Comments on:
"Globalization and Firm Lobbying"

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Recap

- Paper aims to identify the determinants of firm lobbying for immigration and trade-related issues

- Uses a unique dataset for 193 large firms between 2001-2006

- Dataset contains detailed lobbying information:
  - How much was spent on lobbying (in aggregate)
  - What issues were lobbied for
  - Detailed firm information

- Attempts to measure how firms responded to the H1-B visa cap reduction in 2004 (from 195K to 65K).

Main Findings

- Bigger firms lobby more in general
- Bigger firms lobby more for immigration
- Firms with more foreign workers lobby more for immigration
- Firms with more foreign workers lobbied more for immigration when the H-1B cap was reduced in 2004-2006

Comments

- Focus your research question on lobbying for immigration
  - Too much discussion about lobbying in general
  - A paper that focuses on the reasons behind immigration lobbying is big enough
- Be careful about identifying the 'determinants' of lobbying:
  - Huge potential for omitted variable bias
  - Instead, focus on what is correlated with lobbying on immigration – this is still very interesting
- Estimation:
  - Logit/probit instead of OLS
  - Report R^2; Robustness tests

More Comments

- Main dependent variables for firm's dependency on foreign workers
  - # of patents filed by ethnic Chinese and Indian inventors
  - # of Labor Conditions Applications (LCA)
  - Can you provide some evidence on the country composition of H1-B visas? What % are from China and India? Any trends here?
  - Are there any other measures of firm dependency on foreign workers?
    - Ethnic composition of firm employees
    - % of firm employees that are recent/new immigrants
    - Demographic structure of workforce

More Comments

- Your main finding: a firm's dependency on foreign workers increases the likelihood that they lobby for immigration (Table 4)
    - However, sales and R&D expenditures are no longer significant when you control for firm dependency measures
    - Are sales/R&D highly correlated with foreign worker dependency?
    - Why is firm size no longer important for lobbying?
    - You need to tease out each of these effects

Final Comments

- The falsification exercises are not convincing; remove them

- Are certain types of sectors more likely to lobby for immigration policies? Include sectoral fixed effects.

- Dynamic effects of policy response:
    - Right now, dynamics are picked up in interaction term
    - Instead, apply diff-in-diff
    - Classic application!

- Good start, but much work to be done to make your results convincing.