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RESPONSIBLE LOBBYING IN EUROPE

An overview of voluntary
lobbying standards and practice

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Author: John Devitt, Transparency International Ireland; Editor: Nuala Haughey
Research Assistant: Conor McCann and Camilla Mear

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INTRODUCTION

INTRODUCTION

This research identifies and analyses initiatives used by professional lobbyists to build trust among their stakeholders, to prevent abuse when engaging with policy makers and to promote responsible lobbying. These measures include:

- Professional codes of conduct and training facilitated by Public Relations and lobbying associations
- Standard setting initiatives led by organisations such as the UN Global Compact and the International Corporate Governance Network
- Reporting standards produced by the Global Reporting Initiative and others

The study also reviews available data and analysis on the implementation of these and other global initiatives to promote responsible lobbying. It does not evaluate the performance of individual programmes or the implementation of those programmes by individual firms.

It is worth noting that all of the initiatives outlined in this report have been aimed at promoting transparency among lobbyists working on behalf of the private sector. However, the recommendations that arise from

this research for promoting responsible lobbying are aimed at the non-profit sector as well as businesses and professional lobbyists.

The research also serves as the basis of a new Responsible Lobbying Guide published by Transparency International Ireland.¹ In addition, Transparency International (TI) has launched its own standards aimed at promoting ethical advocacy.²

In particular, we hope this report will help professional and corporate lobbyists understand the range of measures such as codes of conduct, standard setting initiatives, reporting standards, and training/education initiatives that have been undertaken by professional associations, business and civil society to promote responsible lobbying.

The study was conducted by desk research between September 2014 and September 2015. It is part of the Lifting the Lid on Lobbying project with participants from 19 countries and coordinated by TI Secretariat in Berlin.

Who this report is for

This research should be of particular interest to two professional categories:

- Consultant and in-house lobbyists (for both the private and non-profit sectors) can use this report as a reference for developing their own codes, responsible lobbying policy or in-house training. The accompanying Responsible Lobbying Guide should also help practitioners interpret and apply these standards in practice.
- Civil society professionals and Corporate Social Responsibility (CSR) practitioners who are interested in learning about initiatives aimed at promoting responsible lobbying standards within the private sector. The research should also help promote responsible lobbying standards within the non-profit sector.

What is Lobbying?

TI defines lobbying as ‘any direct or indirect communication with public officials, political decision-makers or representatives for the purposes of influencing public decision-making, and carried out by or on behalf of any organised group’.³ When it is practiced openly and honestly, lobbying plays an important role in informing government policy and making sure that legitimate points of view, including those of business, are heard during a public debate.

We know however, that public policy can be influenced in a number of ways that might not be strictly categorised as lobbying. For example, public decision making can be influenced through donations to political candidates and parties; through financial support

for academic research, think-tanks and NGOs; or through the ‘revolving door’ of appointments between the public and private sectors. Personal relationships between politicians, government officials and business people can also have a bearing on public policy.

It is for that reason that this study examines the measures taken to prevent a wide range of abuses that can occur when engaging with policy makers. This process is sometimes called political advocacy, interest representation, or Corporate Political Activity (CPA).⁴ Sometimes this process is simply referred to as ‘lobbying’. The word lobbying is therefore used here to represent a wider range of activities than might be captured by TI’s definition of the term.



The word lobbyist is sometimes believed to have been coined in the 1860s to describe people who petitioned US President Ulysses S. Grant in the lobby of the Willard Hotel in Washington DC. It is said that Grant was a patron of the hotel and would often sit in the hotel lobby with a cigar and brandy. However, according to the Oxford English Dictionary the term lobbyist was in use from the 17th Century.⁵

What can go wrong with lobbying?

Lobbying has an important and legitimate role to play in shaping public policy. It can ensure that views that might not otherwise be heard by policy makers are taken into account. This includes those of business, professions and civil society. At the same time, it is also well understood that this process can be abused and the incentives for abuse are particularly strong where financial interests are at stake. The role of money in lobbying is well documented and lobbying is considered to be a multi-billion euro ‘industry’. The bulk of this expenditure is from business who engage with politicians and appointed officials to influence everything from international trade agreements and economic policy to public contracts and regulatory enforcement. The financial stakes for business are enormous but the stakes for the public interest can be equally significant.

In-house as well as consultant lobbyists are often tasked with representing the interests of their employers or clients without considering the consequences for the environment and the health and safety of the public. Extraction and automobile companies have lobbied against regulatory controls and tax incentives to tackle climate change. Tobacco companies campaign against plain packaging on cigarettes and advertising bans that would reduce demand for their dangerous products. Food and drink manufacturers lobby against regulations that would lower harmful levels of salt and sugar for children. Interest groups often ignore or seek to cast doubt on irrefutable scientific evidence that undermines their positions – such as the link between fossil fuels and climate change or cigarettes and cancer. Companies sometimes hide behind trade or industry groups to make statements on public policy that are at odds with the companies’ own public announcements.⁶ Some firms might also fund ‘front-groups’ with laudable titles such as the ‘Citizens’ Alliance for Responsible Energy’⁷ or ‘Retailers against Smuggling’⁸ which lobby on their behalf.

Such tactics are often combined with the funding of political candidates and parties in the hope or expectation that they will prioritise their funders’ interests. A lobbyist or business might offer policy makers and regulators a job at a firm affected by their decisions. The prospect of well-paid work at a company can often influence a public official’s decisions that affect his or her future employer. According to former Washington lobbyist Jack Abramoff, ‘there was no greater control that people could have over Congressional offices than to have the head of that office know that they were going to come in a few months to come work for a lobbying firm. From that minute on, those people were focussed on that lobbying firm and their clients’.⁹

Lobbying has sometimes become associated with bribery or influence-peddling. In 2006, Jack Abramoff was convicted of bribery, fraud and money laundering while acting as a lobbyist for gambling interests in the US. Similarly, the former Irish lobbyist and government press secretary Frank Dunlop was jailed in 2009 for bribing local politicians to increase the value of land in Dublin. In 2010, the Duchess of York was caught agreeing to sell access to her former husband, Prince Andrew to a fictitious businessman in a newspaper sting operation. The duchess was quoted as saying ‘If you want to meet him [Prince Andrew] in your business, look after me and he’ll look after you...I can open any door you want’.¹⁰

The impact of malpractice can be seen in a decline of trust in business and government, a belief that the cards are stacked in the favour of whomever can afford to pay the most, that laws and policies are designed to suit those who pay the most. This is reflected in successive findings by Edelman as trust in government has declined over the past five years, while the public demand more regulation of business.¹¹ Malpractice in lobbying is also a human rights issue. Citizens are denied their human rights to information on public policy and their right to fully participate in the government of their choice.¹² Abuses also have a direct impact on society and the environment. It diverts scarce public resources to those who need it least, denying those that need it most adequate public services and the opportunity to lead a fulfilling life. Illicit lobbying and the financing of political candidates by the fossil fuel industry has prevented timely action on climate change and will have catastrophic consequences for the planet.

Governments have sought, with varying degrees of success, to address such abuses and to open the policy making process to greater public scrutiny. Lobbying regulations and tighter controls on electoral funding have recently been introduced in a number of countries including Ireland, Slovenia and Austria. 41% of OECD countries (and some international bodies such as the European Commission) now have regulation in place aimed at making lobbying more transparent.¹³ However, where such measures have been introduced, they have often been undermined by an ability to find loop-holes in the law and partial or low rates of compliance.¹⁴ When this is coupled with a perennial lack of resources for regulatory agencies, it would seem that regulation needs to be complemented by an alternative approach.



SUMMARY AND RECOMMENDATIONS

SUMMARY AND RECOMMENDATIONS

No regulation can stop abuses on its own. Even where laws are well designed and sufficient resources are available to enforce them, laws will be bent or broken. It follows therefore, that lobbying regulation must always be complemented by voluntary efforts to promote responsible lobbying. This overview should help lobbyists to understand what that means.

It is also important to understand the legal and cultural context in which responsible lobbying is practiced. Available research shows that meaningful efforts to promote responsible lobbying depend on a number of external drivers. These drivers include statutory regulation, as well as stakeholder dialogue arising from shareholder activism or civil society and media monitoring of lobbying.¹⁵ Research also shows where efforts to promote responsible lobbying by business (such as training and industry reporting) is sustained and perceived as credible, there is already external regulation in place.¹⁶ This is usually combined with sustained civil society or media pressure to ensure standards are upheld. However, this is not to suggest that lobbyists and business should wait for statutory regulation before taking action.

Indeed, efforts to promote responsible lobbying have sometimes served as a driver for external regulation. Professional organisations such as the Public Relations Institute of Ireland (PRII), the UK's Certified Institute of Public Relations (CIPR) and the Austrian Österreichische Public Affairs Vereinigung (ÖPAV) had called for statutory regulation of the lobbying profession for some time before such regulation was adopted. There is a growing recognition within the profession and business community that only the state has the capacity and resources to root out more serious abuses and to ensure that communications between lobbyists and public officials are open to public scrutiny. Professional associations also appreciate that they cannot police a group of people that do not consider themselves to be members of the lobbying profession. This group of people include lawyers, civil society activists, business executives, and entrepreneurs – all of whom are sometimes engaged in lobbying to a greater or lesser degree.

Despite these limitations, this report also highlights some promising practice among a number of associations such as the PRII, the Dutch Association of Professional Lobbyists / De Beroepsvereniging voor Public Affairs (BVPA) and the Association of Professional Political Consultants (APPC) in the UK. Professional organisations have been at the forefront of setting standards and promoting ethical conduct

among their members. They all have mandatory codes of conduct, undertake training for their members on professional standards, and have relatively clear disciplinary procedures. Nevertheless, the efforts of the same associations have met with mixed results. All of the codes contain some loopholes that allow potential abuses and conflicts of interest to go unchecked. There are very few documented cases of disciplinary action against members of professional associations arising from allegations of misconduct. Meanwhile, the education of members on responsible lobbying does not appear to be conducted as regularly as it should.¹⁷ Similarly, there appears to be an over-reliance on promoting compliance with regulations at the expense of promoting a culture of transparency and a deeper understanding of why responsible lobbying matters.

Business and civil society have also made some progress in promoting responsible lobbying within companies and organisations. As the number of countries introducing statutory regulation has increased, so too have the number of companies that have established codes of conduct around lobbying and those that have reported on their political activities. Civil society organisations such as AccountAbility, the World Wildlife Fund and SustainAbility, as well as international initiatives including the United Nations Global Compact have been particularly active in promoting this issue. Since 2000 such organisations have been highlighting good and bad lobbying practice among business, as well as developing standards and guidance on responsible lobbying standards. The Global Reporting Initiative (GRI) and the International Standards Organisation (ISO) have developed tools to help organisations report on their responsible lobbying commitments.

Notwithstanding the notable progress made over the past fifteen years, there is still a long way to go before responsible lobbying is placed firmly on the business agenda. The studies produced by SustainAbility, the UN Global Compact and more recently by the French non-financial ratings agency, Vigeo, and the Dutch research centre, SOMO, highlight the failure of most businesses in Europe to either adopt responsible lobbying standards or to report on their lobbying activities.

The performance of European companies in particular should be a cause for concern. 54% of European businesses do not report in any way on their lobbying activities, while there is no visible effort among any of the 745 international companies surveyed by Vigeo to ensure the alignment of policy positions with their own CSR strategy.¹⁸ Numerous examples of inconsistency

between companies’ public statements on important issues and their support for trade bodies that hold conflicting positions are highlighted by others. Only one European company out of a sample of 424 had voluntarily published a breakdown of their lobbying budget/s.¹⁹ There also appears to be little board oversight of corporate lobbying activities while only a handful of companies allow for external auditing of their lobbying practices. Very few businesses provide for, or require that their staff undertake training on responsible lobbying standards. Just as disappointing is the claim by SOMO that some companies are exaggerating their compliance with GRI reporting standards on lobbying and public policy.²⁰

Nonetheless, there is enough good practice among the business community to inspire others to follow their lead. Some companies such as Microsoft have dedicated web pages sharing information on their responsible political engagement principles, their lobbying expenditures and contributions to third parties. Co-operative Financial Services (CFS) include their positions taken on public policy as well as their lobbying activities in their annual sustainability report. Vigeo has also highlighted the efforts of some pharmaceutical and energy companies in aligning their lobbying interests with their overall CSR strategies. BP, IBM, and ColgatePalmolive are among a growing number of companies that do not make financial contributions to political parties and candidates. A small number of companies including BP and CFS have also demonstrated consistency between their public statements and actions by openly breaking ranks with some in the business community who have undermined measures to tackle climate change.

Examples of good practice demonstrate that business and the professions have nothing to fear from adopting responsible lobbying standards. The standards and principles that feature in the body of guidance reviewed here should also help inform future responsible lobbying activities.

While TI has identified three principles (Transparency, Equality of Access and Integrity) that provide the framework for effective lobbying regulations and laws,²¹ we identify an additional five principles for responsible lobbying by organisations and lobbying professionals. These principles are Legitimacy, Transparency, Consistency, Accountability, and Opportunity. These principles can be observed in most of the publicly available guidance and they inform our recommendations here, in addition to the guide that accompanies this report. The five principles imply that lobbyists and the organisations they represent will:

1. Only advocate measures that are evidence-based and never use gifts, entertainment, donations or payments to influence policy makers.
2. Be open and truthful in their communications with stakeholders.
3. Align their lobbying activities with their CSR policies and act in accordance with those policies.
4. Familiarise and train their representatives on their standards, put systems in place to hold their representatives to account for transgressions and publicly report on implementation.
5. Seek to identify opportunities to work with others on issues that are in the public interest.

No organisation can boast of having implemented these five principles in their lobbying policies or having a fully integrated responsible lobbying programme in place. But we hope the principles and the findings from our research should contribute to a framework for future dialogue and action on responsible lobbying. The following ten recommendations are informed by those same principles together with the key findings from this research.

Recommendations

1. Professional associations and business should work in coalition with civil society to see that effective statutory regulation is introduced. Such regulation should be aimed at preventing criminal conduct (including influence peddling) and promoting transparency in public policy formulation.²²
2. Professional lobbying, Public Relations and Public Affairs associations should consider how they can promote many of the principles and standards outlined in corporate guidance produced by the UN Global Compact and others. PR and lobbying firms should also publicly report on their compliance with these standards using tools developed by the GRI, ISO and/or TI chapters. More consultant lobbyists should consider how they can also support their clients in implementing an appropriate responsible lobbying framework and reporting against it.
3. Businesses should learn from initiatives led by PR associations. Online training, such as that undertaken by CIPR members could be replicated by firms to ensure their own representatives understand their responsibilities when engaging with public officials. They should also observe cooling off periods for former public officials and be discouraged from paying or appointing serving politicians on their governing bodies. Company representatives should have the assurance provided by conscience clauses inserted into their employment or service contracts (such as those adopted by professional consultants). Companies might also consider making adoption of a PR association code mandatory by their representatives and referencing them in contracts for in-house staff and suppliers.
4. The legal profession must also play its part in promoting responsible lobbying. It must recognise that legal professional privilege is absolute but cannot be extended to lobbying. Moreover, lobbying should not be misrepresented as legal advice or litigation. Law firms should also embrace the principles of responsible lobbying and consider how they can adopt the standards.
5. These principles and standards should be adopted by non-governmental organisations (NGOs) and charities in engaging with policy makers. NGOs should also seize the opportunity to promote

deliberation among business, civil society and professions (including lawyers) on responsible lobbying. This process can also help NGOs pursue their public-interest missions (such as the protection of the environment or promotion of human rights) in collaboration with the private sector.

6. Governments have a role in setting standards, drafting guidance and promoting good practice among the many stakeholders that engage it. They also have a responsibility to ensure that the legal incentives are in place to prevent and detect wrongdoing, to prevent wrongdoing by public officials, and to promote equality of access to decision makers.
7. All sectors: business, the professions, civil society and government should take collective action and work in coalition to promote ethical and transparent lobbying. ‘Responsible Lobbying Pacts’ might be developed and implemented that commit lobbyists from all sectors to a set of ethical standards and allow for reporting/monitoring of lobbyists’ activities to allow their stakeholders judge the quality of their implementation.
8. Agencies such as the Global Reporting Initiative and International Standards Organisation should consider reviewing the scope of their reporting requirements to assess whether they support the principles and meet standards set out in guidance published elsewhere. The GRI should also place lobbying and public policy as core implementation standards in any revision of its G4 guidance. Reporting standards should also cross-reference existing guidance.
9. Organisations that engage in lobbying should subject themselves to third party audit of their lobbying policies, systems and activities where resources allow. The findings of these reports should be made available on their websites.
10. Dialogue on responsible lobbying should be mainstreamed into existing CSR programmes and academic discourse. This is particularly important for business education and executive education where teaching resources and academic curricula appear not to have taken account of the growing interest in the ethics of business and its interaction with government. Moreover, CSR professionals, academics and practitioners should be encouraged to ask why responsible lobbying matters.



PROFESSIONAL LOBBYING STANDARDS

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Despite an apparent public distrust of lobbyists and public relations (PR) practitioners, the lobbying and PR industry has been the most proactive in setting standards that help govern the activities of their members and their interaction with government

decision makers. Professional bodies representing PR and lobbying professionals have developed codes and promoted ethical standards among their members for the past 50 years. The following section presents an overview of those codes and standards.

Public Relations Codes

Lobbying codes of conduct have evolved from codes drafted and adopted by national and transnational public relations associations since the 1960s. Where national codes have been adopted, they have been heavily influenced by the transnational texts or 'grand codes' as they are known. Many PR firms offer corporate communications services and will often be called on to communicate with public representatives or officials during the course of a contract. Other firms offer discreet 'public affairs' services and recruit retired officials or politicians to lobby or provide research services on their behalf. Given the significant overlap between corporate public relations and public affairs and the large number of public affairs practitioners who are also members of PR professional associations, it should be no surprise that the PR profession have often led the way in defining and promoting ethical conduct within the industry. While the grand codes

have been drafted as standards for the PR profession, they have been used and are still used to guide the behaviour of thousands of public affairs professionals around the world.

All of the codes provide a list of duties the most common of which are:

1. The duty to maintain client confidence.
2. A requirement to be clear on who one is representing when engaging with publics.
3. Avoiding conflicts of interest.
4. A prohibition on disseminating of false or misleading information.

The Grand Codes

The first of the grand codes was the **Code of Venice** which was adopted in May 1961 by the International Public Relations Association (IPRA). It was aimed at the establishment of 'accepted standards of professional ethics and behaviour in the field of public relations'. The Code established appropriate conduct towards four 'publics': employers, clients, colleagues and the public and media. This code has served as the basis for subsequent codes published by the IPRA. In 2009 it was amended and now includes a clear prohibition on creating 'any organisation to serve an announced cause but which actually serves an undisclosed interest nor make use of any such existing organisation'.²³ None of the other so-called grand codes or European codes makes a similar demand other than to be clear on who one is representing when communicating with stakeholders.

The second of the international grand codes was the **Code of Athens** which was adopted in 1965 and subsequently modified in 1968.²⁴ The Athens Code cites the Universal Declaration of Human Rights (UDHR) in stressing the importance of respecting

'fundamental human rights, in the dignity and worth of the human person'.²⁵

The 'European Code of Professional Conduct in Public Relations', otherwise known as the **Code of Lisbon** was adopted in 1978 by the general assembly of the European Public Relations Confederation (CERP).²⁶ Like the Code of Athens, this code cites the UDHR, however, the Code of Lisbon pays particular attention to the importance of UDHR Article 19 rights – namely, the right to free expression, the importance of a free press and the right to receive information. It identifies the professional duty to clients, public and the profession and goes on to emphasise the duty to act in accordance with the public interest.

Other representative organisations such as the International Communications Consultants Organisation (ICCO) have published their own codes which are inspired by Venice, Athens and Lisbon. The ICCO's **Stockholm Charter** is aimed at public relations consultancies and was adopted by its

members in 2003. The code replaced the earlier Rome Charter, originally adopted by ICCO in 1986. The charter consists of eight clauses. These largely focus on ethical obligations towards clients regarding conflicts of interest, objectivity, confidentiality, and delivery of promises. The Stockholm Charter also stresses the importance of ‘an open society, freedom of speech and a free press create the context for the profession of public relations’. And advises that ‘consultancies [should] operate within the scope of this open society, comply with its rules, and work with clients that have the same approach’.²⁷

Regional Codes

The aspiration to work towards more open, democratic societies is also reflected in two of the regional codes adopted by the **Society of European Affairs Professionals (SEAP)** and the **European Public Affairs Consultancies Association (EPACA)**. Both SEAP and EPACA, which represent individual practitioners and consultancies respectively have been promoting self-regulation since the 1990s.

The regional association codes could be best described as ‘principle-based’ with little detail on how a professional should behave in a given situation. There are few explicit rules governing behaviour. Instead, association members are expected to ‘act with honesty and integrity at all times, conducting their business in a fair and professional manner’²⁹ or be honest, responsible and courteous manner at all times’.³⁰ The SEAP Code of Conduct contains twenty clauses while the EPACA Code of Conduct outlines twelve points of ‘best practices’ that are aimed at guiding the honest public affairs professional.

National Association Codes

Among the nineteen EU countries whose lobbying standards were assessed by Transparency International chapters in 2015, fifteen states have PR/PA associations that have adopted codes of conduct guiding the behaviour of communications professionals at a national level.³⁷ Of these, the British, Dutch and Irish codes are among the most established in Europe. The Association of Professional Political Consultants (APPC), founded in 1994 is the most prominent specialist body representing lobbyists and lobbying

The **Code of Brussels** was adopted by the IPRA in 2006 and added new, more specific requirements on public relations professionals with a clear emphasis on public policy communication.²⁸ These included a requirement not to obtain information from public authorities by deceptive or dishonest means; the duty to neither ‘propose nor undertake any action which would constitute an improper influence on public authorities’; the responsibility to neither ‘directly nor indirectly offer nor give any financial or other inducement to members of public authorities or public representatives; a prohibition on selling or profiting from copies of documents obtained from public authorities; and a requirement to follow the rules and confidentiality requirements of those authorities.

Both the SEAP and EPACA codes borrow from the Grand Codes in demanding that subscribers be a) open about who they represent; b) that they maintain client confidentiality³¹; c) avoid misrepresentation of their clients’ relationships, positions, inquiries, or relationships with the EU; and d) take reasonable steps to check the accuracy of information.³²

In addition, SEAP and EPACA members are also expected to avoid acquiring information by dishonest means, and are prohibited from selling public information to third parties for profit.³³ Both codes require their members to avoid conflicts of interest³⁴, and avoid improper influence over public officials.³⁵ However, there is little detail on how improper influence should be avoided. Likewise and although SEAP and EPACA state that their members should not give any financial inducement to EU officials³⁶, there are no provisions on gifts, hospitality or entertainment.

firms in the UK.³⁸ The Dutch Professional Association of Public Affairs (BVPA)³⁹ is also a specialist body and was established in 2002. The Public Relations Institute of Ireland (PRII), established in 1954 is the only representative body for both public relations and public affairs in Ireland. Its members are required to abide by the Codes of Athens and Lisbon and any member engaged in public affairs must comply with the PRII Code of Practice for Public Affairs and Lobbying.⁴⁰

Comparing Standards

The national association codes, as is the case with SEAP and EPACA, promote openness and honesty, respect for the confidence of their clients and require their members to reveal their identity, interests, and client representation. This section describes and

compares some of the regional and national codes based on four themes identified therein: Appointments and Remuneration, Gifts and Hospitality, Conflicts of Interest, and Conscience Clauses.

Appointments and Remuneration

All of the codes reviewed here require members to be open and honest when dealing with government officials but only the APPC and PRII have provisions governing financial relationships between their members or members of parliament or government. APPC members must also not be a member of parliament, an MEP, sitting Peer or any member of the Scottish Parliament or the National Assembly of Wales or the Northern Ireland Assembly or the Greater London Authority (GLA).⁴¹ That said, there is no clear prohibition on employing an appointed official. The APPC also allows local authority members (other than those serving on the GLA) to serve as paid lobbyists so long as they do not lobby the local authority of which they are a member. The SEAP and EPACA codes state that members should only employ EU personnel subject to the rules and confidentiality requirements of the EU institutions.⁴²

The PRII code goes further by prohibiting payments and employment to all paid public servants, a full-time government advisor, as well as members of any parliament outside Ireland including MEPs.⁴³ It also prohibits the award of public affairs consultancy services by members of local authorities or appointees to state or semi-state bodies ‘to third parties in respect of the business or related activities of that authority’.⁴⁴ However, the fact that the PRII allows for a paid lobbyist to also be a member of a local authority (who is a member of a legislative body) appears to contradict its prohibition on members of the PRII offering public affairs consultancy services while also serving as legislators.⁴⁵ In contrast to the British and Irish codes, the BVPA explicitly allows for members of public authorities to be members of the association and has no clear prohibition on payments to or appointments of public officials.



Gifts and Hospitality

The APPC is unambiguous in stating that that no member can make ‘any award or payment in money or in kind (including equity in a member organisation) to a public representative or to a connected person. The APPC applies both an objective and subjective test and states that ‘Save for entertainment and token business mementoes, political practitioners must not offer or give, or cause a client to offer or give, any financial or other incentive to any member or representative of an institution of government, whether elected, appointed or co-opted, that could be construed in any way as a bribe or solicitation of favour’.⁴⁶ This text was identical to the PRCA code until

2013, when article 7 of the PRCA code was amended to demand compliance with the UK Bribery Act 2010. The PRII code offers little guidance on the use of gifts, hospitality or entertainment to its members and only obliges members to ‘neither offer or give, nor cause a client/employer to offer or give, any inducement or reward, direct or indirect, to any public official or person acting on their account’.⁴⁷ The test here is subjective and one that could only ultimately be tested in the courts – a PRII member could make a payment to a public official but claim that it was not intended to serve as an inducement. The BVPA, SEAP and EPACA offer no guidance at all on gifts or entertainment.

Conflicts of Interests

Although the PRII and BVPA codes are weak in terms of governing members’ financial relationships with officials, they are probably the clearest in terms of setting out the duty of their members to declare conflicts of interest. Members are obliged to inform a client of any potential conflicts of interest and must cease to act for a client where the conflict cannot be resolved. The member can continue to serve a client where the client gives explicit consent and where the

member is able to act for both clients equally. APPC members meanwhile are expected to disclose their clients’ identities on their respective registers but there is no proactive requirement for them to inform a client of any conflict. In contrast to SEAP and EPACA however, both the APPC and PRII in particular provide more detail on how their members should act with integrity and avoid conflicts of interest.

Conscience Clauses

The APPC and PRII codes all contain ‘conscience clauses’ and require their members to inform a client where they are undertaking something ‘illegal, unethical or contrary to professional practice’ and may refuse to act on behalf of the client where the members’ advice is not followed.⁴⁸ The UK Public Relations Consultants Association (PRCA) Professional Charter goes further by stating that a ‘member that knowingly causes or permits a colleague to act in a manner inconsistent with this code is party to such action and shall themselves be deemed to be in breach of it’.⁴⁹ No such clause exists for members of the BVPA, SEAP or EPACA.

It is worth noting that the PRCA and APPC codes explicitly require members to ‘strictly separate from their activities as political consultants any personal activity or involvement on behalf of a political party’. The APPC adds that their members’ activities as political consultants should also be separated from any work conducted on behalf of political candidates and office holders. There is no such requirement on members of EPACA, SEAP, the PRII or the BVPA.⁵⁰

Implementing Self-Regulatory Codes

In analysing the implementation of the codes by professional bodies, we look at three key areas aimed at preventing abuses or conflicts of interest and efforts to promote transparency, accountability and

trust. These key areas are Education/Promotion,⁵¹ Complaints and Enforcement,⁵² and Transparency, Auditing and Reporting.⁵³

Education/Promotion

All of the professional associations reviewed here require their members to comply with or have an understanding of their respective codes on lobbying.⁵⁴ Nonetheless, the degree to which they promote their codes with stakeholders varies significantly. Many of the associations (PRII, APPC) only provide links to their respective codes on the About Us sections of their websites. Not all of the associations feature their codes on the home page of their websites. The homepage of the BVPA’s website for instance provides a link to a short discussion titled Openness and Transparency (Openheid en transparantie).⁵⁵ EPACA also provide a prominent link to their code of conduct on the homepage of their website and make it easy to navigate through their codes and disciplinary procedures.

A great deal of emphasis seems to be placed by lobbying associations on education and training on their respective codes. SEAP for example provides for a mandatory 90 minutes seminar for its members on their code. Meanwhile, national associations such as the PRII have been praised by the OECD for the quality of their education and training.⁵⁶

That said, not all of the associations test whether their members have the level of understanding or ‘ethical competence’ to meet the standards expected of them and ethics training is not a requirement in most cases. Only SEAP, the BVPA the UK Chartered Institute of

Public Relations (CIPR) require that their members undertake training as part of their membership. SEAP and CIPR members are obliged to complete on-line training modules on the content of their respective codes. The module examines the practical application of the code as well as the procedures in case of transgressions or complaints. At the end of the module, each participant receives a certificate of membership.⁵⁷ The BVPA require that members undertake ethics training every two years.⁵⁸ Although ethics training is not a requirement of PRII membership, the PRII’s Diploma in Public Relations devotes time to delivering a module on ethics. However, it is not a required question in its examination. A new PRII certificate in public affairs is being offered in 2015 but it offers no module on ethics.⁵⁹

Additional guidance is offered to SEAP members with an FAQ section outlining eighteen questions on the implementation of the Code.⁶⁰ Questions include: ‘Is it acceptable to make a small payment to public-officials to encourage them to take part in research? And ‘Why do lobbyists need a code of conduct?’⁶¹ The APPC also provides a set of six FAQs for practitioners to help deal with ethical dilemmas.⁶² However, in both cases, neither the SEAP nor the APPC FAQ sections could be described as comprehensive or serve as adequate guidance on their respective codes.

Promising Practice – The UK Chartered Institute of Public Relations

Generally speaking, ethics training programmes are offered periodically or to students of the memberships’ training courses. One of the few noteworthy ethics training programmes offered by any of the public relations associations is that of the UK Chartered Institute of Public Relations (CIPR). Members must complete and pass an online training course through which they can gain Continuous Professional Development (CPD) hours – a certain number of CPD credits are required for membership of the CIPR. The e-learning module on ethics begins with an introductory e-lesson which is followed by an assessment module.

The introductory e-lesson begins with a discussion on the principles underpinning the CIPR Code of Conduct. The four key CIPR values – integrity, competence, transparency and confidentiality are explained in more detail with a fictional case study aimed at illustrating what is meant by the four key values. While the CIPR Code of Conduct is principles-based, CIPR members are expected to display ethical competence and to use the code in their ‘everyday life’: the module asserts that ‘being a professional is not a nine-to-five activity’.⁶³ The introduction also stresses the importance of understanding the code and ‘balancing interests and outcomes’ as well as navigating uncertain situations. Finally, the module highlights the need to be able to explain why a demand or activity is unethical and to deal with each case in a ‘calm and mature’ manner.⁶⁴

Further fictional case studies are then used for examination with six scenarios. A number of ethical options is presented in the context of each scenario and the examinee is expected to choose the right one in the circumstances. Once answers have been submitted, a short explanation is offered on why the answer is considered right or wrong.

Complaints and Enforcement

While compliance with association codes is mandatory for members of all of the seven professional associations reviewed here, only the APPC requires its member consultancies to extend their code’s provisions to contractors and insert into staff contracts.⁶⁵

Promising Practice – The APPC Compliance Procedure

In 2014, the APPC required all members of the association to complete an annual compliance procedure. Member consultancies are now expected:

- 1. To provide the APPC a signed copy of the Code of Conduct (to indicate continuing endorsement)
- 2. Make a statement on the member’s compliance procedures
- 3. State the name of the member’s compliance officer
- 4. Complete a compliance checklist

The compliance checklist asks members to confirm that:

- The APPC Code forms part of the member’s contracts of employment
- The APPC Code forms part of the member’s contracts with all freelance consultants
- The APPC Code is included in the member’s staff handbook or equivalent
- All advice, proposals and presentations to clients and to the institutions of government are authorised at an appropriate level proportionate to their nature
- All clients have been notified that the member is bound by the Code, a copy of which can be sent on request
- The APPC Register containing staff details and a list of clients entries have been accurately completed and filed at the end of each quarter by the time set by the Management Committee
- To confirm that none of their consultants holds a Parliamentary pass⁶⁶

www.appc.org.uk/code-of-conduct/appc-code-compliance

All of the associations allow any person to make a complaint about or report an apparent violation of their code. However, few of the associations reviewed here have a prominent report or complaints section on their websites. Nor do they invite stakeholders to report breaches or to seek advice on reporting non-compliance. The PRII does not offer any information on how one can make a complaint. It might be no surprise therefore to find that it has never received any complaints about a member’s conduct during its sixty year history. Some associations, such as the PRCA have placed details on their reporting and disciplinary procedures in the text of their code. The CIPR in contrast appears to have the clearest mechanism by which stakeholders can make a complaint.⁶⁷

It should also be noted that none of the associations reviewed appear to promote whistleblowing among their member organisations and none publicise any protected disclosure policy for their own board/ committee members, staff or contractors.

The level of detail on disciplinary mechanisms provided by associations varies significantly. The PRII states that breaches of its code ‘shall be treated as breaches of the Disciplinary Code of the Public Relations Institute of Ireland and shall be subject to such procedures and sanctions as provided for in the Disciplinary Code’. However, the association does not make its Disciplinary Code available on its website and offers the least amount of information on its procedures of any of the associations here.⁶⁸

EPACA’s disciplinary procedures are perhaps the easiest to follow of those reviewed here, while correspondence between complainants and decisions of its disciplinary bodies are posted on its website. The association has established a Professional Practices Panel consisting of individuals from outside the profession but ‘appointed on the basis of their experience of EU institutions and affairs’. It invites former Members of the European Parliament,

former Commission officials, academics, or members of Brussels think-tanks, NGOs or business. It is not clear whether individuals from outside EPACA’s membership can present themselves for membership of the panel.⁶⁹ In the event of a complaint, EPACA’s Management Committee can appoint ‘a disciplinary panel consisting of three persons, drawn as necessary from the Professional Practices Panel’.⁷⁰ It appears that only one meeting of the panel has been convened since it was established and only one complaint has been partially upheld.⁷¹

Similarly, the BVPA appoints an independent chair of its Complaints Committee that receives complaints from members or third parties. The Committee then investigates, adjudicates and advises the BVPA Board which can impose a reprimand, suspension or expulsion. Only one disciplinary case is believed to have led to a sanction.⁷² The APPC also provides for an Independent Adjudicator that is asked to investigate each complaint with support from an Expert Advisor who ‘will not usually be a member of the Management Committee but shall, in any case, have an understanding of the industry’ and advise the Management Committee on its merits.⁷³

SEAP on the other hand, advises that complaints should be made to the President of the association who consults with a code of conduct committee. Anyone can make a complaint confidentially but it must be done so in writing. Once an investigation has taken place, a decision to discipline a member requires a 75 per cent majority of code of conduct committee members (as is the case with EPACA’s disciplinary procedure). As with the other associations, a range of sanctions are available to members including a private written warning, public written warning, three month suspension, expulsion and publication. According to the OECD, no complaints against a member of SEAP have ever been filed however there has been ‘at least one ethics transgression by a member informally negotiated to resolution within SEAP’.⁷⁴

Transparency, Auditing and Reporting

In an attempt to prepare for or pre-empt the introduction of external regulation, the majority of associations, with the exception of the PRll, now publish the names of their members in a members’ register. The APPC and CIPR maintain a combined register on the UK Public Affairs Council (UKPAC) website. The register provides details of consultants, staff and clients.^{75*} However, it provides no detail on the issues that lobbyists are working on or that their clients have retained them for. The register is also only searchable by consultancy or client name. It should be noted that the APPC also maintains its own member register containing the same information as well as lists of consultants’ pro-bono clients.⁷⁶ The BVPA, EPACA and SEAP also maintain registers but only provide a list of consultant/consultancy names in alphabetical order on their respective websites.⁷⁷

None of the associations encourage third party monitoring or certification of their members’ compliance with their codes of conduct nor do they

encourage their members to report on compliance to external stakeholders. This is reflected in the apparent lack of any discussion on alignment between consultancy or client Corporate Social Responsibility policies and the pursuit of specific policy outcomes (see Corporate Initiatives in Practice, page 32 to 37).

There appears to be very little collective action or proactive engagement between associations and non-profit organisations or beyond the public relations/ public affairs professions aimed at raising ethical standards of lobbying. Although many associations engage with primary stakeholders including parliamentarians and public officials in discussing regulation, there has been little or no discussion across professional sectors on ethical lobbying or political activity. Nevertheless, discussions are beginning and conferences have been hosted by think tanks, professional associations and Transparency International chapters over the past twelve months.⁷⁸

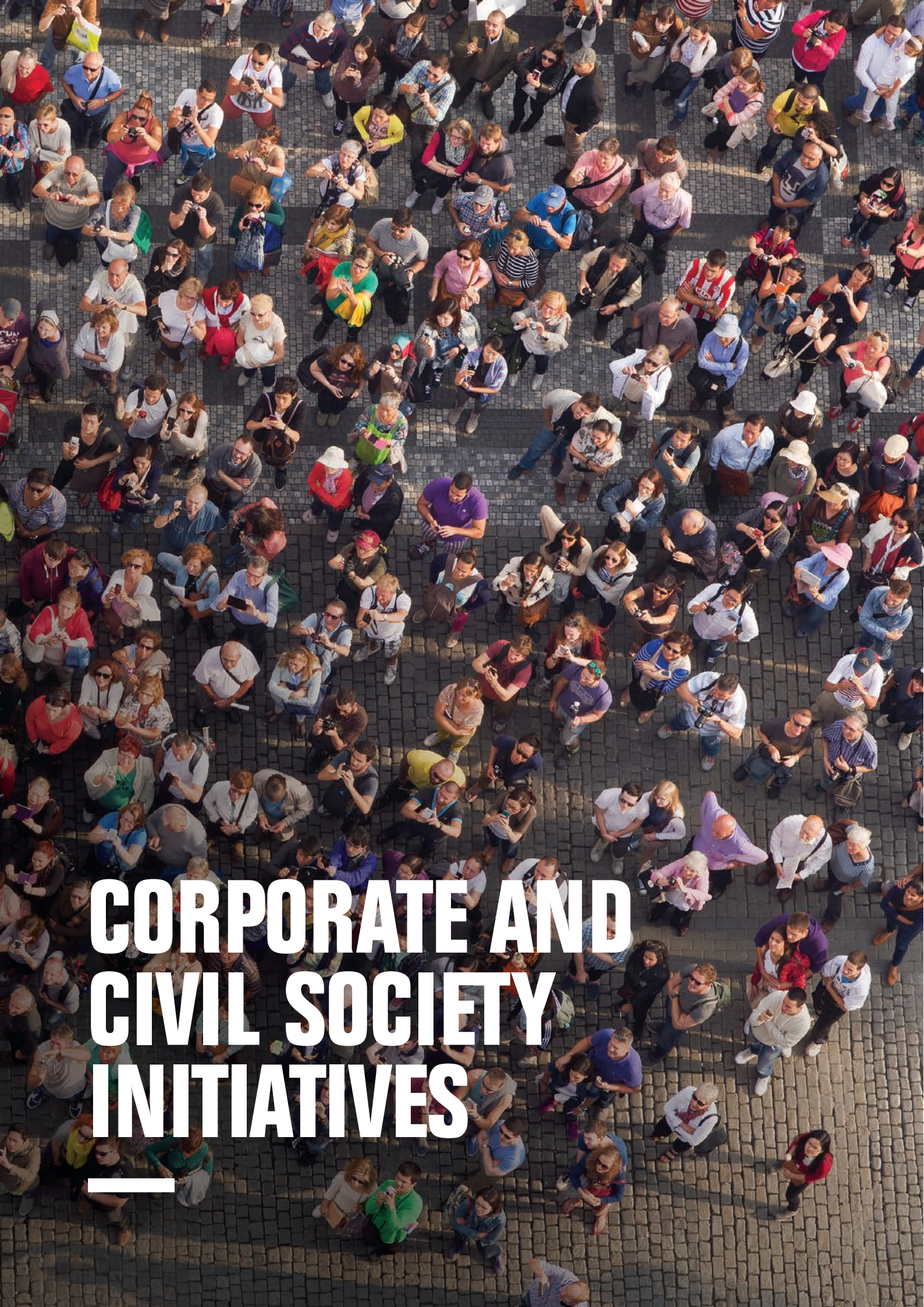
Leading by Example

PR and public affairs associations have set higher ethical lobbying standards for their members than many of their professional peers. Particularly noteworthy are the APPC compliance procedure and the ‘conscience clauses’ contained in the APPC, PRCA and PRll codes that encourage lobbyists not to undertake illegal or unethical activity on behalf of clients. EPACA has raised standards of openness by posting complaints and its disciplinary decisions online; while the APPC and CIPR’s combined register of members and clients could be replicated by other associations – even where statutory registers are in place. The CIPR’s online training and guidance modules should also serve to encourage other associations to develop similar resources for their members. The introduction of mandatory training – as is the case with the BVPA, SEAP and CIPR – would be a welcome initiative.

No organisation is getting everything right but there is plenty to be learned – even from the handful of associations featured in this report. However, while all of the associations reviewed here have codes in place,

few have produced clear guidance on the codes. In general, the codes contain few clear steps for lobbyists to take and professionals are expected to interpret and adhere to the codes’ provisions with little external or peer support. Associations also have a responsibility to promote professional deliberation and reflection among their members. Training and education should therefore challenge participants to ask why compliance with the codes is important and to reflect on the consequences of abuses for society and the environment. Nevertheless, compliance with the codes should not be seen as an end in itself. Much greater emphasis needs to be placed on the role of transparency in lobbying and the ‘proof of the pudding’ will be in how lobbyists themselves behave and what leadership they show on this issue. International PR firms such as Edelman have subscribed to the UN Global Compact and the Global Reporting Initiative and assist some of their clients in adhering to those standards. Other PR firms might be encouraged to follow suit.





CORPORATE AND CIVIL SOCIETY INITIATIVES

CORPORATE AND CIVIL SOCIETY INITIATIVES

Despite the best efforts of some professional associations to promote responsible lobbying, the topic appears to have barely registered on the Corporate Social Responsibility (CSR) agenda. Business ethics literature also rarely touches on the rights and wrongs of lobbying and business-government relations. Some academics have argued against discussing business's political responsibilities and suggested that business ethics should 'avoid questions better answered by political philosophy'.⁷⁹ In contrast, other academics suggest that business has a lot to gain through its interaction with government. In the CSR textbook, 'Making Sustainability Work', Marc Epstein advises companies to build relationships with regulators and forge 'strong personal relationships' with political leaders. The goal he adds is to 'create a collaborative environment to align public policy goals with those of the business' and to 'stay ahead of regulatory control'.⁸⁰ Scholars such as William Oberman and Marvin T Brown have undertaken work on the ethics of Corporate Political Activity, but their interest in the subject appears to be the exception rather than the rule.

With so little meaningful interest in the topic, discourse on responsible lobbying has largely been left to international civil society organisations and multi-stakeholder initiatives. Over the past fifteen years, dialogue on responsible lobbying has been led by organisations such as SustainAbility, the United Nations Global Compact (UNGC), AccountAbility, and the World Wildlife Fund. Their efforts have been complemented by initiatives aimed at facilitating reporting on commitments to responsible lobbying including the Global Reporting Initiative (GRI) G3 and G4 standards. Other civil society organisations including Transparency International's chapters in France and Germany have also led projects aimed at raising standards of corporate lobbying in collaboration with the private sector. Through research and cooperation with the business community, a wealth of (largely unknown) resources has been developed that should be of use to anyone interested in promoting responsible lobbying. These resources are summarised in the next section.

Corporate Lobbying Standards and Guidance

While professional lobbying associations have a relatively long track record in promoting standards among individual members, efforts to set and promote

responsible lobbying standards within corporations have a much shorter history.

SustainAbility and Government Policy Consultants (GPC), 2001

One of the first publicly available studies to highlight the importance of responsible lobbying by the corporate sector was undertaken in 2001 by SustainAbility and Government Policy Consultants (GPC). Their report titled 'Politics and Persuasion: corporate influence on sustainable development policy' used examples of corporate lobbying in the EU and US to discuss the implications of corporate influence for sustainable development. While it explored the negative impact of business lobbying on the environment it also looked at the positive role that 'companies can play in achieving sound policy making'.⁸¹ Politics and Persuasion also highlighted key themes that the authors suggest should be a feature of any model of best practice, 'addressing both the conduct and content of companies' political and policy engagement'.⁸² These themes (legitimacy, transparency, consistency, accountability and opportunity) appear to have informed every guide on responsible lobbying since 2001. In helping readers

apply these principles, the report outlined a series of questions for companies to answer and examples of best practice to help them and their stakeholders determine whether they were fulfilling the key principles:

1. In determining whether the company's political activities are legitimate, the company's methods of political engagement need to be lawful and broadly accepted by its stakeholders (not just management and shareholders).
2. A company will be expected to demonstrate transparency by making its public policy positions and actions open to public scrutiny, this includes publishing internal guidelines and compliance records, disclosing company affiliations, political funding, and policy positions advocated on key issues.

- 3. A firm’s commitment to acting with consistency will be seen through its efforts to align its public policy positions and actions. Companies will be encouraged to assess public policy implications of sustainable development, testing the company’s assessment of implications with stakeholders; and by identifying areas of inconsistency.
- 4. Likewise, a firm will be expected to hold itself accountable for the impact of its activities to its stakeholders.
- 5. Finally, companies are encouraged to pro-actively influence public policy in favour of sustainable development and to explore opportunities to use this as a source of competitive advantage.

The Green Alliance, 2003

A report titled ‘The private life of public affairs’ by The Green Alliance, a UK environmental charity, showed in 2003 how inconsistent positions by companies were undermining efforts to tackle climate change and made a number of recommendations for governments, companies as well as trade associations. Their detailed and innovative recommendations for business include:

- The publication of a company’s affiliations to trade associations and other alliances; disclosure of the company’s position in relation to its trade associations where there are significant discrepancies with company CSR policy; and all consultation submissions on public policy.
- Ensuring government affairs teams are trained to use company CSR policy and understand its policy implications using three generic principles.
- If using political consultants for lobbying ensure that they are signatory to the Association of Professional Political Consultants (APPC) lobbying code, and that they understand the policy implications of company CSR policy.

SustainAbility and GPC stated that their aim was ‘to catalyse an active and vigorous debate about the appropriate level and type of political and policy engagement expected from responsible companies’.⁸³ While the debate has not been as sustained as they might have expected, the report appears to have inspired other organisations to promote and develop new standards for corporate political activity.

The Green Alliance also formulated a series of recommendations for **trade associations** which include:

- The development of Sector Sustainability Strategies based on frameworks ‘to identify threats to the sector from unsustainable practices, and opportunities for the sector to benefit from more sustainable ways of working’.
- Annual reports on how lobbying positions have aligned with the Sector Sustainability Strategy.
- Disclosure of what practices exist to get ‘sign-off’ from members for the positions taken on proposed policy.

SustainAbility, 2004

The Green Alliance report was followed by another paper published by SustainAbility in 2004. Its report titled ‘Gearing Up’ argued that ‘the most important responsibility of the corporate sector in addressing the Millennium Development Goals [MDGs] is to stop funding disinformation and lobbying campaigns that seek to undermine any serious effort to achieve them’. As a response, it suggested that companies engage in a ‘rethink of how lobbying is done’⁸⁴ and advocated three minimum standards for companies to follow and three related questions for companies to answer.

These are:

- 1. ‘Companies that support CR [Corporate Responsibility] should, at a minimum, not be advocating lower environmental and social standards where these conflict with such objectives.’ In other words, companies should ask themselves: ‘Are we advocating the lowering of standards, anywhere?’

- 2. Leading companies...need to ensure that their message to their association is consistent with their CR goals. In other words, companies should ask themselves: ‘Are we comfortable that our association positions align with our own?’
- 3. ‘Companies (and governments) should be as transparent as they can in terms of where they stand on issues about which they are engaging in the public debate or making representations.’ In other words, companies should ask themselves: ‘Are we doing enough to communicate our public policy positions?’

In addition, the report also suggested that companies actively lobby governments to address issues such as environmental sustainability and pursuit of other MDGs.

AccountAbility and the United Nations Global Compact, 2005

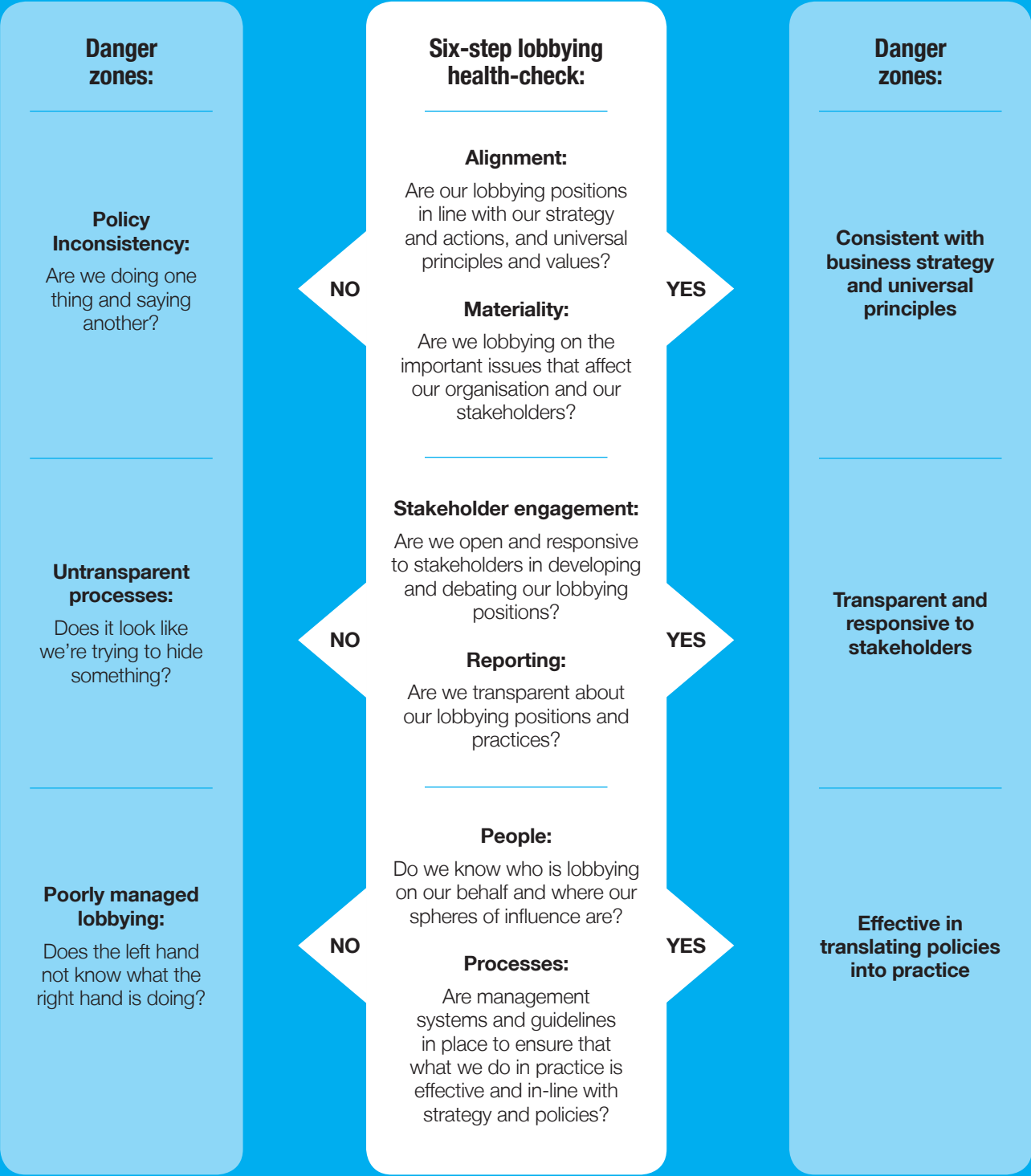
The first step-by-step guidance for companies was drafted by the NGO AccountAbility and the UN Global Compact (UNGC) in 2005. While ‘Towards Responsible Lobbying – Leadership and Public Policy’ highlights the threats to sustainability and the risks associated with inconsistent communication by business, it also outlines the positive role that corporations can play in lobbying for policies that are in the public interest.

The report goes on to define responsible lobbying in two parts. Firstly, it should be ‘consistent with an organization’s stated policies, commitments to stakeholders, and core strategy and actions’.⁸⁵

Secondly, it should ‘advance the implementation of universal principles and values (such as those embodied in the UN Global Compact) in business practice’.⁸⁶ The call to observe ‘universal principles’ is reminiscent of the Codes of Athens and Lisbon in its commitment to upholding human rights principles but the guide goes beyond commitment to the Universal Declaration of Human Rights to promoting the ten UN Global Compact Principles.

Furthermore, they outline a Six Step Implementation Process or Responsible Lobbying Framework as follows:

Figure 1: Towards Responsible Lobbying – Six Step Implementation Process



The Responsible Lobbying Framework also described as a lobbying ‘health check’ is a self-assessment based on six approaches: Alignment, Materiality, Stakeholder Engagement, Reporting, People, and Processes. It asks participating organisations to consider whether their lobbying positions are aligned with their corporate strategy and universal values; whether they are lobbying on important issues that affect their stakeholders and the organisation they work for; asking if they are open and responsive to stakeholders in developing and debating lobbying positions; whether they are transparent about their lobbying positions and practices; if they know who is lobbying on their behalf; and whether their processes are aligned with their policies.

Each step of the Responsible Lobbying Framework is accompanied with relevant case studies illustrating the problems arising from inconsistency in a company’s policies, as well as those highlighting good practice among companies promoting a particular cause.

In addition, the report outlines five areas in which business and civil society lobbyists can and should improve public policy making. They are encouraged to do so by:

- 1) Providing technical and scientific analysis that helps policymakers in increasingly complex policy arenas.
- 2) Identifying the likely economic, social and environmental impacts of public policies at local, national and global levels.
- 3) Acting as brokers, synthesising disparate policy positions for officials, easing information flows and seeking potential compromises.
- 4) Mitigating the short-term approach to policy-making imposed by electoral cycles, opinion polls, focus groups and institutional rivalries.
- 5) Providing a voice for those unable or unwilling to participate in decision-making directly.¹⁸⁷

International Corporate Governance Network, 2011

The International Corporate Governance Network (ICGN), a membership organisation ‘of over 550 leaders in corporate governance’ published its own Statement and Guidance on Political Lobbying and Donations in 2011. The statement sets out definitions and concepts defining lobbying as a ‘practice that seeks to inform and influence political decisions, regulations, legislation and policies according to the interests of an individual corporation, a sector or grouping of businesses, or business-at-large’.⁸⁸ The ICGN avoids prescribing rules for its members and associate companies and instead takes a principled-based approach to its policy on lobbying and political donations. These guiding principles are:

- Legitimacy** – which implies that the company’s political activity ‘clearly serves the interests of the company as a whole and its investors’;
- Transparency** – which encourages ‘clarity on the policy framework and exactly what the company is doing, who the decision makers are, when and how the company seeks to influence public policy and the political process’. Companies are also encouraged to disclose the ‘direct and indirect costs of political activity’;
- Accountability** – the statement makes it clear that ‘company managers involved with political activity are held accountable by the company’s Board’ which ‘in turn, is held accountable by the company’s

shareholders for the company’s political policies and their implementation’; and

Responsibility – companies are also urged to use political influence ‘within the constraints of legal and ethical norms’ and not to seek ‘undue influence for special interest groups at the expense of broader public welfare’.

In addition, the ICGN statement encourages companies to adopt a policy framework which is ‘grounded in the corporation’s code of conduct’. The interests of the company and investors are highlighted throughout the statement but they are to be pursued ‘within legal and ethical norms’. Unlike other statements and guidance, there is no reference to universal principles such as adherence to the UDHR or UN Global Compact and some allowance is made for differences in legal and ethical norms from different jurisdictions. Similarly, there is no reference to the interests of a company’s multiple stakeholders but instead the emphasis is placed on the welfare of the company’s shareholders. Nonetheless, the ICGN is unequivocal in its call for full disclosure of ‘political donations to third parties and trade associations’ as well as for companies to publish their policies on websites with an explanation of how these are reflected in company submissions to policy makers. The importance of ‘robust internal controls, sanctions for non-compliance with the code, board oversight and shareholder approval of a company’s political activity’ are also highlighted.⁸⁹

Caring for Climate, 2013

More recently, Caring for Climate, an initiative led by the UN Global Compact produced its guidance for Responsible Corporate Engagement in Climate Policy. Published in 2013, the resource synthesised findings of numerous other studies on corporate political activity and its impact on environmental standards. It also highlighted some of the key issues for both companies and civil society to address in promoting responsible corporate engagement. Like other studies and guides on the topic, the Caring for

Climate report looks beyond lobbying per se, and addresses other forms of political activity that are aimed at influencing public policy. It also focuses on the five principles of responsible lobbying articulated in the Politics and Persuasion from 2001 – namely: legitimacy, opportunity, consistency, accountability and transparency. In addition, it focusses on three actions that a company of any size might take (either sequentially or in parallel) when engaging on climate change policy: Identify, Align and Report.

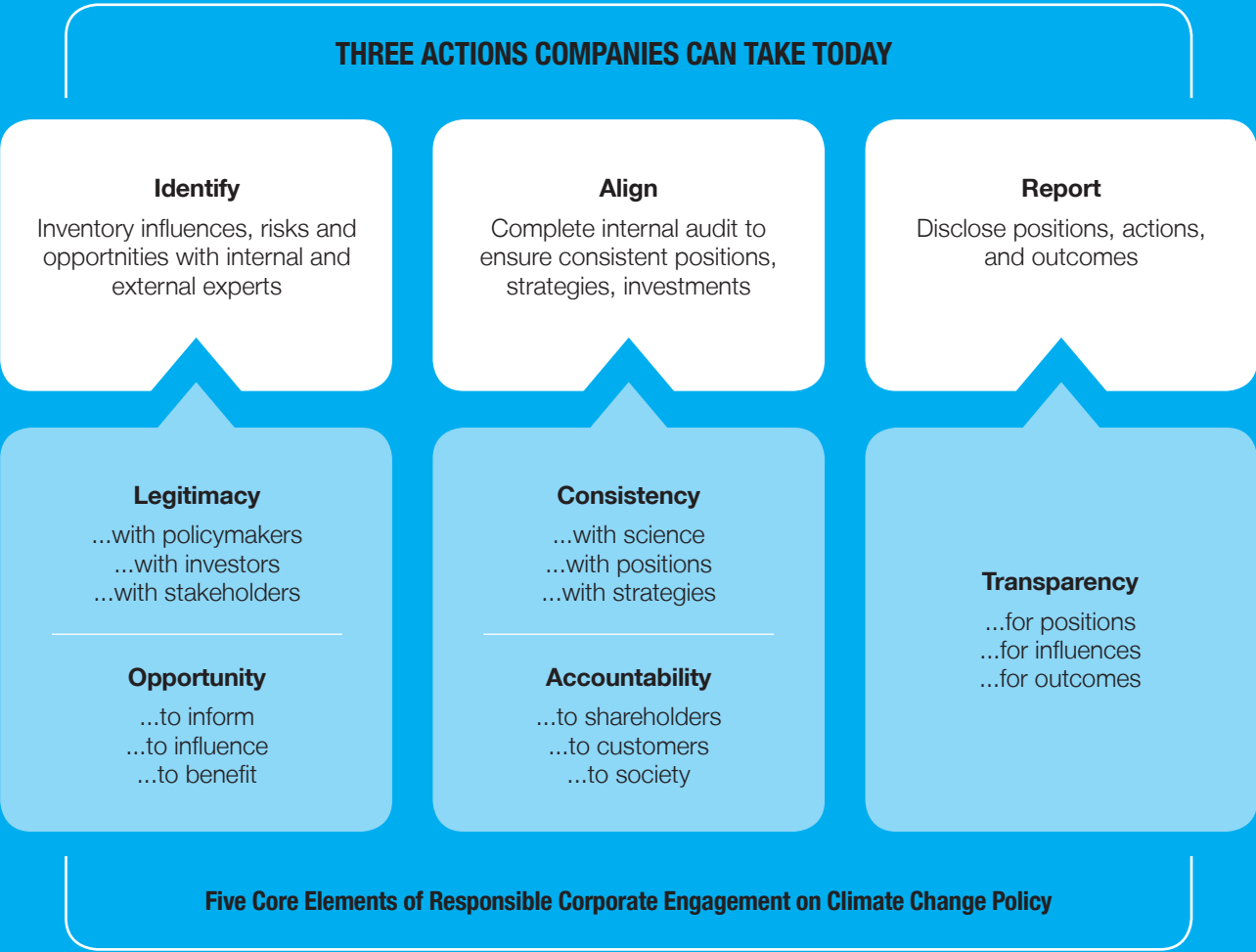
Caring for Climate encourages companies to firstly identify the value they can add to tackling a social problem (in this case: climate change). They are asked to map their stakeholders (including staff, shareholders, external experts, civil society and policy makers) and consider the impact their business activities might have on them. The need to engage in ongoing dialogue with those stakeholders on company policy and activity is also highlighted. In addition, it encourages companies to undertake a ‘Materiality and Influence Inventory’ that might be used to map its position and inputs into public policy on a particular issue. A sample inventory is provided.⁹⁰

Secondly, companies are encouraged to ensure that they align words with ‘actions, ambitions and influences’. This implies that a company’s senior executives will ‘back up rhetoric with ambitious policy action’ by ensuring consistency of action and messaging across geographies and platforms.⁹¹ It should do this by undertaking an internal ‘audit’ which can be facilitated using a ten question checklist. The aim of the checklist is to assess whether words

are aligning with actions by asking the company’s stakeholders whether, for instance, its policies are in the public interest and whether it is playing a constructive role in promoting sustainability. It also asks stakeholders whether the company’s public statements are consistent with internal messaging and strategy and also whether the company can demonstrate a detailed understanding of the issues at hand.

Finally, the Caring for Climate encourages companies to provide detailed reports on their public policy engagement with their stakeholders. It suggests a three-tiered report outlining the company’s policy positions; its attempts to influence policy; and its efforts to align its positions with climate science as well as its communications together with a review of its systems and steps taken to ensure adequate oversight of its policy engagement. It notes that the report can be published as part of its financial or sustainability reports (in line with GRI standards for instance) or form part of a company’s submission to the UN Global Compact’s Communications in Progress.

Figure 2: Caring for Climate – Three Actions



Implementing Responsible Lobbying Standards

In addition to the range of guides and standards outlined here, a number of initiatives have been introduced with the specific purpose of helping companies report on the actions taken to promote responsible lobbying. These include the Global

Reporting Initiative’s (GRI) G3 and G4 reporting guidelines, the International Standards Organisation (ISO) 26000 standards and model codes and charters published by Transparency International chapters in Germany and France.

Global Reporting Initiative

In 2006 the GRI published its G3 Sustainability Reporting Guidelines for firms who are committed to demonstrating commitment to responsible business. Its fifth social responsibility indicator or ‘SO5’ asks participating organisations to provide information that allows organisations to compare public policy positions with formal sustainability policies and objectives.⁹² The goal is to allow a firm’s stakeholders to determine whether its public positions on sustainability are being applied consistently and how well they are embedded and aligned across the organisation. Additionally, it is meant to provide for greater transparency and integrity in lobbying practices and a means to allow a company’s stakeholders compare priorities and performance with others’. It defines ‘public policy

development’ as ‘efforts to persuade or influence persons holding political office, or candidates for such office, to sponsor policies, and/or to influence the development of legislation or political decisions’. This, it adds, can relate to ‘lobbying governments at any level or international institutions’.⁹³

Firms are asked to compile and report three types of information:

- Firstly, they are asked to disclose any formal positions or activities that have been ‘formally recognized’. This, the GRI explain, ‘could include activities through trade associations, roundtables, task forces, and other forms of lobbying with

- public policymakers’. However, the firm is only asked to disclose its own positions, not those of any trade associations or other organisations with which it is involved.
- Secondly, the organisation is asked to report ‘the significant issues that are the focus of the reporting organization’s participation in public policy development and lobbying’. It adds that only activities at ‘the level of the organization’ rather than ‘individual operations’ should be disclosed.
 - Thirdly, organisations are expected to report ‘the core positions held on each of the reported issues above and explain any significant differences between lobbying positions and stated policies, sustainability goals, or other public positions.
- An organisation’s report should also be supported by documentation including its public policy statements; internal minutes of government relations committees or departments; statements of positions adopted by the organisation in relevant trade associations; and records of interactions with public policy-makers. There is no corresponding requirement for this documentation to be published although the documentation is expected to be available so that it ‘could be reviewed by individuals other than those who prepared the report’. However, it does not advise on who should be allowed review such documentation.
- In 2013, the GRI removed public policy participation and lobbying as a key Performance Indicator (in this case, SO5) in its revised G4 Sustainability Guidelines on Public Policy. Instead, participating organisations are now only expected to disclose financial contributions to political parties and government as well as other corruption-related information. Further ‘Aspect-specific Guidance’ on participation in public policy and lobbying can still be found in the GRI’s G4 Manual. Information on lobbying and other public policy participation should now only be disclosed if it is believed to have a material impact on the organisation’s stakeholders. Organisations are asked to describe ‘the significant issues that are the focus of the organization’s participation in public policy development and lobbying’. This Aspect-specific guidance is nearly identical to that provided under the SO5 indicator.⁹⁴

The International Organisation for Standardisation

- In 2010, the International Organisation for Standardisation (ISO) launched its own voluntary guidelines for social responsibility. The ISO 26000 standards refer explicitly to lobbying and responsible political involvement. Section 6.6.4.1 of the guidelines states that while ‘organizations can support public political processes and encourage the development of public policy that benefits society at large...they should prohibit use of undue influence and avoid behaviour, such as manipulation, intimidation and coercion, that can undermine the public political process’.⁹⁵
- The guidelines encourage companies to:
- be transparent around policies and establish and implement policies and guidelines to manage the activities of people retained to lobby on the organisation’s behalf.
 - avoid political contributions that aim at control, or could be perceived as exerting undue influence.
 - avoid misinformation, misrepresentation, threat or compulsion.
- While the ISO 26000 standards offers guidance on reporting, it is not a management system, nor, unlike the G3 and G4 guidelines, is it intended to for third-party certification.

Transparency International France and Germany

- Campaigning organisations have also published responsible lobbying tools with Transparency International’s chapters in Germany and France among the first to work on the topic. TI Germany’s Model Code of Conduct and TI France’s Guidelines for a Lobbying Charter, published in 2009 and 2014 respectively, are aimed at organisations that have already committed to lobbying responsibly. Unlike other initiatives, such as those published by the UN Global Compact, they also appear to be more focussed on promoting transparent lobbying and preventing abuses associated with lobbying than encouraging companies to pursue sustainable business goals. They also combine some of the behavioural principles for individual lobbyists that underpin the association codes with principles that should be observed at an organisational level.
- TI France’s guidelines on adopting a lobbying charter encourage organisations to follow a set of general principles aimed at promoting transparency and best practice. They make it clear that lobbying should be professionally and coherently organised. It also covers relations with third parties including trade associations and outlines steps for the enforcement of a lobbying charter. In addition, it outlines concrete rules that both the organisation and its representatives should observe. These rules include demanding that individual lobbyists be clear with stakeholders on who they represent and asking companies to publish key positions communicated to policy makers, ‘before and during the time of the debate via its website and in its sustainability or CSR report’.⁹⁶ The TI France guidelines also go further than other guidance by asking that companies ‘refrain from recruiting former public officials before the end of a cooling-off period of 3 years and/or from hiring/contracting with “on duty” policy-makers to represent the company’s interests’.⁹⁷
- TI Germany’s Model Code of Conduct for Responsible Lobbying,⁹⁸ published in 2009, goes into even more detail on the steps an organisation should take to promote responsible lobbying. It lists specific measures under twelve headings including relations with the media, seconding employees to work in the public sector, dealing with scientific evidence, and publication of activities. The requirements to publish information are particularly detailed and include:
- a list of lobbyist registers that the company/ association is on.
 - a list of all of the dispatched employees in ministries and agencies, as well as their field of application.
 - a breakdown of costs accrued by the advocacy and the employees who acted as direct stakeholders.
 - a list of all of the service providers who were brought in to work within the framework of the advocacy and their fields of activity.
 - a list of legal firms, provided that they are active in the preparation, initiation, implementation and follow-up of lobbying contacts.
 - a list of all of the benefits granted to political parties, representatives and candidates for elected office.
 - a list of all of the fact-finding trips and similar events along with the respective number of participants.
 - a list of training measures used for this code of behaviour.
- The TI Germany model code is the only guidance to discourage companies against paying staff to enter the public service and like its French counterpart, suggests that private sector organisations wait for three years to pass before employing retired public servants. It also is the only guidance to discourage ‘astro-turfing’⁹⁹ as a means of influencing public policy.

Corporate Initiatives in Practice

As can be seen, there are a number of initiatives aimed at setting standards and guiding business towards responsible lobbying and they differ to a large degree in respect of their focus and level of information required by organisations. However, five key themes are identifiable in the eleven corporate initiatives outlined here. These are Legitimacy, Transparency, Consistency, Accountability and Opportunity.

It should be clear from Figure 3, that the most commonly cited principle within the published guidance is that of transparency. Transparency is also likely to be the most important of all the principles underpinning any code or guidance. The ability of stakeholders to determine whether the positions companies hold and the activities they engaged in are consistent, or whether they can be held to account, depends on the willingness of that company to be open and transparent in its dealings.

Nonetheless, and despite the numerous initiatives aimed at promoting responsible lobbying over the past fifteen years, there appears to be a large gap between aspiration and practice in terms of how transparent companies are when it comes to their political activities. Responsible political activity and lobbying has always been a ‘Cinderella’ issue for businesses and has yet to be fully embraced as an important feature of CSR discourse. This is reflected in the findings of a number of reports on the issue over the past decade.

Figure 3: Summary of Corporate Standards and Guidance

Publication	Legitimacy	Transparency	Consistency	Accountability	Opportunity
SustainAbility and GPC, 2001	✓	✓	✓	✓	✓
Green Alliance, 2003	✓	✓	✓	✓	✓
Global Reporting Initiative, 2006		✓	✓	✓	
SustainAbility, 2004	✓	✓	✓	✓	✓
AccountAbility/UNGC, 2005	✓	✓	✓	✓	✓
WWFUK/SustainAbility, 2005	✓	✓	✓		✓
Transparency International Germany, 2009		✓	✓	✓	
ISO 26000, 2010		✓			
International Corporate Governance Network, 2011	✓	✓		✓	
Caring for Climate/UNGC, 2013	✓	✓	✓	✓	✓
Transparency International France, 2014		✓	✓	✓	

Influencing Power, 2005

One of the first attempts to measure company implementation of responsible lobbying standards was conducted by SustainAbility and the World Wildlife Fund (WWF) in 2005. Their study reviewed how 100 of the world's largest companies report on their lobbying practices and ‘the degree to which reported activities align with core business values, particularly when it comes to influencing governments on key corporate responsibility issues, such as climate change and human rights’.¹⁰⁰ The report’s authors noted that the number of major companies following the corporate responsibility (CR) agenda had been ‘substantial’ and found that ‘over three-quarters of the world’s 100 largest companies were producing some form of stand-alone corporate responsibility or sustainability report’. Despite the growth of the CR or CSR agenda however, the SustainAbility/WWF found that only 8% of companies were considered to provide ‘systemic information’¹⁰¹ and none of the companies reviewed reported in an ‘integrated’¹⁰² way on their lobbying practices.

Nonetheless, the report appeared to show an improvement in levels of transparency around lobbying with 51% of firms providing at least some information on their lobbying activities. However, SustainAbility/WWF also noted that transparency is not enough on its own and highlighted the risk of inconsistency and a lack of alignment between some of the reviewed companies’ stated policies and their activities. For instance, they described how Ford and General Motors had high levels of ‘transparency and a growing sophistication in reporting their lobbying activities, but were still actively resisting controls on greenhouse gas emissions via sponsorship of their industry trade group’. Similarly, they observed the ‘excellent work’ GlaxoSmithKline was doing on access policies for essential drugs in developing countries, but noted that it was also ‘a major member of PhRMA, whose position on intellectual property rights [was] strongly criticised by HIV/AIDS policy experts’.¹⁰³

The researchers also observed that while transparency around lobbying was increasingly being accepted, most companies were striking ‘an overwhelmingly defensive tone — asserting their right to lobby and their positions on particular issues’. They described this approach as ‘second generation’ corporate responsibility where ‘the main driver is risk management, and transparency and consistency in lobbying are promoted primarily as a way of minimising reputational risk to the business’.¹⁰⁴

Figure 4: Three Generations of Corporate Responsibility and Lobbying

Lobbying	First Generation	Second Generation	Third Generation
State of CR	‘CR as PR’	CR as a way of managing reputation or operational risk	CR as strategic differentiator
Role of Lobbying	Links between lobbying and CR are rejected	Transparency and consistency supported primarily as part of reputational risk management	Lobbying as an opportunity to drive stronger social and environmental policy in support of core business

This, they claimed was in contrast to a ‘third generation’ approach’ which views corporate responsibility ‘as a strategic differentiator’ and recognises ‘the potential for lobbying to help drive stronger social and environmental policy frameworks in support of core business’. It found that while a handful of companies, such as IBM and Philips were adopting such an approach, none of the firms reviewed for its study had fully integrated their responsible lobbying efforts with business or CSR strategy.

SOMO, 2013

In 2013 the Dutch Centre for Research on Multinational Corporations, SOMO conducted a survey of six Dutch banks and found that none of the banks complied with the GRI reporting guidelines on reporting their commitments to responsible lobbying. This was in spite of their claim to be fully compliant with GRI SO5 standards. It found that there were ‘different degrees of transparency’ among the banks surveyed. ING bank was the only one that published its public positions on its website. SNS REAAL was found to be most transparent with regard to its stakeholder engagement, while ASN Bank was found to be the best ‘in terms of explaining how it carries out its lobbying activities’.

According to the report, the poor record of Dutch banks in pursuing transparent lobbying practices was reflected in the susceptibility of the banking sector to regulatory capture. Furthermore, SOMO’s researchers claimed that they were unable to analyse the influence of banks on the regulatory system because there was so little information available. It also noted that although politicians, media and NGOs are placing banking regulation more intensively, ‘banks have also intensified their lobbying efforts’. It added that as ‘they are doing this in a non-transparent way, there is still no open debate and there is a high risk of regulatory capture’ and that ‘five years after the start of the financial crisis, banks have been able to effectively block many necessary fundamental reforms’.

That said, and despite the largely negative findings of the SOMO report, it concluded that the surveyed banks were ‘moving in the right direction’. All banks claimed that that ‘they recognise the importance of transparency in the field of lobbying and see this as part of their corporate social responsibility’. Following the SOMO study, Rabobank and ABN AMRO both

announced that they would create ‘a website with an updated overview of their policy positions and submissions for consultations, as ING has done before after earlier SOMO research’. However, it was noted that not many of SOMO’s recommendations for responsible lobbying would not be adopted by the banks. All of the banks have refused to publish details of meetings with policy-makers or any written documents shared with regulators and policy-makers. They also declined to be more open regarding the revolving door of appointments to and from public bodies. Likewise, most banks do not publish public-policy studies commissioned by their organisation or make funding to think tanks or researchers publicly available.

Finally, SOMO reserved some of its harshest criticism of the GRI process and suggested that the GRI ban ‘controllers that have (repeatedly) failed to provide an accurate and honest check of reporting’. It recommended that GRI should broaden and strengthen its reporting framework to include all lobbying efforts, including revolving doors. Similar findings of non-compliance with GRI reporting standards through inaccurate or misleading reports were found by TI Germany in 2011. The GRI reports of 21 large German companies were reviewed to examine their activities on Corruption and Public Policy. The TI Germany study found that ‘the obligations...are to a large extent not fulfilled’.¹⁰⁵ It also concluded that only seven out of 21 companies report on their lobbying activities in accordance with the GRI G3 SO5 indicator on public policy. Additionally, it has been claimed that had TI Germany included an additional compilation point, only one company would have complied with GRI guidelines.¹⁰⁶

are neither undermining nor in contrast with internationally recognised principles of Corporate Social Responsibilities (public international conventions such as those set by the UN, ILO, OECD) and with those set by the company itself.

2. Assure transparency on:
- a) The company’s activities associated with public authorities: whether in-house or by reaching out to specialists [sic] organisations (think-tanks, lobbyists, trade associations);

- b) The **intent of the company’s lobbying activity**, when making a representation to public officials;
- c) The company’s lobbying expenditures; and
- d) The positions communicated to public authorities, in the period of preparation for a debate and during the times of the debate.
3. Assure personal integrity and professional competence when performing lobbying activities.
4. Assure accuracy of information: reliability of data provided to public officials, including the means of obtaining information.

Despite some positives examples among a handful of companies, Vigeo’s 2013 assessment of 745 European and US companies’ commitments to responsible lobbying painted a rather bleak picture. It found that:

- 54% do not report on their lobbying activities in Europe although only 24% of US companies were failing to report.
- There is no visible effort among any of the 745 companies to ensure the alignment of policy positions with universal values or their own CSR strategy.
- Less than half of European companies disclose either a policy or measure in place to ensure

- responsible lobbying practices or the budget allocated to this activity.
- Only 2% of US companies and only one European company out of a sample of 424 voluntarily published a breakdown of their lobbying budget/s.
 - 5% of US companies and only 2% of European companies allow for board oversight of their companies’ lobbying and political activities.
 - There were few internal controls in place in any company and only 15% of European companies had their policies supported by senior management, versus 24% in North America.
 - Training programs for all company representatives who engage in corporate political activity ‘is seldom observed’ in both European and U.S. companies.
 - Most of the companies remain silent on their relationship with trade associations and on the positions they want to defend through their participation.

Vigeo describes the overall performance of companies as ‘weak’. Furthermore, they argue that the lack of reporting by companies on their political activities contributing to public ‘distrust surround[ing] lobbying practices’.¹⁰⁷

Leading by Example

Despite the rather negative findings of both the Vigeo and SOMO assessments, most of the reports featured here highlight positive examples that might serve to encourage others to follow. For instance, Co-operative Financial Services (CFS) in the UK was one of the first European companies to include their positions taken on public policy as well as their lobbying activities in their annual sustainability report. Vigeo has also highlighted the efforts of pharmaceutical giant Merck & Co and European energy company EDF in aligning their lobbying interests with their overall CSR strategies. CFS has gone further than many of its peers by also

taking public positions on companies it invests in. CFS subsidiary Co-operative Insurance Society (CIS) also opposed the re-election of Exxon Mobil’s Chief Executive because of its ‘head in the sand’ stance on climate change. In 2002, CIS also became the first UK institutional investor to put its voting record online.¹⁰⁸

IBM has also shown industry leadership on responsible lobbying by not allowing any corporate in-kind or financial contributions (including Political Action Committee funds) to political parties and candidates.¹⁰⁹

Promising Practice – IBM’s policies on public policy matters

Computer and software company, IBM has a comprehensive and relatively detailed set of policies governing its staff and agents’ engagement with public officials and representatives. These policies are available on its website.

The company states that it ‘has a long-standing policy against political contributions of any kind, even when permitted by law’. IBM does not have a Political Action Committee (PAC) and if employees chose to participate in political activity, ‘they do so on their own time as individuals and not company representatives’.

IBM has published the following policies and positions:

Political campaign contributions and expenditures

‘IBM has a long-standing policy not to make contributions of any kind (money, employee time, goods or services), directly or indirectly, to political parties or candidates, including through intermediary organizations, such as political action committees, campaign funds, or trade or industry associations. This policy applies equally in all countries and all levels of government, even where such contributions are permitted by law’.

Trade and industry associations

IBM policy ‘restricts trade and industry associations from using IBM funds to engage in political expenditures. IBM has procedures to ensure that IBM payments to trade or industry associations comply with this policy. These procedures include IBM providing written communication of IBM’s restrictions to the association’.

Public policy expenditures and lobbying

IBM may make expenditures to support or advocate particular viewpoints on public policy issues, including expenditures for intermediaries that advocate on IBM’s behalf. In addition, IBM occasionally may seek the participation of IBM employees, on a voluntary basis, in conveying the IBM position to public officials when (i) the issue may have a significant impact on IBM or its employees and (ii) participation is in IBM’s best interest. Public policy advocacy involving expenditures or the participation of IBM employees requires the prior approval of IBM Governmental Programs and appropriate legal counsel’.

Public policy positions

‘An overview of IBM’s key policy positions is published online and is available at www.ibm.com/ibm/governmentalprograms/’.

Employee public service and political activity

‘If IBM employees choose to participate in political activity, they do so as individuals and not company representatives. IBM will make reasonable accommodations for employees to take vacation or reasonable time off without pay to pursue such activity. Because IBM does business with many levels of government, we have instituted policies and procedures designed to avoid conflict of interest situations for IBM employees engaged in public service, as described in Section 5 of IBM’s Business Conduct Guidelines’.

Similarly, ColgatePalmolive and Avon Products do not spend company funds on political candidates or political action committees and/or prohibit trade associations of which they are members from using their payments for political purposes in the US. Intel and Microsoft, for example, will not contribute to 527 groups on the grounds that that 527 campaign ads might be at odds with the firm’s policies and style of communication.¹¹⁰

Likewise, BP was among the first extractive companies to break with their industry peers in supporting clean energy initiatives despite the lobbying of their counterparts against tighter controls and higher taxes on fossil fuels. Their decision to leave the oil industry front-group, the Global Climate Coalition in 1997 and their participation in the Corporate Leaders Group on Climate Change, showed an apparent commitment to lobby consistently with their public commitment to fight climate change.

Promising Practice – Civil Society Engagement

In addition to publishing guidelines for lobbying charters, Transparency France has been actively engaging with businesses to set and meet responsible lobbying standards. The building materials company Lafarge was the first French corporate to develop and publish its lobbying charter with the support of Transparency France in April 2010. The Lafarge charter sets out a general framework for lobbying activities at all levels of the enterprise and applies to relationships with all types of policy-makers including professional associations, parliamentarians, civil servants and think-tanks.

Transparency France also worked with Vigeo to include the evaluation of lobbying practices in its CSR assessment. Seven French companies signed a joint statement on promoting transparent and honest lobbying practices and urged others to consider the principles recommended by Transparency France regarding their lobbying activities. Since then, companies with a consolidated worldwide turnover of €266 billion – have signed up to the principles. The statement is open to all organisations (members and non-members of Transparency France) that are committed to responsible lobbying.¹¹¹

As Vigeo notes, a very small number of companies are currently reporting on their lobbying activities. However, there is hope that the examples set by the minority of firms that do share information will lead others to do the same. Suez Environnement, Axa and Eurogrid, for example are among the handful of companies that publish financial data on their direct and indirect lobbying costs. Microsoft has a dedicated webpage explaining its political engagement policy, its lobbying budgets and contributions to trade associations and NGOs.¹¹²

Some companies are also leading the way by publishing their submissions on public policy. Two companies, out of Vigeo’s sample of over 400 companies (GlaxoSmithKline and British American Tobacco), publish their lobbying positions on their

websites. Diageo reports on its engagement with NGOs and think-tanks to address alcohol misuse, while BASF is believed to have reported ‘in some detail’ on its contribution on contentious public debates such as that on nanotechnology.¹¹³

BASF are also one of the few European companies to have a dedicated webpage explaining their lobbying activities which includes information on staff exchanges between the firms and public bodies.¹¹⁴ Additionally, BASF was the only European company among Vigeo’s 2013 assessment to have subjected its lobbying activities to third party audit.¹¹⁵

While the overall the performance of companies in meeting responsible lobbying standards is poor, there is some room for encouragement.

CONCLUSIONS: MAKING RESPONSIBLE LOBBYING WORK

CONCLUSIONS: MAKING RESPONSIBLE LOBBYING WORK

Three conclusions can be drawn from our research into codes, guidance and the findings of studies into the implementation of responsible lobbying standards. These conclusions, in turn, inform our ten recommendations for responsible lobbying.

Firstly, our conclusions focus on the external drivers for promoting responsible lobbying. Those who are engaged in promoting responsible lobbying should consider the incentives or ‘drivers’ that encourage lobbyists to be open, consistent and accountable

in their dealings with government officials and other stakeholders. Secondly, we conclude that if progress is to be made, responsible lobbying needs to be firmly placed on the CSR agenda and discussed by business ethicists with the same energy as they discuss sustainable energy or corporate compliance. Finally, we note that the opportunities for learning and cooperation in promoting responsible lobbying have been largely untapped. There is much to be shared and learned.

1. External Drivers and the Role of Government Regulation

Shareholder activism, media attention and NGO criticism have played a significant role in driving the responsible lobbying agenda in both Europe and the US. The reputational costs to some companies of withholding information from their stakeholders on their political activities will sometimes outweigh the costs of opening themselves up to greater scrutiny. This seems to be borne out by the greater degree of lobbying transparency among companies in high-risk sectors such as extraction, energy and tobacco. Another key driver, is believed to be external regulation. According to Vigeo ‘the different legal context and shareholders’ engagement activity explain why U.S. companies reveal a better level of disclosure in respect of European ones.’¹¹⁶

Self-regulation and the integration of responsible lobbying into CSR programmes should therefore not be seen as alternatives to statutory regulation. For one thing, public relations associations (many of whom lack the necessary resources to hold their memberships to account) cannot and should not be expected to promote standards on their own and should not assume responsibility for self-regulating lobbying. When one considers that the majority of registered lobbyists are not members of an association

and the poor track record of associations in holding their existing members to account, it is unrealistic to expect a professional association to regulate the entire ‘sector’. This is particularly so where conflicts of interest arise from the association’s role in representing the interests of its members.

Likewise, companies cannot be expected to police themselves. Instead, the investigation of more serious breaches of lobbying codes, such as illicit payments or trade in influence need to be tackled by the statutory authorities. A well-resourced and independent statutory authority will be far better placed to investigate breaches of lobbying codes or illegality than individual companies or representative associations. To that end, professional associations and business might consider working with NGOs and others to see effective statutory regulation introduced. Such regulation should be aimed at preventing criminal conduct (including trade in influence) and promoting transparency in public policy formulation.¹¹⁷ The role that the Public Relations Institute of Ireland played in campaigning for a statutory regulation of lobbying in Ireland shows that the promotion of regulation and self-regulation need not be considered as mutually exclusive exercises.

2. Mainstreaming Responsible Lobbying in CSR and Academic Discourse

While there has been a promising increase in the number of businesses adopting and implementing good-practice standards, ethical lobbying and political activity is still a ‘Cinderella’ issue for CSR professionals and business ethicists. The relatively low priority lent to promoting responsible lobbying practice by professional lobbying associations, NGOs and business is, to some degree, a reflection of the low priority the CSR community and business ethics community place in the topic. As this report suggests, there have only been a handful of non-academic studies conducted on responsible lobbying and the first of them was published just 15 years ago. Academia itself has been largely dismissive of any discussion on the topic and few text-books on business ethics and sustainability touch on the role of business in politics.¹¹⁸ Where politics is discussed in the business ethics literature, it is usually only in the context of compliance with anti-bribery laws.

Nonetheless, there is growing interest in responsible lobbying within the lobbying profession, non-profit sector and business community. There are also enough case studies (both negative and positive) and ample resources available for the CSR and academic communities to mainstream this issue into existing CSR programmes. The combination of growing interest, the expansion of statutory regulation and the publication of responsible lobbying resources present a clear opportunity for future analysis and assessment by CSR professionals. Academic literature and teaching curriculums – particularly at MBA level - should also be informed by the growing interest in responsible lobbying. This is no less important for business education and executive education in particular. An over-emphasis on compliance issues and instrumental CSR will represent a lost opportunity for an important discussion on the ethics of business and its interaction with government.



Representatives from government, the lobbying profession and civil society at the Public Affairs Ireland, ‘Lobbying is a good and proper thing to do’ event, Dublin June 2015. From Left to Right: Justice Daniel O’Keeffe, Sherry Perreault, Garrett Fennell, Minister Brendan Howlin TD, Iarla Mongey, John Carroll, Ivan Cooper, Aidan Moore, John Devitt, Prof Gary Murphy, and Bríd Munnelly. Photo Credit: David O’Shea on behalf of Public Affairs Ireland.

3. Opportunities to Learning and Act Collectively

Lobbying professionals and corporates have a lot to learn from each other. While professional standards have been promoted since the 1950s, corporate lobbying standards have only really emerged over the last fifteen years. Neither approaches are adequately informing one another.

The wealth of resources on responsible lobbying offer professional associations an opportunity to share best practices with their members and help them implement their professional codes and standards. That said, while associations have much to do to educate their members, they cannot affect change on their own. Public relations and lobbying consultancies, professional services firms and lawyers all have a role to play in championing the responsible lobbying agenda. The five principles of responsible lobbying outlined in 2001 and implemented to varying degrees by companies, could be employed by public affairs professionals to help their clients. Lobbying firms have a role to play in advising their corporate clients on testing the legitimacy of a particular lobbying campaign or on how they can align their communications with their actions and their political activity with public policy. Consultant lobbyists could also encourage their clients to engage and be more open with their stakeholders. They might also be able to help their clients identify opportunities to work with civil society organisations in pursuing common goals and upholding shared values.

Existing standards and publications on responsible lobbying could also reference one another more

consistently. The GRI points to the OECD Principles of Corporate Governance for guidance on lobbying but does not mention far more relevant resources from the UN Global Compact, AccountAbility or SustainAbility. The fact that the UN Global Compact does not highlight the importance of responsible lobbying in its Post-2015 Business Engagement Architecture might also reflect the low profile of the issue among those charged with highlighting it. Momentum is easily lost with standards watered down or initiatives lacking adequate backing and promotion. For this reason it is essential that organisations that worked on this issue collaborate and make their stakeholders aware of the body of resources available to businesses, professionals, NGOs and CSR organisations.

Finally, NGOs have an obligation to adopt responsible lobbying standards and a role to play in raising awareness of the importance of responsible lobbying in promoting human rights, protecting the environment or fighting corruption. This community of disparate but complementary interests can engage with shareholders, business executives, professionals and officials to ensure that responsible lobbying is placed on everyone’s agenda. They also have a role in helping businesses and professionals share their experiences in implementing responsible lobbying programmes and making the right choices. As the body of literature here shows, there is now an opportunity for civil society and business to engage in this process.

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⁵¹Questions asked include: Is education, guidance or training on ethics and responsible lobbying routinely made available? Is ethics training made a condition of membership? Are members encouraged to make compliance with the code a contractual obligation for staff/consultants?

⁵²Questions asked include: Is compliance with the code a prerequisite of membership? Are members encouraged to make compliance with the code a contractual obligation for staff/consultants? Does the association pro-actively encourage reporting of breaches of the code or any other unethical conduct? Does it set out clear reporting/complaints channels for members/stakeholders? Does it encourage whistleblowing/whistleblower-protection among member firms? Does the association have a clear and independent investigations and disciplinary mechanism?

⁵³Questions asked include: Does the association maintain an easy-to-access register of members (including client details, income and lobbying interests where not already required to do so)? Does the association allow for or encourage independent monitoring of the lobbyists’ activities? Does the association encourage members to report on their compliance with the code as well as alignment between policy positions and political activity? Does the association promote collective action/multi-stakeholder activity?

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¹⁰²An Integrated approach is described as one that adopts both a systematic approach to responsible lobbying and in addition makes an explicit link between corporate values and principles, core business decision making (including corporate governance) processes and a company’s approach to public policy’. It suggests, for example, that there will be ‘evidence of a decision-making process leading from basic values and principles to specific business objectives and lobbying that supports these objectives’.

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Transparency International Ireland

Floor 2, 69 Middle Abbey Street
Dublin 1

Phone: +353 1 554 3938

info@transparency.ie

www.transparency.ie

facebook.com/transparencyireland

twitter.com/transparency_ie