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Revolving door legislation: An international comparison

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I. Introduction

The revolving door refers to the movement of personnel between government and business. This tightening of links between government and business could subvert the purpose of government such that private interests are served as opposed to the general welfare.

The tendency for public officials to jump back and forth between Congress and the private sector may not be the same for every country.

The purpose of this study will be to determine the effect of different forms of government and regulations on the revolving door phenomenon.

II. Methodology

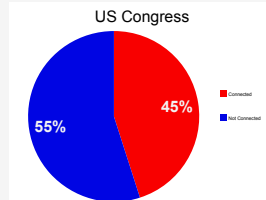
The study collected members of the United States Congress from both the House of Representatives and the Senate. A second sample was taken from and the British House of Commons. Individuals were selected who had left their elected office for any reason.

Taken from these lists, 200 politicians were randomly selected to comprise the sample. Half, 100 politicians, came from the United States Congress with the remaining 100 politicians from the United Kingdom.

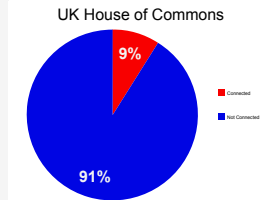
In this study, an individual was considered to engage in the revolving door if they had worked on a committee that dealt with an area of business the politician was became involved with after leaving public office. This number included lobbyists in addition to legislators, if they entered the area of business in question.

III. Results

From the sample of U.S. Congressman, 45% of combined Senators and Representatives began working in the private sector in a position that benefits from their congressional experience.



From the sample of UK Ministers, 9% began or continued working in the private sector in a position that benefits from their congressional experience after their political career.



Legislation

US Congress:

Legislation in the US focuses on a “cooling off period” before former members may lobby. House members are prohibited from “making representations” one year after the member leaves office.

Senators are similarly prohibited from such lobbying for two years.

(See 18 U.S.C. § 207(e)(1)(B), as amended by P.L. 110-81, Section 101 and 18 U.S.C. § 207(e)(1)(A), as amended by P.L. 110-81, Section 101)

UK House of Commons:

Ministers have no formal restrictions on their future employment.

There is an Advisory Committee on Business Appointments(ACOBA) which Ministers are expected to consult and abide by their advice.

Transparency International reports that ministers are mostly obedient to those guidelines.

However, the ACOBA has no monitoring or enforcing power. (See *Cabs For Hire?*. Transparency International UK. 2011)

IV. Conclusions

- The difference in the United States and the United Kingdom revolving door scores is likely due to a combination of their different governing systems and different rules concerning the revolving door.
- The data reflects that the United States guidelines are not as good at preventing the revolving door as the United Kingdom’s laws.
- There is cause for caution against absolute prohibitions because specialized legislators are likely to be more effective regulators.
- Those growing up on a farm and without any finance experience are unlikely to be effective regulators of the financial industry.
- Those who grew up on a farm and own and operate their own are likely to have a greater command of the regulatory challenges facing the agricultural industry. They are, however, also more likely to have conflicting interests that interfere with their ability to serve the common good.
- Governments must find a balance between specialization and the possibility of abuse and regulatory capture.



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