

Endogenous Lobbying*

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ABSTRACT. In this paper we endogenize the number and characteristics of lobbies in a citizen-candidate model of representative democracy where citizens can lobby an elected policy-maker. We find that lobbying always matters. That is, lobbying always affects equilibrium policy outcomes. Moreover, only one policy outcome emerges in equilibrium. An “extremist” candidate is elected and implements a “centrist” policy that differs from the one most preferred by the median voter. These results are in contrast with the ones obtained in the context of a citizen-candidate model where lobbies are exogenous.

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