

Lobbyists and corporations have opportunities to exercise significant influence over UK public policy

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By Democratic Audit UK

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MPs have this week been debating the government's controversial Lobbying Bill, which has now concluded its committee stage in the House of Commons. In the [2012 audit](#) of UK democracy, **Stuart Wilks-Heeg**, **Andrew Blick**, and **Stephen Crone** considered the involvement of lobbyists in policy-making, noting previous attempts to ensure transparency. They also explored the other routes of influence that the private sector is able to use, including the practise of recruiting former government ministers and civil servants.



Ministers and civil servants often take up private sector posts. Credit: British High Commission, Ottawa (CC BY-NC-ND 2.0)

Lobbyist input to policy formation

The UK government enjoys significant discretion in the way it consults over policy formation. Indeed the [Code of Practice on Consultation](#) states that:

“At times, a formal, written, public consultation will not be the most effective or proportionate way of seeking input from interested parties, e.g. when engaging with stakeholders very early in policy development (preceding formal consultation) or when the scope of an exercise is very narrow and the level of interest highly specialised. In such cases an exercise under this Code would not be appropriate. There is, moreover, a variety of other ways available to seek input from interested parties other than formal consultation.”

When more informal consultation exercises of the sort envisaged here are conducted, the government clearly has the initiative in choosing who it will involve. Consequently, issues of equality of access and, by implication, of influence are raised. Since the 2002 Democratic Audit, concerns in this area have often centred on the role of lobbyists in ensuring differential levels of access to decision-makers (for a discussion of the role of lobbyists, see John, 2002). While a variety of different organisations engage in lobbying, the [Public Administration Select](#)

[Committee](#) has described the existence of concerns:

- That “commercial corporations and organisations have an advantage over not-for-profit bodies, an advantage which is related to the amount of money they are able to bring to bear on the political process rather than the cogency of their case.”
- Regarding “the freedom with which people are able to move to and fro between roles in industry on the one hand and ministerial and civil service posts in which they can benefit those industries on the other: a process that has become known as the ‘revolving door’.”
- About the use of ‘lobbyists for hire’ (who have no legal obligation to make public who their clients are) to keep secret from the public the identity of those involved in lobbying decision-makers.

The Committee recommended reforms to ensure: that lobbyists behave ethically, and that there are consequences for the breaking of rules; that lobbying takes place in a manner both more public and transparent; and to make it harder for politicians and public servants to make use of the contacts and information to which they previously had privileged access, in order to be able to benefit subsequently. At the 2010 general election, all three main parties promised measures along these lines. In March 2011, a voluntary register was introduced, though it has been [criticised as inadequate](#) . The statutory register of lobbyists promised by the coalition is included in the [Transparency of Lobbying, Non-party Campaigning and Trade Union Administration Bill](#). The bill has recently faced criticism on Democratic Audit from both [Peter Bradley](#) of the Speakers’ Corner Trust and [Robert Barrington](#) of Transparency International UK.

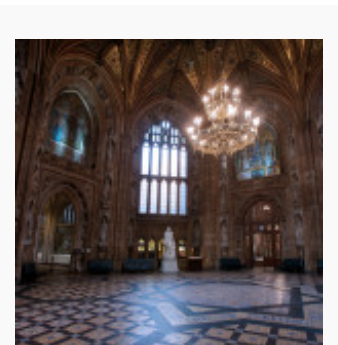
Corporate influence and the ‘revolving door’

A recent Democratic Audit study by [David Beetham](#) argued that corporate and financial interests have, since the 1980s, inserted themselves increasingly into government and its decision-making processes, over which they now exercise substantial influence. As well as exercising indirect power on governments, Beetham identified two broad categories of direct business influence over public policy, as follows:

1. *The buying of influence*: via donations to political parties and the funding of think tanks, through lobbying activities, the provision of corporate hospitality and financial support for individual parliamentarians and parliamentary groups.
2. *The operation of a variety of revolving doors*: through which individuals move, in both directions, between senior positions in government and senior roles in big business, and government-corporate ties are strengthened via membership of regulatory, advisory and partnership bodies.

The scope for corporate interests to buy political influence through [donations to political parties](#) and the [financing of election campaigns](#) is highlighted in detail elsewhere in the audit. However, it is vital to underline that influence can also be bought through others means, such as the funding of think tanks and lobbying organisations. Financing think tanks, for instance, offers a potential means of influencing the policy agenda via organisations which purport to be impartial and non-partisan, but tend, in reality, to have clear ideological leanings and close links with a particular political party. Donating money to a think tank can also provide a means of bypassing the legal regulations placed on direct financial contributions to political parties, particularly those relating to disclosure, thus preserving the anonymity of the donor.

Lobbying organisations, meanwhile, have become increasingly professionalised and sophisticated, offering not only access to decision-makers, but also design and implementation of public relations strategies aimed to secure particular policy outcomes. As a consequence, lobbying has become an increasingly costly activity, further advantaging well-resourced business interests over



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other groups. The imbalance of access to ministers enjoyed by different types of organised interests was made clear by data analysis [published by the Guardian](#) in October 2011 on meetings between coalition ministers and individuals and groups outside government. These data showed that that between May 2010 and March 2011 there had been 1,537 meetings between ministers and representatives of corporate interests; 1,409 with trade groups, think-tanks and other interest groups; 833 with charities; and 130 with trades unions. These data do not include 'private' meetings, which it can be assumed showed at least as great a bias.

In its more narrow sense, the 'revolving door' is understood as the interchange of personnel, as salaried employees or consultants, between public and private sectors. The 'revolving out' of government ministers and senior civil servants to the private sector is perhaps the one area of government-corporate linkage for which there is sufficient evidence available to assess its scale and significance. The evidence exists largely because of the regulations governing such movements of personnel. There are democratic and other grounds (for instance, efficiency) for arguing that there should be an interchange of personnel between government and outside organisations, including in the private sector. However, such practices, which have grown substantially in recent decades, present particular challenges.

The Advisory Committee on Business Appointments (ACOBA) handles applications for civil servants seeking to take up business appointments, and provides advice to former government ministers. Figure One below shows the rate of applications from civil servants and the approval rate over recent years. Figure Two shows the number of former ministers asking ACOBA for advice and the extent to which ministers took up or did not take up appointments.

Figure One: Crown servants seeking approval for outside appointments, 1998/99-2008/09

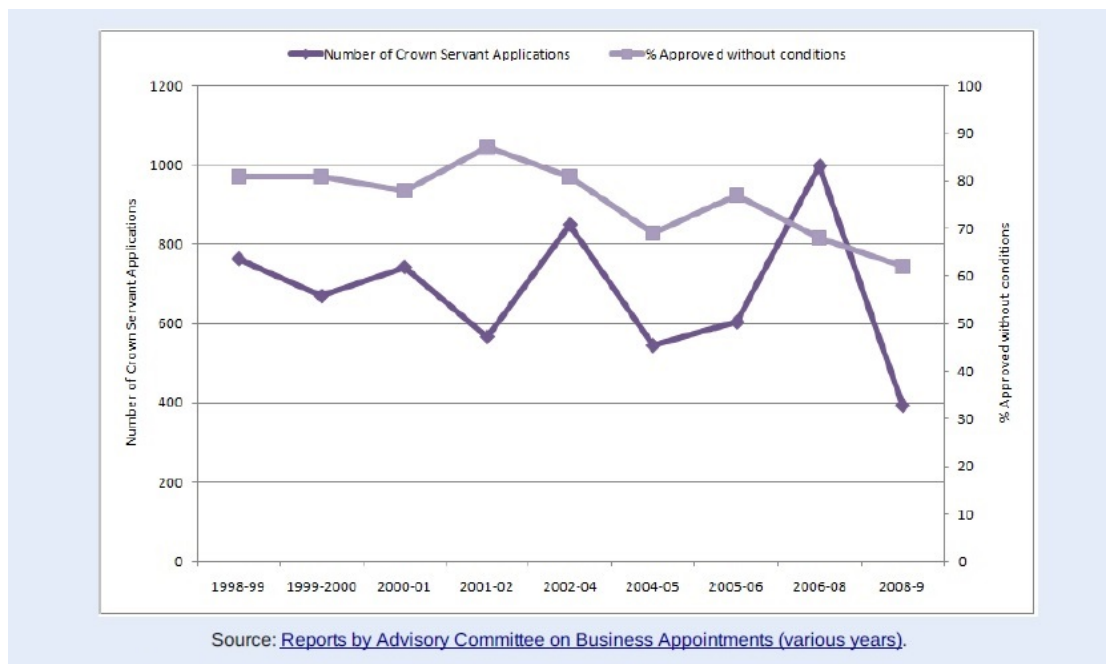
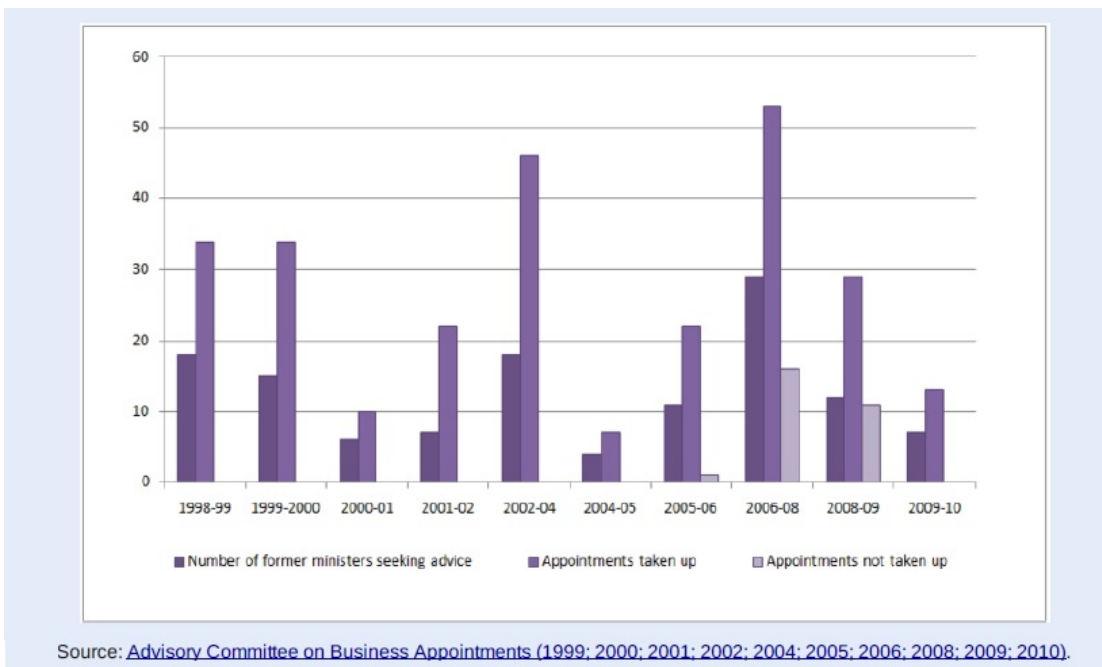


Figure Two: Former ministers seeking ACOBA advice on business appointments, 1998/99-2009/10



It is also important to note two further means through which corporate influence can be directed as a result of the interchange between governmental and business interests. These are, first, through membership of advisory bodies, whereby leading private sector representatives are recruited to official taskforces and committees. Illustrating the kind of tilt towards particular interests that can take place [Beetham](#) showed that, has shown that “*all three reviews following the 2007 [financial] crash... into UK banking governance, British offshore financial centres and the UK international financial services respectively, were chaired by bankers, the last with membership drawn entirely from the City of London.*” Second, business interests frequently form joint partnerships with government. These partnerships may be designed either to obtain private sector access to public sector business; to help obtain access to foreign markets for UK businesses; or to promote UK businesses abroad. Such entities seem to blur the line between public and private sectors, to the advantage of the latter.

This post is based on extracts from the 2012 audit of UK democracy. For further discussion see sections 2.3.3 [Public consultation](#) and 2.6.4 [Business influence on public policy](#).

[Stuart Wilks-Heeg](#), [Andrew Blick](#), and [Stephen Crone](#) are the authors of the 2012 Democratic Audit report.