

# Conclusion:

## Countering Corporate Spin

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This book has suggested that corporate power in advanced societies is exercised directly via lobbying as well as indirectly via PR, media and public opinion. We have also claimed that public relations and lobbying are at the cutting edge of corporate power – they represent an important means by which corporate power is defended and extended. The preceding chapters chronicle much of what is wrong with the PR industry, but we have also produced this book as a conscious intervention in the debate about globalisation and corporate power. More than that, we see the exposure of deception and spin as a core part – but only a part – of the struggle for democratic renewal. We also recognise the need to put in place a positive agenda of what we think can be done.

This book has contributed to that agenda by giving some account of what social movements and others have done to counter corporate spin. The chapters on SourceWatch, Coca-Cola, EU lobbying and others, show that different parts of the social justice movement are engaged in positive campaigns to redress the wrongs fostered by corporate power. But to conclude this book we want to give a fuller account of what we can do concretely to rescue democracy from spin and revive our public institutions.

In some respects this volume can be seen as a call to arms to resist spin and to challenge corporate power. We cannot rely on these particular physicians to heal themselves. Instead we need a wider collective cure. An important first step requires those interested in the health of democracy and the conduct of public affairs to recognise self-interested spin when they see it, and, crucially, to expose it. This isn't always easy, but hopefully the preceding chapters have helped to illustrate some of the mechanics and consequences of this spin-led neoliberal assault on democracy.

### TRANSPARENCY AND OPENNESS

The most obvious thing to do in relation to deceptive PR and lobbying is to expose them to the light. This means, as a first step, binding

regulation, which would require that lobbyists and PR organisations disclose all their clients or principals (those on whose behalf they act), all the issues they are working on and how much money they are being paid for such work. In the European debate on lobbying registration inaugurated by Commissioner Siim Kallas in 2005 as part of the European Transparency Initiative, the lobbying industry naturally mobilised to ward off regulation by launching a new lobby group for lobbying. They argued that their own voluntary code would be effective and therefore there was no need for independent scrutiny or regulation. Amongst other things, the industry wants to pretend that some of its lobbying efforts are not actually about lobbying. For example, Houston Consulting Europe is a lobbying firm that specialises in what it calls 'Client Roundtables': these are 'regular invitation-only discussions with MEPs as well as key EU officials in the Commission, Council and Parliament, to discuss topical issues of interest to industry'. John Houston, the founding chairman of the company, is also the chairman of the lobbyist lobby group EPACA. Houston likes to think that his roundtables are nothing to do with lobbying and are simply an 'event management' function of his firm. This is, of course, plainly nonsense. One such group is the European Parliamentary Financial Services Forum, run by Houston on behalf of the banking industry. It brings together MEPs, including John Purvis, the Scottish Tory, and Chris Huhne (a Lib Dem MEP until 2005 and then an MP) and the banking industry.

According to the *Wall Street Journal*:

The group's chairwoman and several other members are EU legislators. Some of them introduced amendments to the bill that were almost identical to drafts circulated by a banking trade group whose members include several clients of Mr. Houston, Parliament records show. The process led to an unusual protest by legislators on one committee, half of whom abstained on the amended measure. Too many Parliament members introduced 'amendments which had been dictated to them by the bankers,' said Socialist legislator Vincent Peillon of France.<sup>1</sup>

It is clear that any attempt to increase transparency and openness will have to include all such activities and there will need to be significant penalties for lack of compliance. There is already lobbying disclosure legislation in Canada and in the United States (at both the federal level and in most state assemblies). In 2005/6 lobbying regulation was introduced in Poland and Hungary and announced in Western Australia.<sup>2</sup> In the United States, statutory disclosure operates

without any of the dire consequences conjured up by lobbyists whenever even minimal transparency rules are mooted. It is plain too that there is a public scepticism about the activities of lobbyists and politicians which feeds through into a desire for openness. In the 2006 US mid-term elections which swept the Republicans out of control, exit polls showed that the most popular of the 'extremely important issues affecting your vote' was 'corruption' (42 per cent of voters).<sup>3</sup>

But the lobbyists do not want any light shone in their dark corners. One tactic is to claim that lobbying regulation is too cumbersome and that compliance will be an issue. All this tells us is that their intention is to defy the law. This suggests more rather than less of a need for binding regulation with teeth. The problem with current US legislation is that it is not strict enough. The lobbyists' attempts to subvert the system have led to attempts to tighten up at the federal level. In early 2006 the then House minority leader, Nancy Pelosi, was only able to have her draft 'Honest Leadership and Open government Act of 2006' referred to various House committees. The Democratic takeover will now give the opportunity (if not the certainty) of further progress on this issue.<sup>4</sup> Meanwhile the corporations are circling the Democrats to try to ensure that they pose absolutely no risk to the interests of big business. Big pharma was early off the blocks, hiring former Democrat senator John Breaux. Others have followed suit, in a reversal of Tom DeLay's K-Street project that ensured that many lobbyists hired only Republicans. According to Ken Johnson, vice-president at the lobby group PhRMA, 'After the election we woke up to a new world ... There will be a renewed emphasis on making friends and reaching out to Democrats, especially pro-business Democrats.'<sup>5</sup>

But there is a model of regulatory penalties at the global level, accepted by most nations in the world, which is already very effective. The World Trade Organisation has an extremely effective and punitive system of ensuring compliance with its judgements, including fines and trade sanctions. Of course this is all put in place in order to enforce corporate power rather than to keep it in check. But it does indicate what can be done when required by the theorists of light touch regulation such as those represented by the lobbying industry.

The scale of the task of regulating corporate activity to ensure social and environmental justice is immense, and transnational corporations will seek to use all their political power to resist binding rules that constrain how they operate or oblige them to behave in a more

sustainable fashion. The recent lobbying campaign to undermine the United Nation's Norms on Business and Human Rights illustrates this very clearly. The UN's proposal was that corporations should, 'within their [respective] spheres of activity and influence', refrain from activities that directly or indirectly violate human rights as well as actively promoting and protecting these rights.<sup>6</sup> Those failing to meet this duty of care were to be made to pay compensation to their victims.

This was seen as a threat by many corporations, and Shell was one of those most active in derailing these proposals, acting in concert with many key business lobby groups like the International Chamber of Commerce (ICC). The ICC's 'efforts to sideline the UN Norms [were] led by Robin Aram, Shell's Vice-President of External Relations and Policy Development', reports Corporate Europe Observatory. 'Shell, meanwhile, keeps silent on the issue.'<sup>7</sup> The ICC complained:

We don't have a problem at all with efforts that seek to encourage companies to do what they can to protect human rights. We have a problem with the premise and the principle that the norms are based on. These norms clearly seek to move away from the realm of voluntary initiatives ... and we see them as conflicting with the approach taken by other parts of the UN that seek to promote voluntary initiatives.<sup>8</sup>

Companies like Shell, who are amongst the first to trumpet their corporate social responsibility (CSR) credentials, and organisations like the ICC favour voluntary approaches to regulation precisely because these allow them the freedom to make up their own rules and behave more or less as they please. The relentless promotion of voluntary measures is one of the critical lobbying successes in the past couple of decades. Those interested in reviving democracy and accountability must make campaigns for mandatory controls of corporate activity a priority. One area in which this is achievable, and which will have knock-on consequences for openness, transparency and governance, is that of lobbying itself. Lobbying regulation needs to be introduced at the UN, WTO and EU levels, but also in the United Kingdom and in other nations and in devolved parliaments or assemblies, wherever the lobbyists congregate. That would be a first step.

But transparency and openness depend on more than the existence of regulations and the resources to police them. They also require that activist groups and campaigners devote considerable time and effort to exposing spin, deception and corporate influence. This is the task

set by organisations such as PR Watch, Spinwatch, Corporate Watch (UK), Corporate Europe Observatory, LobbyControl, Lobbywatch, GM Watch, the Campaign for Press and Broadcasting Freedom, the Colombia Solidarity Campaign and others, all of which have collaborated in producing this book. Several of these organisations have also collaborated in projects using wiki software. These include Sourcewatch.org, run by the Centre for Media and Democracy (the parent of PR Watch), and Spinprofiles.org, run by Spinwatch.org (in collaboration with Lobbywatch and Corporate Watch UK). There are of course a range of other campaigns and struggles in this area, and we should mention in particular Greenpeace's Exxonsecrets.org, which exposes how ExxonMobil funds climate-change sceptics as part of their deceptive PR strategy. This website allows the dynamic creation of illustrations such as network diagrams, showing how organisations and individuals funded by Exxon link to each other.

These ventures are intended as means of popularising the truth about corporate spin and corporate power, which is part of a wider strategy to roll back corporate influence in our politics and culture. It is clear that exposure and transparency are about more than just disclosure. They are also about using information to hold corporations and governments to account.

### REGULATING DECEPTIVE PR

Exposure of corporate misdeeds is of course one aim of transparency legislation or lobbying registration schemes. Lobbying-disclosure legislation and the requirement for corporations to disclose which think tanks, front groups and institutes they fund would help improve the ability of citizens to understand and act to hold corporations to account. But another concrete result of opening such activities to public view is that those organisations which depend on secrecy, such as front groups and fake institutes, would be compromised and would have to be either abandoned or changed. This is in itself an important and essential outcome. However, ending deceptive PR requires much more than openness and disclosure regulations. The next step is outlawing deceptive PR tactics and imposing penalties on those who undertake them. The 'third-party' technique is an obvious place to start. This should be outlawed altogether. The pharmaceutical industry, for example, already has specific regulations about advertising medicines. Following a parliamentary inquiry, the pharma lobby group, the Association of British Pharmaceutical

Industry (ABPI), adopted a new code requiring drug companies 'to declare on their websites or in their annual report a list of all patient organisations to which they provide financial support'.<sup>9</sup> Clearly this is an attempt by ABPI to ward off statutory regulation, and it is no doubt the case that the industry will do all it can to promote self-regulation. It should be noted that the requirement is simply to list groups which are funded rather than disclosing the details needed for full scrutiny, which would include the sums of money involved and the reasons why the groups are funded.

### ROLLING BACK CORPORATE POWER

The use of spin and deception by corporations has reached epidemic proportions, but the problem of spin is a symptom of a wider problem, which is the rise and dominance of corporate power. We don't campaign for transparency or to expose and outlaw deception just for their own sake. At the root of this is the campaign to roll back corporate power. This can be done only by addressing corporate power directly. This is why an important part of the ALTER-EU campaign for lobbying disclosure in Brussels is the demand to end privileged corporate access to the European Commission.<sup>10</sup> The same demand applies to national parliaments and government as also to the UN, the WTO and other international bodies. Parliamentary schemes which allow corporations privileged access, such as the Industry and Parliament Trust, the Scottish Parliament Business Exchange, or the corporate funding of all-party groups and cross-party groups at sub-state, national and supranational parliaments, all need to be abolished and replaced with mechanisms for directly involving citizens in political life.<sup>11</sup> The privileged access of corporations to government also needs to cease. Secondments to and from business, the direct involvement of corporate figures on the management boards of government departments, and government and public advisory boards filled with corporate appointees are all symptoms of the corporate infiltration of politics and decision making. Similarly, privileged access for business to civil servants and ministers needs both disclosure and tight regulation.

The logic of this part of our argument might be seen as suggesting a happy stasis if corporations and their opponents were to get some kind of equal access to civil servants. An equality of access for organised interests would certainly be a lot better than the current state of corporate domination. But the presumption should not be that

business and NGOs (including trade unions) get equal access. There are two reasons for this. The first is that many corporate lobby groups are actually recognised as NGOs in international decision making and that many 'genuine' NGOs are actually corporate front groups or take corporate funding, which influences their activities. The second reason is the most fundamental. There can be no substitute for direct citizen participation in government. This can be accomplished by direct representation of popular interests and in part by democratically run and organised unions and campaigning groups. We should not make the mistake of thinking that NGOs which are not run on a democratically accountable basis can substitute for those which are. This applies even to those NGOs of which we might approve. To replace the sclerotic democratic system we now have with one that is responsive at the political level would also be a step forward. But in the end it is only by the serious introduction of political democracy to replace the current dilute arrangement, and by the addition of economic democracy, that the possibility of real and lasting change will be glimpsed. The obvious model for this – suggested by both autonomist and socialist currents in the anti-capitalist movement – is the creation of popular works councils and their equivalents in communities.<sup>12</sup>

In order to do all this – which is, let's be clear, a massive programme of democratic renewal – we would need to roll back corporate power and specifically remove corporate influence from decision making in governmental bodies and in the public services. This will not be accomplished quickly or easily, but it can be done.

### WINNING THE BATTLE OF IDEAS

Central to the process will be the battle of ideas. Ideas are not the motor of history, but they are crucial in deciding how resources should be distributed. But the battle of ideas is not something divorced from the battle over outcomes and power. It is an integral part of the same struggle. There is no abstract 'class struggle in language' as imagined by some academic theorists (which, incidentally, played their own part in the disastrous rise of New Labour).<sup>13</sup> Ideas have no independent existence from the material conditions and struggles of life. To understand the real role of the PR industry we should 'not explain practice from the idea but explain ... the formation of ideas from material practice'.<sup>14</sup>

This means seeing the importance of ideas as part of progressive struggles for change and for rolling back corporate power. The PR industry has been at the cutting edge of corporate power and it has enabled the neoliberal revolution. It has done this by virtue of thought and the production of ideas, but also, crucially, by putting ideas into practice. Thinkers, fakers, spinners and spies, the PR industry knows very well that ideas are powerful – but not in the abstract, only in the context of social struggles for power and resources.

The conclusion we draw from this is that it is necessary to take the battle of ideas to those defending the privileged position of corporations, in order to redress corporate power and open the way for thorough democratic reform.

### HOW TO GET INVOLVED

The research and campaigning work featured in this book have been the product of collaborative work by the various organisations represented in it. All of these organisations are resource poor and rely on donations and funding from trade unions and public interest charities and foundations. But they also rely on practical help from ordinary readers and citizens. To get involved with any of the projects discussed in this book, simply get in touch with the campaigns, at the websites below.

Lastly, two of the initiatives mentioned in the book are collaborative research ventures. Both Sourcewatch.org and Spinprofiles.org welcome volunteers who can contribute their time (as much or as little as you can spare) to researching and exposing corporate spin and government propaganda. If you have any time to spare and even if you feel you have no special skills, please do get in touch. It is only together that we can turn back the tide of corporate power.

Websites of organisations monitoring corporate spin and corporate power involved in this book:

Alliance for Lobbying Transparency and Ethics Regulation (ALTER-EU) <<http://www.alter-eu.org>>

Spinwatch <<http://www.spinwatch.org>>

Spinprofiles <<http://www.spinprofiles.org>>

Nuclear Spin <<http://www.nuclearspin.org>>

PR Watch <<http://www.prwatch.org>>

Sourcewatch <<http://www.sourcewatch.org>>

Corporate Europe Observatory <<http://www.corporateeurope.org>>



Corporate Watch UK <<http://www.corporatewatch.org>>  
 Colombia Solidarity Campaign <<http://www.colombiasolidarity.org.uk/>>  
 Campaign for Press and Broadcasting Freedom <<http://www.cpbf.org.uk>>  
 Lobbycontrol <<http://www.lobbycontrol.de>>  
 Lobbywatch <<http://www.lobbywatch.org>>  
 GM Watch <<http://www.gmwatch.org>>

## NOTES

1. Glenn R. Simpson, 'In Europe, Finance Lobby Sways Terror-Funding Law', *Wall Street Journal*, 24 May 2005, <<http://www.spinwatch.org/>>.
2. Judit Zegnál and Patricia Fischer, 'Room for improvement in Lobby Law', *Budapest Business Journal*, 16 October 2006, <[http://www.bbj.hu/main/news\\_17835\\_room%2Bfor%2Bimprovement%2Bin%2Blobby%2Blaw.html](http://www.bbj.hu/main/news_17835_room%2Bfor%2Bimprovement%2Bin%2Blobby%2Blaw.html)>; Łukasz Ołdakowski, 'Poland: New Lobbying Law Opens Legislative and Administrative Processes to Lobby', *Mondaq.com*, 23 June 2006, <<http://www.spinwatch.org/content/view/3019/9/>>; 'WA to set up lobbyist register', *Daily Telegraph* (Australia), 13 November 2006, <<http://www.spinwatch.org/content/view/3673/9/>>.
3. The next most important issues were terrorism (40 per cent), the economy (39 per cent) and the Iraq war (37 per cent). Source: CNN News United States General Exit Poll, 8 November 2006, conducted by Edison/Mitofsky.
4. Summary of HR 4682, Honest Leadership and Open Government Act 2006, House minority leader, Nancy Pelosi (D-Calif.), Washington, Public Citizen.
5. Stephanie Kirchgaessner, 'Big Pharma on a mission to woo incoming Democrats', *Financial Times*, 20 November 2006, p. 3.
6. Corporate Europe Observatory, 'Shell Leads International Business Campaign Against UN Human Rights Norms', CEO info brief, March 2004, <<http://www.corporateeurope.org/norms.html>>.
7. Ibid.
8. Ibid. Stefano Bertasi quoted in 'CSR Europe background note: United Nations Norms on the Responsibilities of Transnational Companies', <[http://www.csreurope.org/UNnormsbriefingsheet\\_pdf\\_media\\_public.aspx](http://www.csreurope.org/UNnormsbriefingsheet_pdf_media_public.aspx)>.
9. ABPI, 'Code of Practice for the Pharmaceutical Industry 2006', together with 'ABPI Prescriptions Medicines: Code of Practice Authority', <<http://www.abpi.org.uk/links/assoc/PMCPA/code06use.pdf>>; Sarah Boseley, 'The selling of a wonder drug', *Guardian*, 29 March 2006, <<http://society.guardian.co.uk/health/story/0,,1741858,00.html>>.
10. See <<http://www.alter-eu.org/about>>.
11. For more information on all of these organisations, see the relevant entries at <<http://www.spinprofiles.org>>.

12. See, for example, Michael Albert, 'Anti Capitalist Strategy: Opening Presentation by Michael Albert for a Debate on Anti Capitalist Strategy (with John Holloway)', *Z Net*, 26 January 2006, <<http://www.zmag.org/content/showarticle.cfm?ItemID=9602>>; Alex Callinicos, 'State of Discontent', *Socialist Review*, March 2003, <<http://www.socialistreview.org.uk/article.php?articlenumber=8349>>; Alex Callinicos, 'Socialism: Political Vision', *Z Magazine/ZNet* and *Porto Alegre 3*, *Life After Capitalism Essays*, 2003, <<http://www.zmag.org/callinicospol.htm>>.
13. 'Almost every fundamental of New Labour can be found in the pages of Marxism Today's back issues', says Decca Aitkenhead, 'These aged teenagers at Marxism Today, guiltily shuffling their feet'. *Guardian*, 23 October 1998, <<http://www.guardian.co.uk/Columnists/Column/0,,324997,00.html>>; see also Bernard McKenna and Phil Graham, 'Marxism Today Nov/Dec 1998', *Culture Machine*, <<http://culturemachine.tees.ac.uk/Reviews/rev1.htm>>; Greg Philo and David Miller, *Market Killing: What Capitalism Does and What Social Scientists Can Do About It* (London: Longman, 2001).
14. Karl Marx and Friedrich Engels, *The German Ideology*, 1846, online at <<http://www.marxists.org/archive/marx/works/1845/german-ideology/>>.