

Corridors of Power : Lobbying in the UK

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Abstract

Of all the nations of Western Europe lobbying is the most developed in Britain. For this reason the story of how lobbying has infiltrated the corridors of power in the UK is of particular interest. This paper examines the rise and contemporary practice of lobbying in the UK. The industry today faces a number of challenges not least of which are questions of conflicts of interest, secrecy, privileged access and undue influence which increasingly lead to calls for greater transparency.

Key words: *lobbying, executive government, decision-makers, corporations, commercial interests, Westminster, Whitehall, standards in public life*

Theorising Lobbying

Any theory of lobbying must be able to understand the who, what, where and why of lobbying in the context of wider questions of power and resource distribution. Most writing on lobbying in political science or by lobbyists themselves tends to stick with the specific, the immediate, the micro and often tend towards the atheoretical. The bulk of writing in the area by political scientists has been in relation to work on the 'group theory of politics' (Milbraith 1963: 13) with a focus on interest and pressure groups (e.g. Jordan 1991; Grant 1995). Lobbyists themselves have also tended to work within this paradigm albeit with a tendency to paint a rosier picture of the practice of lobbying. (Greer, 1997, John, 2002; Miller 1990)

Other approaches to lobbying, which factor in context and wider power issues tend either to utilise the concept of the public sphere or some version of public choice theory in which lobbying is analysed using mathematical or economic concepts. The operating assumptions of the latter are that markets work in ways predicted by neo-liberal economists (such as Friedman, Hayek, Buchanan and Tullock). Underlying such writing is the notion that all humans operate to maximise their own interests: lobbying is simply an inescapable and unexceptional part of human society. One version utilises the concept of 'rent seeking' in which it is assumed that the seeking of advantages through governmental decision making rather than market efficiencies is a means of introducing corruption and inefficiency into market societies. Sectional business lobbying for government contracts or more favourable regulation and campaigns for increased worker protection or environmental legislation are thus no different and both should be resisted to keep the market free.

We reject public choice approaches as inherently ideological (as evaluating all data in terms of a prior principle of understanding – which is in any case false) and failing to explain (or even note) how lobbying really works or who actually benefits from it. In our view it is indispensable to see lobbying not simply as part of some rational calculus in which interests somehow 'speak through' human agents but as

part of the battle for ideas which moves a society one way or another. In other words our approach sees lobbying as a communicative process.

Accordingly we find the theory of the public sphere useful to understand both the ideal type of free and open communications and their degraded actually existing forms in the 'neoliberal public sphere'. The model draws on Habermas (1989) and sees the operation of an ideal public sphere as one of the key liberatory tenets of the enlightenment. The public sphere is not as has sometimes been assumed just the sphere of media and communication, but the whole range of ways in which political space is created and used in a given polity. In practice, however, the public sphere does not live up to its theoretical billing, yet we can use the idea as a heuristic device to evaluate the actually existing public sphere.

But as well as conceiving of the space of political and social activity - the 'structure' -of the public sphere - we need to have an understanding of 'agency', how the public sphere works in practice. In which case we need to understand how the space is used and how this relates to decisions and outcomes. For this we need to draw on theories of ideology and in particular on Gramsci's theory of hegemony. This has the advantage of foregrounding relations between ideas and practice thus avoiding the errors of those approaches which see decisions made in advanced capitalism as the product of the invisible hand of the market (whether neoliberal or neo-Marxian) and those which seem only to be able to comprehend the role of ideas in pushing history forward (such as in postmodernism and poststructuralism). A more nuanced conceptualisation of lobbying requires an empirical focus on outcomes, meaning that as well as the space of political contest and the battle for ideas we need to examine the results in decision making and the distribution of resources.

In our view the use of the concept of hegemony needs some explication as it is not often used to describe or understand lobbying activity. More often it is used to explain the alleged role of the media in securing popular consent for advanced capitalism. We do not dismiss this as a possible use of the theory, but in our view the concept is best used in a wider frame to examine the ways in which conflicts over ideas emerge and are played out. This means in particular that the question of 'leadership' for allied classes and fractions is more import-

ant when discussing lobbying than the question of popular consent. In what follows we focus mainly on how consensus and agreement are organised in British public life, and how, in other words, hegemony is secured by leadership and elite consent rather than through popular consent (see Miller and Dinan 2008).

History of lobbying in the UK

For Jordan (1991: vii, viii) a proper understanding of contemporary British politics is impossible without examining lobbying. Austin Mitchell MP remarked in the early 1990s that 'in reality, lobbying has increased, is increasing, and is not going to be diminished... our vaunted constitution is really a framework of lobbying; for the constitution is, essentially, whatever governments can get away with. Lobbying, persuasion and opinion manipulation are the tugs at the sleeve of power' (ibid: 3). The power and discretion of executive government in the British system is indeed crucial to understanding the nature of lobbying. Interestingly, Mitchell also claimed that Americanised, high powered strategic lobbying, that meshed political and corporate interests had yet to be imported to the UK. This claim was made precisely at the time when Ian Greer and his associates were doing exactly that on behalf of a range of blue chip corporations at Westminster (Greer 1997).

A *Financial Times* poll in 1985 found that 41% of 180 major British corporations surveyed were using political consultants, paying them an average of £28,000 p.a. Over a quarter (28%) of the 180 corporations used PR companies for government relations work, paying an average fee of £33,000 (cited in Jordan 1991: 20,21). The scale and ubiquity of such lobbying activity can be seen as 'in part a logical response to the Government's discretion on purchasing, in creating product legislation, in setting the regulatory frameworks, and establishing the relevant tax regimes for companies. For these reasons ostensibly private companies are very often effectively 'Government controlled' (ibid: 21). It remains the case that corporate interests continue to make most use of commercial consultants, in tandem with their own in-house public affairs capacity (John 2002: 12-14).

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Finer (1958) in his classic study of the history of lobbying in Britain, suggested that lobbyists cannot 'pressure' government: they simply argue and make requests, because they lack a credible or effective sanction. However, in the contemporary globalised and deregulated era the corporate threat of exit is serious and carries considerable political weight. By virtue of employing a large workforce (who are also constituents of elected representatives) large TNCs certainly do carry a credible sanction. The same is more difficult to say for trade associations, trade unions, and NGOs, and therefore it is necessary to distinguish the political activity of corporations from that of other actors.

Useem (1984: 3) describes a distinctive form of corporate lobbying, undertaken by an "inner circle" of corporate leaders acting on behalf of class-wide interests. This group are far more important than commercial lobbying consultants. They are: 'rooted in inter-corporate networks through shared ownership and directorship of large companies in both countries [the US and UK], this politically active group of directors and top managers gives coherence to the politics of business'. Jordan (1991) claims this 'politicised cadre' of big business play a key role in defending the interests of TNCs.

Finer saw the relationship between lobbyists and civil servants as one of 'mutual accommodation' (1958: 22). The lobbyist is but one voice in the policy dialogue or policy community. Far from pressuring government, established lobbyists with credentials and contacts are sought out for advice and consultation by civil servants. Indeed, the relationship between companies and their 'sponsor' departments in Whitehall is often depicted as mutually beneficial, in terms of consultation, information exchange and 'partnership'. This close co-operation is deeply entrenched in the British system of governance and 'will not be eradicated instantly by ministerial edict' (Jordan 1991: 32).

Nevertheless the rise of lobbying in the UK has a historical dimension. The neoliberal revolution ushered in by the Thatcher government (1979-90) was its most obvious political expression and it was this that allowed the incremental dismantling of social protections and the advancing power of business to flourish.

Buying influence in British politics – the emergence of ‘Sleaze’

The infamous ‘cash-for-questions’ affair in the 1990s was triggered by revelations in *The Guardian* that MPs had been paid in cash and in kind to ask parliamentary questions on behalf of commercial interests. The scandal centered on payments made by Mohammed Al-Fayed (via the IGA political lobbying firm) to MPs Neil Hamilton and Tim Smith.

Prime Minister John Major set up the (ad hoc) Committee on Standards in Public Life (CSPL) in October 1994, in direct response to the cash-for-questions affair. Under the chairmanship of Lord Nolan, the committee reported within six months. Despite evidence that confidence in the probity of the political process was being seriously eroded, Nolan decided against the regulation of lobbyists themselves, arguing that the creation of a public register would become a marketing device for lobbyists. On this analysis, regulated lobbyists would claim official status, and this in turn would create the impression that to approach MPs and ministers successfully, members of the public, or organised outside interests, must procure the services of registered public affairs consultants (Nolan 1995: 36). Thus the emphasis of the Nolan report was to fall upon regulation of legislators.

Nolan recommended that the Register of [MPs] Interests should be more informative, that the rules governing conflicts of interest should be set out in more detail, that a code of conduct for MPs should be drawn up, and that an independent Parliamentary Commissioner for Standards should be appointed. These recommendations were adopted by the House in July 1995 (Doig 1998: 44). Significantly, Nolan also recommended that the Commissioner for Standards should have ‘the same ability to make findings and conclusions public as is enjoyed by the Comptroller and Auditor General and the Parliamentary Commissioner for Administration’ (Nolan Committee 1995: 43). This recommendation was not adopted.

The election of the New Labour administration over a decade ago had a significant impact on the lobbying landscape in Westminster and Whitehall, particularly with the appointment of a series of special

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worked for commercial interests and for the opposition Labour front bench. Special advisers and party advisers-turned-lobbyists quickly became embroiled in controversy regarding their ability to gain access to ministers on behalf of commercial interests.

The cash-for-access (aka ‘lobbygate’) scandal of July 1998 was the result of a ‘sting’ operation by *The Observer* newspaper. Posing as a US business representative, journalist Gregory Palast secured offers of access to cabinet ministers from Derek Draper and Roger Liddle. Both Draper and Liddle had previously been partners in the lobbying firm Prima Europe. At the time, Draper (a former aide to Peter Mandelson) was working as a lobbyist for GPC Market Access (which had taken over Prima Europe) while Liddle was employed as a special adviser in the Number Ten policy unit (Liddle is currently working in European trade commissioner Mandelson’s cabinet). Draper resigned from GPC, although Liddle remained in post. Within a few weeks, the government had announced the tightening of rules governing the conduct of special advisers and civil servants (Hencke 1998: 3).

Derek Draper, the disgraced lobbyist at the centre of the sleaze allegations, later remarked that:

The most worrying thing that is all I ever sold is information, a little light thrown on how things work ... I suspect that the close relations which exist between some politicians, advisers and lobbyists (who are often old colleagues) do mean that certain information which should be either public or totally private is passed on. The danger is that one day that information could, literally, be worth a fortune to somebody. Guarding against this danger isn't easy but the intertwined relationships must be disentangled. (Draper 1999: 26)

Given the continuing political salience and sensitivity of commercial lobbying under New Labour the Committee on Standards in Public Life, under the chairmanship of Lord Neill of Bladen, reconsidered the issue of lobbying. Concerns regarding the relationships between the public and private sectors under New Labour rule were captured by the term ‘cronism’, which suggested that a new elite was emerging in British public life, based almost exclusively on the patronage of Prime Minister Blair and other senior New Labour politicians (Cohen 2002).

The sixth report of the CSPL published in 2000 reviewed the implementation of the original Nolan report. In the process of gathering evidence it became clear that a 'fresh enquiry' was necessary in relation to the status and regulation of special advisers, rules governing the sponsorship of government activities, and the lobbying of ministers and civil servants (Neill 2000: 9). The main thrust of the Neill report was to suggest that there had been considerable improvements in the perception of probity in public life, but that more should be done.

The Neill committee's view regarding the regulation of the lobbying industry reaffirmed the orthodoxy established by Nolan. Recommendation 26 of their report states 'There should be no statutory or compulsory system for the regulation of lobbyists. The current strengthening of self-regulation by lobbyists is to be welcomed' (Neill 2000: 4). The Neill committee shied away from a lobbying register as they believed it might inhibit access to parliament: 'The democratic right to make representations to government - to have access to the policy making process - is fundamental to the proper conduct of public life and the development of sound policy. The committee is opposed to anything which fetters that right without the very strongest reasons' (Neill 2000: 86).

In the opinion of the Committee, the weight of evidence is against regulation by means of a compulsory register and code of conduct. Lobbyist regulation schemes can help make government more open and accountable, providing useful information about influences on decision-making. But we believe that the amount of information that could be made available through a register would not be proportionate to the extra burden on all concerned of establishing and administering the system. There is also still force in the Committee's original objection, that such a system could give the erroneous impression that only 'registered lobbyists' offer an effective and proper route to MPs and Ministers. (Neill 2000: 89).

The committee placed a considerable degree of faith in self-regulation by lobbyists, notwithstanding the evidence submitted by public affairs bodies (notably by the APPC and IPR) in favour of statutory regulation. In addition, the Neill committee proposed no solution to concerns regarding those lobbyists who choose not to join self-regulatory schemes and the entrance into the unregulated lobbying market of lawyers, accountants, and management consultants.

Yet in the eight years since the Neill report lobbying scandals have continued to happen and it is clear that the issue will not go away. In 2005 there was an inquiry on the use of All Party groups by lobbyists. It followed exposure in the press and a formal complaint from a newspaper that 'named All Party Groups (APGs) had breached the rules requiring groups for which secretariat services are provided by a public relations company to name in their entry in the Register of APGs the ultimate client of the company which is meeting the cost of this assistance.' (House of Commons Committee on Standards and Privileges, 2006) The Committee report failed to remedy the issue and lobbyists continue to run All Party Groups. The most recent official inquiry at Westminster was also prompted by press revelations and as the Public Administration Select Committee noted, is the 'first Parliamentary inquiry on lobbying since the 1991 report from the Select Committee on Members' interests' (PASC 2007). At the time of writing the outcome is unknown. However, the inquiry comes at a time when lobbying regulation is on the political agenda all across Europe. In April 2008, for example, the European Parliament Constitutional Affairs Committee called for a mandatory register of lobbyists to include financial disclosure and think tanks and legal firms. (Jones 2008)

Lobbying today

Lobbying today is a multimillion pound business. Lobbyists are on hand to pursue the interests of individual corporations, industrial sectors and the generic interests of the corporations. Lobbying is clearly about more than sectional interests of particular capitalists and is also about the restructuring of the way in which capital is or is not regulated. The fact that big business was able to put in place the architecture of neoliberalism (through NAFTA, Maastricht, the final round of the GATT, the creation of the WTO etc) is an indication of the necessity of lobbying for the corporations, and of the inability of 'public choice' models to account for the lobbying of which the theorists of public choice approve.

The main issues relating to lobbying today relate to the structure of the public sphere - in particular transparency and accountability - and to the questions of hegemony and outcomes. This includes the narrow ambit of policy discussions, privileged access to decision-making

ers for the corporations and their lobbyists and undue influence in decision making. Some examples follow to illustrate the British lobbying system in Westminster and Whitehall.

Charles Miller (1990; 1998; 2003), a professional lobbyist, and sometime public spokesman for the industry in the UK, casts the rise of lobbying in Britain as a product of an increasingly democratic and meritocratic society. Miller stresses that 'what you know' in lobbying is more important than 'who you know', yet there is ample empirical evidence to suggest that the latter is vital to 'doing' public affairs. How else can one explain the efforts lobbies go to in securing face time and networking opportunities with decision makers? Miller rightly notes that politicians are now more professional, but fails to acknowledge that this can breed a set of 'professional concerns' and habits, among which may be (the normalisation of) customs and attitudes toward relations with outside interests, including consultant lobbyists. This contradicts the pluralist meritocratic description of the policy process advocated by Miller and others, who can be said to have a vested interest in painting a benign picture of the ways pressure is applied and decisions are taken by government.

Nevertheless, Miller correctly diagnoses that a 'misdirection of [lobbying] effort has been prompted by an exaggerated media interest in Parliament (which is easy to report) compared with what is invariably the real policy making centre of Whitehall (which is far less accessible). Almost every analysis of pressure group and corporate lobbying activity has been conducted by those outside Government: by academics or journalists with no first hand experience and only rarely an understanding of its real workings... For politics, in their eyes, is about parties; and without party activity, they cannot recognize the submerged mass of the iceberg of politics' (Miller 1991: 55-6).

We can discuss these by focusing on a number of areas of the corridors of power including Parliament and Executive (including both civil servants and ministers).

Transparency

The first thing to note about lobbying is the lack of information available about lobbyists and their clients. Jordan notes: 'On the whole the [lobbying] industry likes to keep quiet about who works for whom. In part this is seen as discretion on behalf of clients, but it is also through an unwillingness to draw attention to the fact that influence is being exerted in a way that fits uneasily with the picture book version of our democracy' (1991: 28).

Lobbyists often do not declare their clients. Under pressure from lobbying scandals the industry has created lobbying organisations which introduces a 'voluntary register'. In the UK the main organisation is the Association of Professional Political Consultants. Its register features only a list of clients. There is not information about finance or about the purposes or techniques involved in lobbying. Even then there have been examples of lobbyists who have neglected to name all their clients.

But the main issue is who is not covered by such a register. A significant number of lobby firms refuse to sign up so they can keep their clients secret. But in addition, none of the wide range or other organisations involved in lobbying are members. The most obvious case is that of 'in-house' lobbyists for the big corporations, an unknown but very large number of people. In addition, the many and various legal and accountancy firms, think tanks, temporary lobby groups, trade associations and other policy planning initiatives are not part of the lobbyists lobby group.

The problem here is not simply a question of openness about clients, but that many mainstream lobbying techniques are at best deceptive and depend on secrecy. In particular the third party technique is a favourite with many variations. This involves an organisation setting up or taking over another organisation which can appear to be independent but which in reality will pursue the interests of its sponsors. The tobacco industry is perhaps the most well known example of this in its decades long campaign to pretend that science was on its side. But almost every industry under threat resorts to such tactics. Often the organisations will adopt an independent sounding name including seemingly detached or authoritative words like

Institute or Trust. Taking the example of the food industry we can point to front groups using each of these names, like the British Nutrition Foundation – a front for the UK food industry, the Agricultural Biotechnology Council – a front for the GM industry, the International Life Science Institute – a front for the international food industry or The Obesity Awareness and Solutions Trust (TOAST).

The example of TOAST is instructive and not unusual. It used a PR agency called The Whitehouse Consultancy to recruit parliamentary 'patrons' and to raise the issue of obesity at Westminster. TOAST admitted on its own website that it was engaged in lobbying, noting that it had been 'extremely successful'. As a charity it claimed to be 'completely independent' and to 'derive its income from individual donations and membership fees'. However, an investigation by Spinwatch revealed that almost all of its funding came from a diet company called LighterLife. In addition two of LighterLife's directors were also directors of TOAST. TOAST was in other words a kind of 'front group'. No fewer than nine of the twenty one parliamentary patrons then went on record stating that they were not told of the links between TOAST and LighterLife. Dr Ian Gibson MP stated 'I was absolutely not aware of this connection and my initial reaction is to be pretty cheesed off.'

The obvious conclusion from this affair is that lobbyists come in many guises and do not always disclose their links, clients and motives even to the MPs and others who they recruit to support them. A voluntary system of self-regulation as proposed by the leading UK lobbying trade organisation, the Association of Professional Political Consultants (APPC), would do nothing to solve such problems. The lobby firm involved with TOAST is an APPC member and it discloses in the APPC register that it has TOAST and LighterLife as clients, but not the relation between them. The case of TOAST also shows why it is important not only to regulate lobbying firms but also campaigning groups and even charities. (Miller 2008)

Undue or privileged access

The lack of transparency is compounded by the issues of undue or privileged access. In the United Kingdom decision-making has become increasingly centralised, with power concentrated around Down-

ing Street. Therefore, access to politicians and advisors close to Downing Street is highly prized by lobbyists. There are several ways in which lobbyists secure such access. One important means is to simply employ advisers, retired politicians and those with access to influentials. When Anji Hunter, Blair's diary secretary and close confidant of many years, was hired as a director of corporate communications for BP in 2001 many inside and outside the corporation understood this as a means to ensure political influence. BP was often thereafter referred to as 'Blair Petroleum'. With Blair out of office, and after a boardroom coup inside BP, Anji Hunter was deemed surplus to requirements as BP's new chief executive sought to distance the company from the Blair administration (Macalister 2007).

In another striking example, shortly after the new Scottish Parliament opened in 1999 the son of the then Secretary of State for Scotland, who was working as a lobbyist, was secretly recorded boasting of his links to a series of high-profile political figures (all those mentioned would go on to lead the Labour party in Scotland, and three served as First Minister).

Three or four of [the Scottish Executive's] special advisers are close personal friends of mine ... I worked for Jack [McConnell] and for Wendy [Alexander] and for Henry [McLeish] and for Donald [Dewar] on a one-to-one basis [in] the Labour Party media monitoring [team] ... I know the Secretary of State very well because he's my father, so I know him ... But I'm not going to promise you access to people because of who I am and who I know. Certainly as you know, in the business of politics, you have a relationship, it makes things easier. (Observer transcript 1999: 6; emphasis added)

While revelations of the links between the Labour party and the lobbying industry in Scotland triggered an early scandal for the new Scottish Parliament, routine contacts and access to decision makers by big business rarely attracts critical scrutiny. Business will usually take the opportunity to place personnel on official taskforces or government appointed inquiries and partnerships with the private sector. There are also multiple opportunities for business to secure access to decision-makers. The sponsorship of events at party conferences, award ceremonies, corporate social responsibility programmes and charity events all offer the chance for

in-house lobbyist described why his company invested in sponsoring such events:

Well the benefit is that... we want to speak to people, MPs and MSPs [Members of the Scottish Parliament], and if we sponsor it we say, we would like to sit somebody down next to the speaker. So you've got an opportunity to chat to them for an hour [or so], that's what it's all about, making contact and networking. So the opportunity for our senior manager at that event to sit next to a senior politician and discuss whatever the issue might be, albeit on a fairly informal basis, is quite useful. But that's why we do these things, there's no such thing as a free lunch (interview with WD, March 2002. Emphasis added).

Lobbyists will seek to access decision makers and policy actors across all levels of government. While face-time with senior ministers and civil servants in much sought after corporations with a sophisticated lobbying strategy will not neglect other avenues. Several corporations have invested substantially in educational schemes that bring business managers into contact with elected representatives. The Industry and Parliament Trust (ILT) at Westminster is one such vehicle, as is the Scottish Parliament Business Exchange (SPBE), which has been dogged by controversy since its inception over the role of parliamentary lobbyists in running a 'non-partisan, non-lobbying' organisation! (see Miller 2004)

Participation in all-party groups (or cross party groups as they are called in Scotland), and securing Parliamentary passes are indicative of the more low-level ways in which outside interests interact with elected representatives. While it is important that such fora are available to allow elected representatives and decision makers to deliberate on policy with expert and informed input, it is inherently anti-democratic if such groups are simply fronts for organised interests, or penetrated and used by lobbyists for their clients interests. A recent report by the Standards Commissioner, Sir Philip Mawer, for the Committee on Standards and Privileges (2006) highlighted the link between all party groups and public relations and public affairs agencies. Approximately 10% of these groups at Westminster received support or assistance from lobbyists and PR firms (CSP 2006: 9, 10). A complaint from the editor of the *Times* against the All-Party groups on Intellectual Property, Patient Safety and Pharmacy over breaches of Parliamentary rules and

lack of transparency about the clients and interests involved was upheld by the Standards Commissioner (CSP 2006: 18). In the wake of concerns about the transparency of relations between outside interests and Parliament the Commissioner emphasised an important principle that applies beyond the particular issue of all-party groups.

Transparency would undoubtedly be assisted if all [lobbying] consultancies named their clients, and when considering whether or not to accept assistance from a consultancy, officers of APGs may wish to check whether or not the consultancy does so. (CSP 2006: 22)

And, further "The court of public opinion should be the final control. "As long as we know the funding source then people can make their own minds up". (Evans, cited in CSP 2006: 29). While we would be very wary of allowing the lobbying industry's self-regulatory system becoming a de-facto accreditation regime we whole-heartedly endorse the sentiment expressed in the report that once there is transparency around funding and outside interests the public will be in a much better position to properly scrutinise the policy-making process. This is the key to opening up and democratising the UK's corridors of power.

Undue influence

Almost all writers on corporate power or interest groups now agree that corporations have increased their power over political decision-making in the past twenty years – the period since the electoral victory of neoliberalism in 1979. For example the leading political scientist Wyn Grant noted in 1995 that 'business interest have tended to strengthen their privileged position in the 1980s and 1990s'. One reason for this, he notes was a government which 'sought to promote business interests'(Grant, 1995: 161). Since then relations with business have only been enhanced by the Labour administrations of Blair and Brown, of which Grant (2000) notes 'consultation is close, frequent and intense. Concessions are often given, if less frequently publicised'. Grant notes and does not demur from the judgement that the Blair government 'was the most pro-business government Britain had ever had'.

The power of business is such that it has been able to put in place the architecture of neoliberal globalisation – from the campaign to introduce NAFTA in the US to the creation of the WTO in 1997. Each of these ‘architectural reforms’ have affected the context in which business operates within nations like the UK. Inside the UK the process is the same with coalition of business interests forming to push the collective interests of the corporations (Miller and Dinan 2008). It is no coincidence that the Blair government was closer to elite business lobby groups and the ‘inner circle’ of CEOs of transnational corporations than to traditional trade associations. The example of the obscure and generally secretive Multinational Chairmen’s Group illustrates this. The group ‘meets informally three times a year and has an annual meeting with the Prime Minister’ (Gribben 2003:31). ‘This discreet club takes pride in its privacy’, reports the *Sunday Times* (Lorenz, 2000). ‘Outside the small circle of its members, it is little known even within the upper echelons of the Confederation of British Industry, under whose auspices it meets.’ Details about the MCG meetings only came to light after a long struggle by the *Guardian* to get hold of documents under Freedom of Information legislation went all the way to the Information Commissioner. The Group – of less than ten - includes the heads of some of the biggest firms in the UK including BP, Diageo, Unilever, HSBC, Shell, Vodafone, GlaxoSmithKline, Rio Tinto and British American Tobacco (BAT). Its tactics include threatening ‘exit’ from the UK if the government does not do what it wants. To ensure the government got the message the press were briefed and reported as follows: ‘Business leaders are warning they’re not bluffing. The very real scenario he is facing is of an industrial and corporate Britain without many of the huge multinational players. The spectre of Britain being an outpost...is haunting Blair.’ (Porter 2003)

Documents show that BAT ‘was able to put private pressure on Tony Blair and a cabinet minister who wanted to hold an inquiry into allegations that the firm was colluding with criminals’. After behind-the-scenes lobbying, via the MCG, plans for an inquiry, ‘which could have published a highly damaging report’, were ‘dropped.’ ‘Instead’, the *Guardian* reported ‘MPs were told that a watered-down inquiry would be conducted in secret. Its activities were “buried” for almost four years, after which it emerged that no action was to be taken. BAT was so pleased with the eventual form the inquiry took that their lobbyists described it, in a private note, as “not a problem”.’ (Evans et al, 2004)

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The group also ‘outmanoeuvred Gordon Brown, then chancellor, to shield “fat cat” pensions from his proposals to tax them more heavily’:

The lobbying, allied with protests from other business groups, forced Brown to rethink. Within a few months, he had loosened the proposed cap on their pension pots so that more of their money would escape the tax net. The extra tax will only be payable on pension savings over £1.8m, not the originally proposed £1.4m, and will not come in until 2010. He delayed the start date of the new regime to give the rich more time to re-arrange their finances. He also reduced the tax rate from 60% to 55%. The super-rich can thus shelter an extra £400,000 from the taxman - at Brown's original proposed 60% tax, that sum would have incurred a £240,000 tax bill. (Cookson et al 2008)

But the power of direct corporate lobbies is also intensified by the increasing marketisation of government - meaning a series of changes in the personnel and practices of government. First is the direct involvement of business people as ministers. The appointment of business leaders on Task Forces, as special advisers, as ministers (e.g. the appointment of the former head of the main British business lobby (the CBI) Digby Jones as a minister in the Department for Business, Enterprise and Regulatory Reform), raises all sorts of conflict of interest questions. However, the process is not all one way. Many of the people at the top of New Labour have moving with speed from the party through think tanks, lobbying and PR firms, industry and back to government again.

Ministers are also increasingly taking up highly paid positions in the industries that they have helped to open up to the market. The obvious example is Tony Blair whose appointment to to JP Morgan for a reported £500,000 salary undermines any remaining confidence in the integrity of British public life. Blair will be allowed to lobby the Government on behalf of the bank. The Advisory Committee on Business Appointments (ACOPA), which vets the jobs of former ministers advised Blair he could take up the job immediately ‘but for one year after leaving office he should not be personally involved in lobbying government ministers or officials on behalf of his new employer or its clients’ (Miller 2008). This of course misunderstands lobbying which does not need to involve ‘personal’ contacts. ‘Blair is on course’, reports *The*

2008). Such relationships of which Blair's is but one are increasingly commonplace.

These examples from the top are replicated further down with the revolving door spinning ever faster. Civil servants, MPs and advisers move to the private sector and at the same time business people are 'seconded' into government, sometimes to positions where they can make a material difference to the company where they owe their primary loyalty. All of this is part of a wider process of opening up and privatising the very apparatus of government. Functions previously thought of as inherently public are being carved out and served up to private corporations through the phenomenon of 'shared services' and via contracting out.

All of this is evidence of the ineluctable process of creeping business takeover of government functions and business influence on government. Discussion of the 'success' of lobbying seriously underestimates the significance of the changes. Nevertheless, it is clear that business in the UK is now able to exert considerable influence over government decision making.

The need for transparency

Lobbying is a potential problem for democracy because it has the potential to substitute special interests for the interests expressed by the people in elections. The problem is exacerbated by a lack of transparency, meaning that knowledge of the activities of lobbyists is not sufficiently available to allow scrutiny or informed democratic decision making. Even if it were, however, the problem of privileged access and undue influence would not be automatically solved. It is this which underlies the main cause of popular disenchantment with the democratic process and – similarly- is why the lobbyists defend their position so heartily. The transition from social democracy to neoliberalism has significantly heightened the problem of lobbying because it has triggered a massive increase in the practice. The perception and the fact of undue corporate influence has thereby increased. In terms of our theoretical understanding of this we can say with some confidence that the 'neo-liberalisation' of the public sphere has progressed further

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France and that this has meant the quality of democratic process has been undermined. Moreover, it has meant that the hegemony of neo-liberalism has been strengthened. In our view this is a process of the active production of elite or 'ruling class' unity as opposed to popular consent. For us lobbying is one of the key mechanisms by which elite consensus is fostered as well as the means by which sectional corporate interests are pursued.

To shed light on the corridors of power will not be easy but it is necessary if we are to move towards a more democratic political system and to disrupt the cosy consensus which tends towards the capture of the political system in the UK's 'market democracy'.

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