

Quick Guide

RESPONSIBLE LOBBYING

Lobbying, whether directly or through intermediaries such as trade associations, is the main way in which companies engage with and influence the political process.

Lobbying can be carried out through a wide range of activities involving both formal and informal contact with politicians and senior public officials by in-house lobbyists, consultant lobbyists, professional firms as well as board members and management.

When carried out responsibly, lobbying is a legitimate and beneficial activity, providing policy makers with information, expertise and resources and addressing the public by stimulating and contributing to public debate. Companies are at the forefront of change and are experts in their field. They can be affected substantially by changes in laws and regulations and seek to operate in economies and societies where business can flourish.

The counterpart is that the size and pervasiveness of lobbying, compounded by scandals and abuses by companies and politicians, have created deep public suspicion that companies have privileged access and behave improperly.

One of the aims of a responsible approach to political engagement must be to build public trust in the company's approach and activities, including lobbying.

Lobbying definition: 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.

Forms of lobbying

There are myriad ways in which lobbying can be carried out.

Public campaigning: Advocacy, promotion and consultation, such as promoting the case for a new airport runway. Audiences can range from the general public to politicians.

Government consultations: Participation by a company in a formal consultation organised by government and regulators.

Formal meetings: Formal meetings between the company, politicians and public officials.

Informal meetings and contacts: Informal meetings and contacts by the company or its advisers with politicians and public officials.

Promotional activities: Stands at party conferences and sponsorship of events attended by politicians and public officials.

Intermediary influencers: Trade associations or sector groups and political interest groups, such as UK All-Party Parliamentary Groups.

Personal lobbying: Informal high-level contacts by board members, senior management or company subject experts.

Trainings, briefing events and workshops: Used to inform parliamentarians and public officials.

Who are the lobbyists?

While it may be easy to recognise or define a third party that provides lobbying services, it is less easy to define an in-house lobbyist. Lobbying can be carried out by a company directly through a dedicated department with full or part-time lobbyists, such as a public affairs department supported by subject specialists and experts. The company can also mobilise individual contacts with politicians and public officials by board members and employees.

Consultant lobbyists may be used because of their skills, subject expertise and range of contacts to outsource some of the lobbying work or to bring resources to bear at a time of pressure. Large companies are likely to rely on in-house lobbyists and only use consultant lobbyists to provide strategic and specific expertise and additional resource when needed.

Regulating the lobbyists

In response to public concerns about the activities of lobbyists, governments are attempting to regulate them through voluntary or mandatory registers of lobbyists. Companies must ensure they comply with the lobbyist registers in the jurisdictions in which they lobby. Registration with registers defines the scope of engagement activities and can offer benefits to lobbyists such as the right to meet commissioners or ministers or attend expert groups.

Examples of risks

- A company's lobbyists use undue methods, such as bribes, gifts, excessive hospitality and trading, to influence decision makers on behalf of the company.
- A company's lack of transparency about its lobbying activities leads to public criticism.

- A company creates front organisations, community movements or social media activity.
- A company manipulates data, research and reports to support a policy position.
- A company hides lobbying activities and expenditures by working through legal advisers.
- A company drafts legislation for a politician which favours the company.

The use of consultant lobbyists increases lobbying risks because the company is reliant on a third party and has less control. A company with best practice policies and procedures in place internally for management of its political engagement will require its consultant lobbyists to match this standard.

Based on risk assessments, the company should design and implement policies and procedures for managing external lobbyists. The programme will also include the policies and procedures set out in the anti-bribery programme.

In order to manage its third-party lobbyists, the company should know who they are. The company should arrive at its own definition of what constitutes a consultant lobbyist. The definition will include lobbying agencies and consultants, professional firms such as lawyers or accountants.

In requiring a consultant lobbyist to comply with its political engagement policies and procedures, the company should recognise that the lobbyist will most likely be acting for multiple clients whether on a particular issue or in meetings and relationships with politicians and public officials.

The company will have to ensure that when acting for other clients the lobbyist does not cause the company to be drawn into association with practices that conflict with the company's policies. In carrying out pre-appointment due diligence on lobbyists the company should check the standards of their other clients and that there are no conflicts or risks.

TRADE ASSOCIATIONS AND BUSINESS CHAMBERS

Trade associations and business chambers of commerce are a powerful and common route for corporate lobbying but can present various risks.

- If a trade association is taking a robust public policy position on an issue it will inevitably not reflect the positions of all its members.

- A trade association may take a position that only represents the view of those members most fiercely opposed to an issue.
- A company's voice and policy position may lose out to pressures from larger companies.
- An association's advocacy may not reflect nuances in a member's policy position.
- The company may be a member of several trade associations with contradictory policy positions on an issue.
- The association may be opaque about its activities and conflict with a company's commitment to transparency.
- It may be difficult to track and monitor the lobbying positions of trade associations.
- A trade association may not have controls to ensure responsible lobbying or counter corruption to the same standards as the member company.
- The association's advocacy on a topic may associate the company with an issue unrelated to the company but which nevertheless brings reputational damage.

Companies should manage these risks by ensuring responsibility is assigned for managing relationships with trade associations, requiring and monitoring that trade associations align to the company's guiding principles for responsible political engagement and implementing a procedure for managing cases where the lobbying of a trade association does not match the policy position of the company.

For further information, see the [Transparency International Guide Wise Counsel or Dark Arts? Principles and guidance for responsible corporate political engagement, 2015](#)