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Policy Information Quality and Access Fee

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Abstract

*“What they got out of me for that contribution is access to come in ... and to tell me why ... it's good for America.”*¹

-Dennis Deconcini, former US Senator

Informational lobbying has been widely discussed in political science. A large literature presents that special interests offer political contributions to gain access to the politicians or policy makers for policy information revelation. Considering a policy with high quality information being able to benefit the politician, this paper models a theoretic game between two interest groups (henceforth IGs) and a politician in which the politician has a trade-off between acquiring high quality policy information and extracting access fees. In our model, one of IGs holds private information on the policy information quality but the other IG's high quality policy information is common knowledge. Our analysis considers three interesting results: (1) the politician does not always prefer to acquire high quality information. When ex ante probability of the IG with private information having high quality information is moderately large, the politician may fail to acquire high quality information and focuses on access fee extraction. (2) Having the high quality policy information does not necessarily imply IGs' being better off because the politician probably extracts higher access fee from an IG with high quality information through setting low access price for the other IG. (3) An increase in the politician's policy benefit may result in the politician's being better off. Furthermore, a sufficiently large politician's policy benefit induces the politician to be so conservative that he is more willing to acquire high quality policy information through levying no access fee from IG with private information.

Keywords: Informational lobbying, Access fee, Political contributions, Information acquisition, Private information, Policy benefit, Rent seeking

¹ This quote appears in Schram (1995).

Declaration

I declare that the thesis demonstrates my own work, except where due acknowledgment is made, and that it has not been previously included in a thesis, dissertation or report submitted to this University or to any other institution for a degree, diploma or other qualification.

Signed _____



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