

BEYOND THE BALLOT BOX – INTEREST GROUPS,  
REPRESENTATION OF INTERESTS AND LOBBYING

Šárka Laboutková

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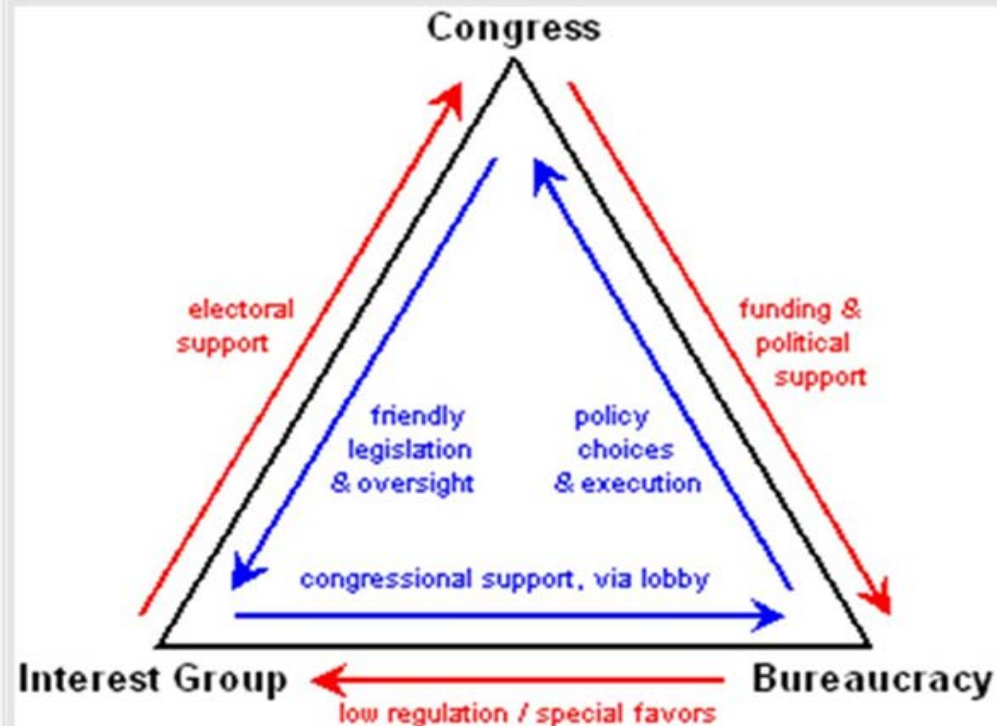
# Content

- Election x Daily lives
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- Starting points: interest groups, lobbying
- Lobbying or corruption?
- Regulation as a magic bullet?
- Conclusion

# Politics – Bureaucracy - Lobbying

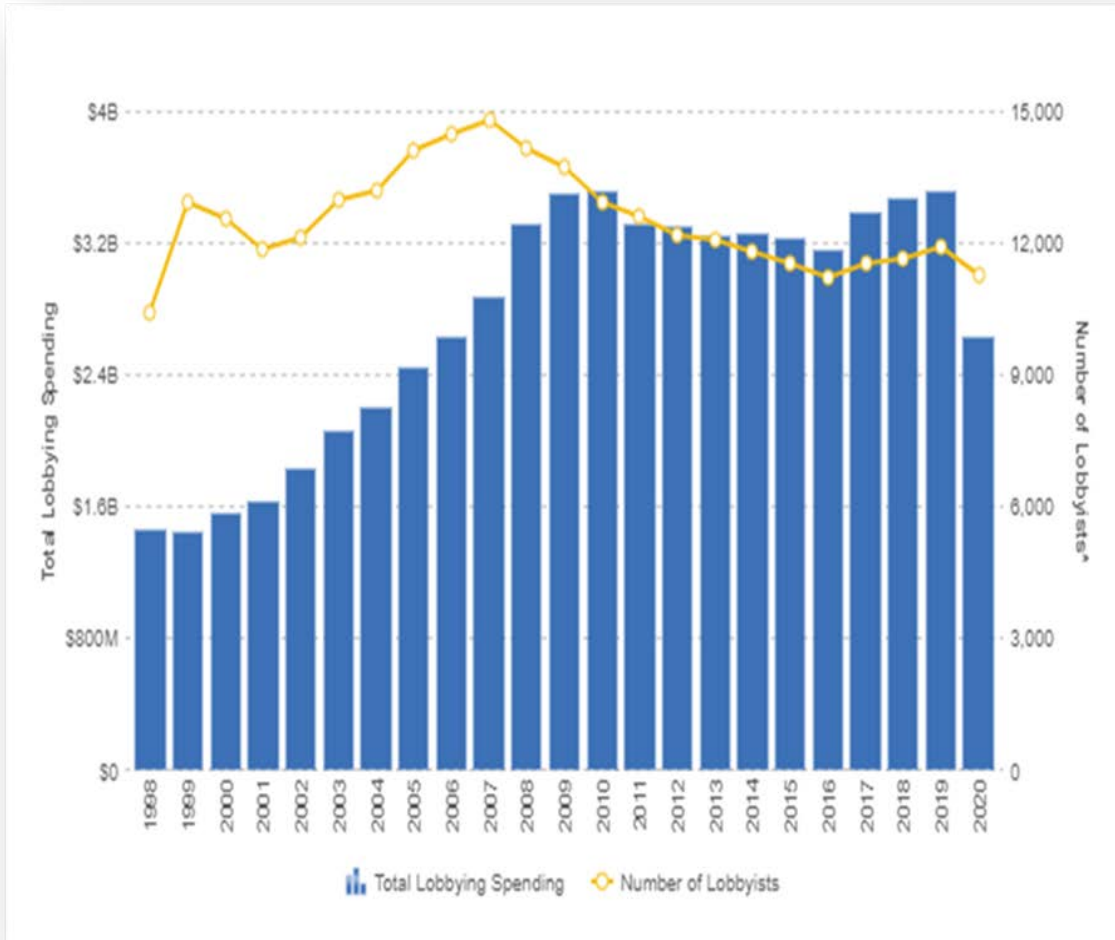
## Iron Triangles

A three-way alliance among legislators, bureaucrats, and interest groups to make or preserve policies that benefit their respective interests.

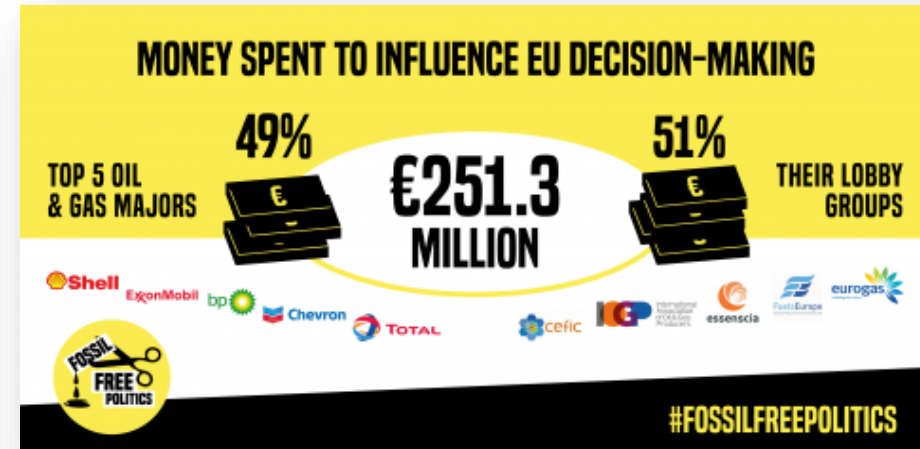


- Special-interest groups (Olson 1982)
- Rent seeking (Tullock 1967; Kruegerová 1974)
- Regulatory capture (Stigler 1971)

Number of lobbyists and total lobbying spending in USA (1998 - 9/2020)



Spending of top 5 oil and gas world's companies on lobbying in EU (2010 - 2019)



Number of official meetings with high officials in EU (2014 - 2019)



# Good governance

- The concept of good governance is not concerned with the actual, concrete final output of a policy; rather, it seeks to ensure that the process of **how policies are reached** is predictable and reviewable by relevant actors
- *Transparency* - the process of decision-making according to rules and regulations
- *Participation* - all relevant stakeholders should have a voice through direct or intermediate subjects representing their interest
- *Rule of law* - a fair, enforceable legal framework primarily protects the human rights of all members of society
- *Accountability* - answerable for decisions and having meaningful mechanisms in place to ensure adherence to all applicable standards
- *Responsiveness* - institutions and processes serve all stakeholders within a reasonable timeframe
- *Consensus oriented* - a broad acceptable consensus on what is in the best interests of the whole community and how this could be achieved
- *Equity and inclusion* - the opportunity to improve or maintain subjects' well-being and that all relevant stakeholders are included and have a voice
- *Effectiveness and efficiency* - all processes and institutions produce results that meet the needs of the society while making the best use of resources at disposal

# Starting points – interest groups and lobbying

- Democracy as “a social mechanism for the resolution of societal decision making among conflicting interest groups” (Lipset 1971).
- Lobbying as a method of access to policy makers
- In a liberal democracy everyone has the ability to lobby
- Transparent decision-making means reflecting offered views in the final decision and showing which views and why were taken into account (Wene/Espejo 1999).
- *„Lobbyists can have considerable influence on legislation, in particular on proposals of a technical nature... But their transparency is too deficient in comparison to the impact of their activities.”* (Siim Kallas, Nottingham 2005)

# Who are the interest groups?

## INTEREST GROUPS

### Functions

- Raise awareness
- Represent views
- Provide info to government

### Strategies

- Influencing elections
- Lobbying
- Litigation

### Types

- Economic
- Causes/Special Interest
- Public interest



- European, national or international federations covering all sectors of economic and social activity, legal companies, private enterprises, public affairs consultants, NGOs, think-tanks, regions and municipalities of the Member States ...etc.
- Many terms are used in everyday language to describe these organizations: interest groups, pressure groups, lobbies, public relations, promotion groups.

# Functions and roles of interest groups

(positives and negatives of their activities)

- educational and informational
  - providing expertise on a given problem
  - monitoring the implementation of the government program (watchdog of public officials)
  - setting new topics (agenda setting)
  - efforts to participate on legislative processes
  - social and social significance (social-integration function)
- x
- slow down the company's ability to adopt new technologies,
  - complicate the reallocation of resources in society according to changing conditions
  - they look for additional rent (rent seeking) - they reduce allocation efficiency (they do not increase GDP, but on the contrary they decrease - costs vs benefits of collective action)
  - disseminates targeted information (the problem of so-called asymmetric information)
  - connection of interest groups with financing of political parties (conflict of interests - regulatory capture)
  - they do not represent all citizens equally - competition of interests is absolutely fundamental to achieve an acceptable balance between interest groups



# Lobbying and lobbyists

- Lobbying means all activities carried out with the objective of influencing the policy formulation and decision-making processes of public bodies
- Lobbyists are defined as persons carrying out such activities, working in a variety of organizations such as public affairs consultancies, law firms, NGOs, think-tanks, corporate lobby units ("in-house representatives") or trade associations.

# Lobbying (positives and negatives)

- A legitimate means of access to parliamentary, government and municipal institutions
- An essential feature of good governance.
- In theory, lobbying activities lead to better decision-making and ensure that different interests have a voice
- ×
- Lobbying practices might go beyond the legitimate representation of interests
- Non-transparent behavior and unfairly influence on political processes
- Some individuals or organized groups have greater access to policy makers due to their economic or political power



# Lobbying as a synonym for corruption?

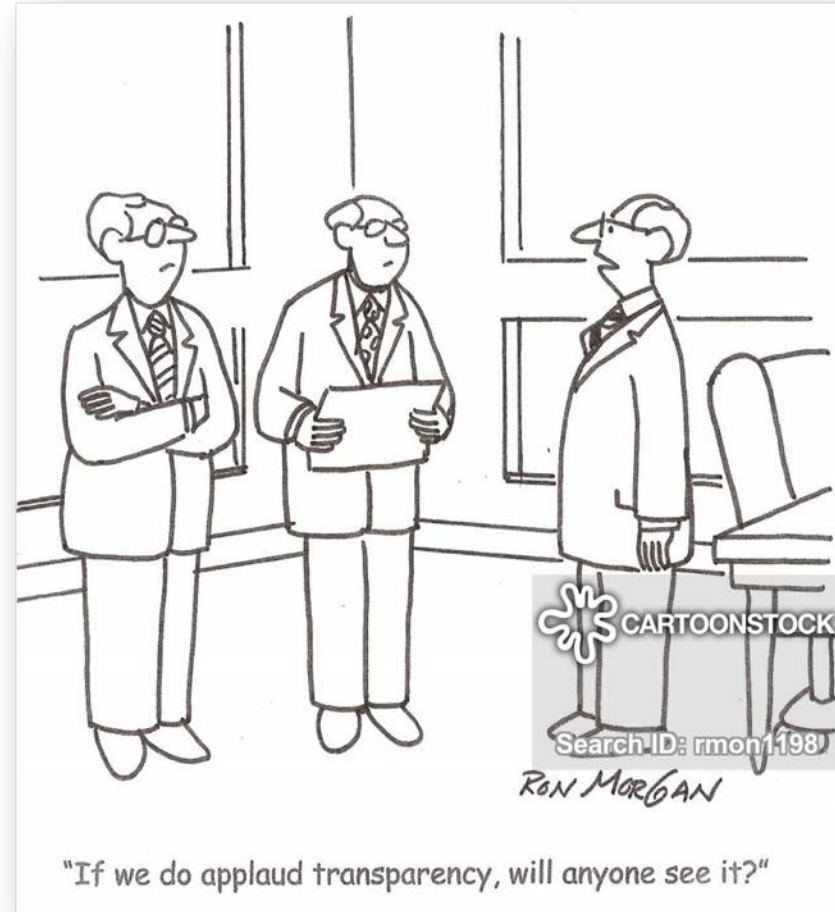
- Thin lines - corruption generally includes bribery, nepotism, clientelism
- Corruption can be defined as the abuse of delegated powers in order to obtain undeserved personal (private) gain
- Direct lobbying is based on direct contact - direct contact can develop into a relationship - the danger of clientelism

➔ Lobbying should be legislated and regulated, the rules clear, transparent and applicable to all actors equally



# Transparent lobbying

- part of a broader approach to governance
- based on principles of
  - Openness
  - Transparency
  - Participation
  - Disclosure



# Two basic approaches to regulation

- Regulation of lobbying activities through legislation
  - clarity of rules
  - strict enforcement and sanctioning by the state
- Self-regulation by professional lobby associations or by the lobbyists themselves
  - minimum requirements (ethical principles)
  - low enforcement of general rules

# Identification of problems with regulation

- A real reluctance of political representation to enforce statutory regulation
- A sole regulation by law is not a magic bullet due to:
  - Insufficient or poorly defined [definitions](#) (lobbyist, lobbying targets, lobbying activities)
  - Weak implementation of existing regulation
  - Insufficient enforcement of existing rules
- A bill on lobbyist - this is just one side of the story
- Package of measures dealing directly or indirectly with lobbying regulation that support the transparency principle

## How comprehensive are definitions of lobbyists, lobbying targets, lobbying activities in national and EU lobbying regulations?

Countries/institutions included in the table are those with lobbying regulation in place. They are presented in descending order from those with strongest definitions to weakest.

	To what extent does the law clearly and unambiguously define "lobbyists"?	To what extent does the law/regulation define "lobbying targets"?	To what extent is the term "lobbying"/"lobbying activities" clearly and unambiguously defined?
European Parliament			
European Commission			
Ireland			
Slovenia			
Austria			
Poland			
United Kingdom			
Lithuania			
Netherlands			
France			



Comprehensive, clear and unambiguous definition



Partially but inadequately/too narrowly/too broadly defined

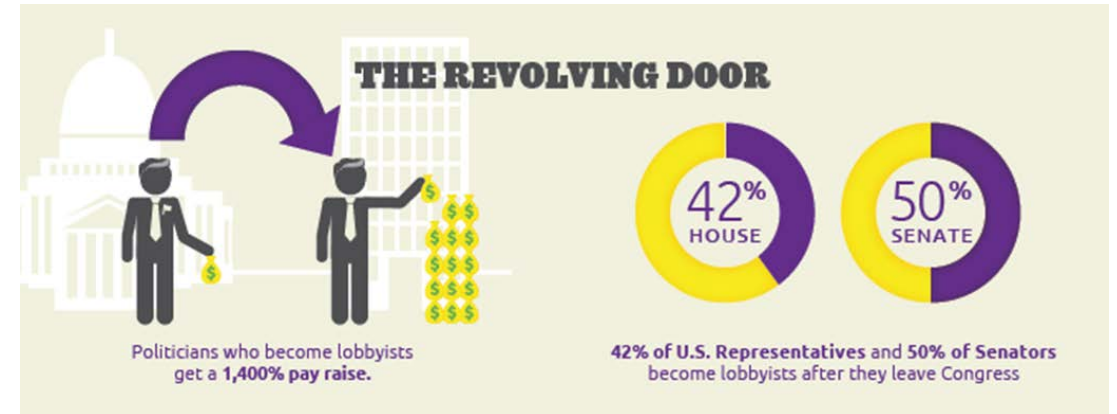


No definition/wholly inadequate definition



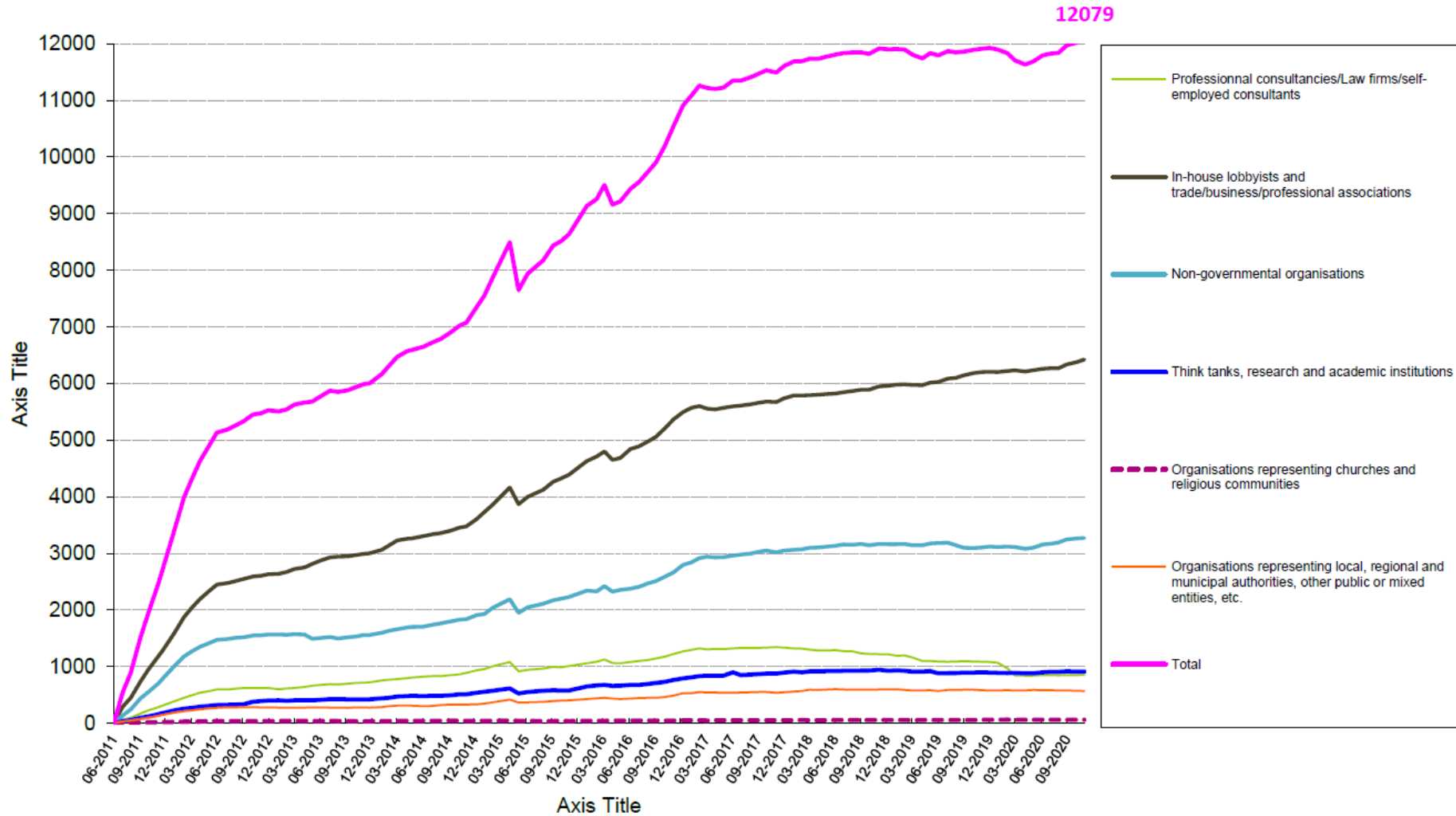
# Complex approach to regulation: the aim is to improve transparent decision-making

1. Lobbyists: register of lobbyists, codes of conduct for lobbyists, and disclosure of activities;
2. Targets of lobbying: codes of conduct of public officials, revolving door rules, conflicts of interest, disclosures of politicians and senior public employees;
3. Sunshine principles: rules on the legislative process, decision-making, consultations, legislative footprint, open government data, political parties funding, freedom of information;
4. Monitoring and sanctioning: especially oversight of bodies, and sanctions.

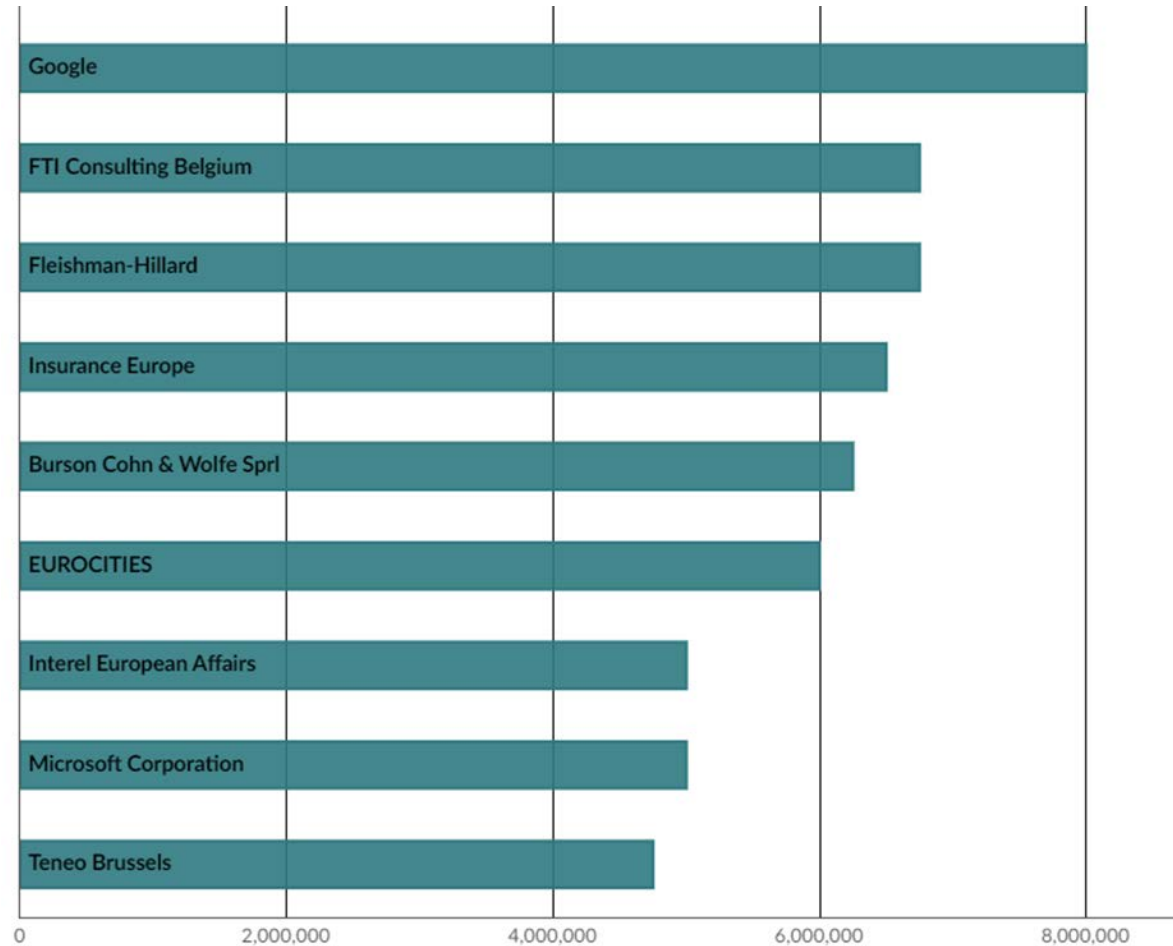




# Transparency Register - Evolution of Registrations



This chart shows the 10 highest spending lobby organisations in the EU lobby register today (with an office in Belgium, at least one European Parliament access pass, and having had one or more meetings with top EU Commission officials since December 2014).



# The Czech Republic

- No bill
- Lobbying is most often perceived as a synonym for suspected corrupt practices
- Insufficient definition of lobbying activities
- There is no consensus on the definition of a lobbyist
- 4 attempts at legal regulation (2 x 2009, 2010-2013, 2019)

# The World - 22 Countries

- The United States pioneered the formal regulation of lobbying. In 1876, the US House of Representatives adopted the rule that all lobbyists must register with the House Speaker.
- 1946 - First Federal Regulation of the Lobbying Act (FRLA), replaced by the LDA - Lobbying Disclosure Act 1995
- Australia, Austria, Brazil, Canada, Chile, France, Georgia, Germany, Hungary (2006 - 2010), Ireland, Israel, Italy, Lithuania, Macedonia, Mexico, Montenegro, the Netherlands, Peru, Poland, Slovenia, Taiwan, United Kingdom and the United States ..

Thank you for your attention

