

Towards Responsible Lobbying

Executive Summary

Political lobbying is arguably the most controversial and secretive of all business practices.

In this new era of corporate responsibility, it is one of the few activities still to have escaped close scrutiny. Yet, the world's 100,000+ professional lobbyists seem to exert ever-increasing influence over public policy in virtually all areas: from global trade to local planning, climate change to HIV/AIDS, marketing laws to labour laws.

Towards Responsible Lobbying takes a realistic and constructive look at the hard questions: Does lobbying have a legitimate role in our 21st century world? Is "responsible lobbying" a contradiction in terms? If lobbying can be made responsible, how will this happen?

The report examines the current issues around political lobbying and sets out to reinvigorate the debate. It also proposes a comprehensive framework which companies and NGOs can use to assess the responsibility of their own lobbying activities and to identify areas for improvement.

Towards Responsible Lobbying has been written in close collaboration with the **United Nations Global Compact**, and been produced with the support of **Co-Operative Financial Services, Gap, Inc., Novo Nordisk** and **Teléfonoica**.

The report was prepared by Alex MacGillivray, Peter Raynard & Simon Zadek with Cris Oliveira, Vicky Murray and Maya Forstater of AccountAbility.

The full report is also available online from www.accountability.org.uk and www.unglobalcompact.org



About the report

The report has been written in close collaboration with the **United Nations Global Compact** and supported by the **Co-operative Financial Services, Gap Inc., Novo Nordisk, and Telefónica**. The research and report findings are based on a series of convenings and interviews with businesses, lobbyists, civil society and public sector officials in North America, Europe, India and Brazil, backed by a review of relevant literature. In addition, the report has benefited from a series of peer reviews from those who were part of the research, as well as additional experts.

The aim of the research was to understand the way in which organizations, in particular business, influence the goals of sustainable development through their lobbying processes, and how governments in turn influence the lobbying 'supply chain'. The report defines, and offers guidance to organizations in their approach towards responsible lobbying, as well as showing policy makers how such lobbying can help shape their capacity to develop and implement policies which support sustainable development.

AccountAbility wishes to express its sincere gratitude for the insights and comments provided by the numerous people involved in the research, the UN Global Compact and its four sponsors, and convening hosts, including Burson Marsteller, EABIS and Uniethos. Of course, any errors, omissions, and views expressed are solely those of the authors.

Executive summary

"Business must restrain itself from taking away, by its lobbying activities, what it offers through corporate responsibility and philanthropy."

Kofi Annan, United Nations Secretary-General

Business has an important stake in achieving the goals of sustainable development. Poverty, armed conflict, the AIDS crisis, human rights abuses, and corruption, all affect the ability of business and society to prosper. The challenge for public policy makers is to provide a functioning rules-based global system of governance, accompanied by enabling local environments. The positive support and interventions by the business community will be needed to achieve this.

The business community is taking an increasingly active and visible role in public policy development and practice, and this advances the goals of sustainable development. The experience of the UN Global Compact and other initiatives and institutions, demonstrates the importance of this role in determining the effectiveness of the business community's contribution to achieving the Millennium Development Goals, and addressing the imperative of sustainable development more generally. As a response to the changing sphere of influence and value drivers of business, the corporate sector has increasingly addressed its performance in areas such as human rights, environmental impact, and labour standards. It has done this through individual practice, as well as engagement in multi-sector partnerships, and adherence to emergent standards and norms. But the impact of corporate responsibility is rapidly reaching a plateau and thus requires different types of interventions by a wider array of actors in setting public policy.

The business community is approaching a crossroad in corporate responsibility. The role of public policy in shaping more responsible markets, and the part business plays in that process, is all-important; lobbying is hugely influential in this sphere. So business must not, as Kofi Annan says, undo through its lobbying processes, what it has achieved through other responsible practices. This requires a greater coherence and consistency between businesses' commitments and stated policies and actions in influencing public policy, what we are calling, 'responsible lobbying'. In short, it is crucial that businesses' public policy engagements are aligned with values-based frameworks such as the UN Global Compact's 10 Principles.

Business is not the only important actor on the lobbying stage. The rise of civil society organizations in particular, and the influence they have exerted on public policy in recent years, has raised questions about their accountability, as well as that of other non-business lobbyists such as labour organizations and public agencies themselves. Such actors are being challenged over approaches to campaigning against corporate practice, which some see as inconsistent with a responsible approach to lobbying. There are for example growing tensions for many activist NGOs in balancing their public policy positions and campaigns with their more intimate engagement with business and government through resourcing and partnerships.

The practice of lobbying takes many forms and operates at many levels. Lobbying has been typically defined as, ‘trying to influence the thinking of legislators or other public officials for or against a specific cause’. It comes in many forms: submitting formal responses to government over proposed legislation, the employment of professional lobbyists; membership of associations that lobby for collective interests; engagement in multi-sector partnerships promoting higher standards in labour conditions; grassroots campaigns encouraging individuals to write to their elected representatives.

Lobbying has rarely been perceived to be a force for good. While business lobbying is a legitimate activity in a democratic society, there is no doubt that some business lobbying has been neither transparent nor ‘progressive’, and certainly inconsistent with sustainable development. This view is reinforced by the fact that unlike other democratic activities such as voting, lobbying does not operate on a level playing field. Interests groups do not have equal influence over policy decisions, and where business is concerned there is the feeling that those ‘who pay the piper, call the tune’.

Businesses and other users of the lobbying community have to demand changes in practices. Professional lobbyists are hugely influential in the world’s capitals, as well as at regional and local levels. It is the clients of lobbying, notably the business community, that can ultimately influence the actions of lobbyists by ensuring their goals and objectives are consistent with the company’s long-term strategy for success – and not simply focused on avoidance of costs and regulation.

As the primary audience for lobbying, governments can ensure that they are clear about their policy objectives and commitment to sustainable development. They can do this through rigorous controls against ‘improper influence’ to ensure that the conversation between business and government is focused on how best to achieve public policy goals rather than negotiating favours through ‘pork barrel politics’.

Responsible lobbying is increasingly practised by businesses which want to build successful long-term relationships with the public sector as well as civil society. Business engagement with public institutions is becoming more visible, making commonly agreed and acceptable approaches to lobbying increasingly important. Businesses focused on managing social and environmental opportunities and risks are evolving lobbying practices aligned to values-based policy frameworks.

Businesses, as well as NGOs, should embrace the need for effective government and public policy, and engage responsibly in strengthening governments’ capacities. Business engagement in public policy should, can and in some instances does help in building the capacity of governments to implement policy, as evidenced with the Business Coalition for Capacity Building in Latin America. Companies can best assist government capacity by: (i) working with countries to formulate policy, by lobbying for better regulation; (ii) push governments to fulfil aid and other commitments; (iii) build the capacity of public institutions to implement policy; and (iv) encourage governments to nurture enterprise development and capacity, such as the Growing Sustainable Business Initiative.

Governments should be open to the positive role of business in public policy, without providing the business community with undue influence. This will be affected by business embracing the practice of responsible lobbying and thus eroding the jaundiced view of business involvement in public policy. Governments can best assist business involvement in public policy and capacity building by:

- Ensuring they have robust controls to prevent lobbyists from influencing policy makers by offering personal or political incentives.

- ❑ Being clear in their commitment to sustainable development, and backing this by making policy decisions which do not favour short-term economic gain over social and environmental improvements, when there are difficult trade-offs to be made.
- ❑ Ensuring that decision-making by regional and local government, as well as within individual government departments, is not governed by a silo mentality.
- ❑ Working openly with business and civil society to address long-term issues and public policy goals.

Responsible lobbying is defined here in two parts:

a) Being consistent with an organization’s stated policies, commitments to stakeholders, and core strategy and actions.

b) Advancing the implementation of universal principles and values (such as those embodied in the UN Global Compact) in business practice.

This two-part definition was reached through extensive consultation with business and non-business actors. It recognises the need to capture in the definition a practical balance of a substantive view of the ‘good’ or ‘progressive’, and a process view, such as transparency. The definition’s demand for credible policy consistency rooted in an organization’s strategies and actions, and *alignment* with universal principles and values, we believe achieves the required balance. This definition should, in our view, apply and be applied equally to business, government, and non-governmental organizations.

The challenge is to put the definition into practice through the design of an appropriate framework for ‘responsible lobbying’. A simple framework is needed for guiding lobbying, which encompasses a very broad set of activities carried out by business, civil society organizations, and of course public agencies themselves, within and between sovereign states. Such a framework needs to enable engagement practices that cut across sectoral boundaries to foster more collaborative approaches to public policy making.

Danger zones:		Six-step lobbying health-check:		Responsible lobbying is:
Policy inconsistency Are we doing one thing and saying another?	NO	Alignment: Are our lobbying positions in line with our strategy and actions, and universal principles and values? Materiality: Are we lobbying on the important issues that affect our organization and our stakeholders?	YES	Consistent with business strategy and universal principles
Untransparent processes Does it look like we’re trying to hide something?	NO	Stakeholder engagement: Are we open and responsive to stakeholders in developing and debating our lobbying positions? Reporting: Are we transparent about our lobbying positions and practices?	YES	Transparent and responsive to stakeholders
Poorly managed lobbying Does the left hand not know what the right hand is doing?	NO	People: Do we know who is lobbying on our behalf and where our spheres of influence are? Processes: Are management systems and guidelines in place to ensure that what we do in practice is effective and in-line with strategy and policies?	YES	Effective in translating policies into practice

All organizations can and should develop responsible lobbying over time through the adoption of a simple Responsible Lobbying Framework. A six-step 'lobbying health-check' has been developed drawing on existing quality, accountability and reporting standards and guidelines. These are complemented by a simple model that can be used by any organization, commercial or otherwise, in evolving a responsible approach to lobbying. Organizations associated with the UN Global Compact can show leadership through public commitments to responsible lobbying and adoption of this Framework.

In conclusion, the responsibility of governments is to decide on and implement particular policies in the interests of their citizens. However, other groups have always influenced the way in which policies are shaped and enacted but, in the past, this has taken place in the shadows. Spheres of influence and action have changed; it is now recognised that actors from one sector are increasingly involved in areas that were formerly regarded as the preserve of other sectors. The vision of responsible lobbying is not of corporations and other non-business groups being the arbiters of the public good, but of visible and legitimate multi-sector collaboration about how best to achieve the goals society holds in common.