employment of foreign agents as an under studied means for states to protect their national interests abroad. It discussed various reasons as to why states have begun to use foreign agents when traditional methods such as diplomacy are already being employed, such as information barriers – low diplomatic visibility – mission capacity, and the knowledge that lobbyists are better equipped to handle such Congressional activities. Despite initial claims that the use of foreign agents is a result of the declining effectiveness of diplomacy, this thesis positions foreign lobbying as a supplement to traditional methods of state interest representation. This is due to the fact that it cannot be measured at this time whether or not diplomacy has become ineffective or if there has been a decline in its value.

While it is at least known that foreign lobbyists are lobbying for the interests of foreign governments in the US, what has not been studied, is the prevalence of foreign agents and whether or not this is a trend that the US will continue to witness. What was found here is that foreign agents are increasingly being used by states for the purpose of lobbying for their interests. In line with arguments made by Newhouse (2009) and Tidwell (2017), it seems as though missions to the United States such as embassies and consulates represent a high proportion of these as well.

To discover the prevalence of foreign agents in the US, a historical dataset was compiled starting from the implementation of FARA in 1938, until 2019. Although all graphs revealed a sharp decline in the use of foreign agents between the years 1992 – 1996 this can possibly be explained by a change in the FARA law which tightened the definition of what it means to be a foreign agent. For the most part however, it can be seen that the use of foreign agents is on the rise, and in any case has occurred more and more frequently over time. However, due to the weakness in the FARA law, there are probably way more foreign agents than we know of and thus the data is not as representative of reality as it should be.

Finally, it sought to discover and test which factors explain differences between states. Based on the results set out in this thesis it is clear that trade relations drive the employment of foreign agents. Countries who lobby more, seek to enhance trade and therefore have more lobbyists on average. This is particularly relevant in the East Asia and Oceania, Europe and Eurasia, and Sub-Saharan Africa regions. Countries with a high income employ more foreign agents in the US than those of all other income groups on average. Economic aid on the other hand has a negative correlation with foreign agent employment. However, the thesis also found that countries without any bilateral relations, such as North Korea, Palestine, Venezuela, and Iran have all made use of foreign agents within the last decade.

To answer the research question, *why do some states lobby more than others in the US,* this thesis found that the presence of trade and/or high income increased the average use of foreign agents. The presence of economic aid, however, reduced the number of foreign agents employed. Therefore, countries with a high income and/or with trade relations with the US saw the use of more foreign agents employed in the US, while countries who received economic aid from the US, had on average less foreign agents than those who did *not* receive economic aid.

7.2 | SELF-REFLECTION

7.2.1 | STRENGTHS

A lot of work went into this thesis. The manually collected data and the pre-research required much focus and attention. However, one of the main strengths of the thesis is its originality and scope. While neither the employment of foreign lobbying or the use of foreign interest representation is new, they are largely underestimated and underappreciated in academic literature. The comparison between foreign lobbying and other methods of interest representation, such as diplomacy, is also underestimated. This thesis therefore provides both relevant and important insights into what is a largely overlooked topic. Furthermore, it is one of the first substantially empirical contributions to literature on foreign agents, which allows room for growth.

7.2.2 | LIMITATIONS

While the thesis's strengths outweigh its weaknesses, there were limitations to the research. Given that a big portion of this thesis's strength lies in the fact that it revealed a big and relevant gap in research, this gap also posed a challenge. The lack of research in foreign lobbying, especially in the way that this thesis aimed to explore revealed itself in two ways: First, the lack of data became apparent when deciding which variables to use from the literature and how

to use these to generate quantitative measures. As is with most exploratory research, this process required a considerable amount of time and at the end the thesis was unable to make any causal claims. Secondly, the data collection was far more taxing than expected as I had to collect and manually input over 50,000 data points. Finally, my own lack of knowledge on quantitative research and statistical analysis requires a lot of self-study and a bit of a learning curve, both in how to analyze the results of the regressions, as well as in learning how to use Stata.

7.3 | Suggestions for Further Research

Most of the research conducted on foreign agents to date discusses the presence and effect of foreign lobbying on domestic or foreign policy domains. While this thesis recognizes that a number of policy domains, such as trade, military, and foreign cooperation are affected by the use of foreign lobbyists as agents of foreign interest representation, it is however in this thesis's interest to claim that analyzing the effect of foreign agents on policy is beyond its research scope. It does suggest, nonetheless, the opportunity to other researchers to analyze the effect of foreign agent lobbying on specific foreign policy domains.

Because FARA is an American law, the use of the US as the primary actor of analysis seemed necessary. However, further research can apply the same variables to discover differences between lobbying countries in other parts of the world, such as the EU or ASEAN.

Furthermore, the presence of foreign agents is also interesting when discussing foreign disinformation campaigns. President Trump's presidency has caused many world leaders to question their security and alliances with the US. Hence, long-standing alliances such as those with South Korea, Japan, the UK, and Israel have begun to question the reliability and strength of their relationships with the US. Virtually every aspect of international cooperation, not omitting trade and military agreements, has been put into question since the President first took office. Therefore, it seems logical that non-conventional methods of state-to-state interaction may be necessary when engaging with the contemporary US. Furthermore, current discussions on foreign lobbying have revolved around President Trump the role of foreign interests in elections and other domestic politics. Analyzing the "Trump Effect" and its role in foreign agent employment might also be of value as the research in this thesis also revealed a spike in foreign agents between 2016 and 2020.

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