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Learning to Practice Ethics: Corporate Lobbyists in the Global Arena

Lobbying is a complex industry in today's world. It is important to understand the inner workings of a lobbyist's mindset because they will continue to directly or indirectly play a role in the work-life of future generations in the 21st century. Corporate lobbyists in particular have gone on ignoring ethical and moral issues virtually unopposed until recent years, prior to which they had only been held accountable to the private interests that they represented. In the past, multinational corporations have disregarded their environmental impacts, product standards, working conditions, and their overall negative impact on developing countries—and it is largely due to the behind-the-scenes work of their lobbyists. But with the world interconnecting through the centripetal forces at work in the phenomenon of globalization, and particularly with the globalization of media, I set out to discover if and how corporate lobbyists are changing their behavior in the 21st century to consider ethical issues in their international business agendas. What I have surmised from my research is that whether through self-realization, societal and consumerist pressures, or threat of governmental regulation, corporate lobbyists do appear to be undergoing a degree of self regulation as the 21st century unfolds, though the changes have been slow and gradual.

Before getting into the potential signs of their ethicizing behavior, I will explain what exactly a lobbyist is and what their job entails. The infamous German leader Otto von Bismarck summed up the complicated, messy, and at times controversial process of lawmaking quite well

when he said, “Laws are like sausage, it is better not to see them being made,” (qtd. in “Making ethics sausage”). This is due to the many actors involved in the legislative process in any government—namely, lobbyists. Lobbyists can be defined as “agents paid to influence legislation or elections,” which is done on behalf of a special interest (Loomis 192). Lobbyists make a pretty penny, with the national US median salary being around \$98,000, but there are some who make over \$200,000 (“Average Lobbyist Salary”). Lobbyists must “sway politicians to vote on legislation in a way that favors the interest they represent,” and do so by being “well-informed, persuasive, and self-confident” (“Lobbyist”). Lobbyists often meet directly with politicians and provide them with information that they have either “hunted up or created.” The information usually is presented in a manner favorable to the lobbyist’s interests, and they will even sit down and help legislators draft bills. Lobbyists are also known for their personal charm, and they have been known “to do social things” that allow them to meet with politicians in a “less formal atmosphere,” such as hosting parties or taking politicians out to dinner (“Lobbyist”).

The true source of lobbyists’ power is their donations. Lobbyists do not directly donate money, but they do raise money from the public through grassroots activity or organizational membership fees in order to help out politicians fund campaigns for reelection (“Lobbyist”). In 2010, it was estimated that lobbyists donated a total of \$3.47 billion to politicians in Washington (“Lobbying Database”). With this figure merely representing donations in Washington, one could only imagine the aggregate amount contributed to politicians in all parts of the world. With such a job description, one could call lobbyists quasi-lawmakers, or quasi-policymakers, as they play an inextricable part in the legislative process despite their contributions being informal and outside of the public’s view.

Why exactly, then, is my research focused on discovering the emergence of ethical

practices in lobbyist behavior and agenda-setting? Well, lobbyists, particularly corporate lobbyists, had a not-so-spotless reputation throughout the 20th century. In his article “The Politics of Uncertainty,” Christopher Loomis discusses how they emerged in the early part of the century as interest-group politics began to proliferate throughout the US. Lobbyists began to leverage “public opinion for political gain” and served as “intermediaries between citizens and their leaders” (188). He then poses the questions that began to dawn on the country: “Did lobbyists simply translate voters’ preferences to political actors, or did they actively shape their attitudes and beliefs? Did they educate citizens or manipulate them?” (Loomis 188). He proposes that they essentially influenced public opinion through “misinformation and deception, employing propaganda” to fool their audience (Loomis 189). Besides their relationship with the public, lobbyists also built relationships with politicians by “channeling campaign contributions” and “bribes” to them. As 20th century American policy was further pulled under the influence of lobbyists, people were unable to differentiate between “a legitimate petitioner” of government and a “corrupt lobbyist” (Loomis 189). This crooked reputation stuck with lobbyists in the 20th century, and it is the manipulative and secretive qualities of their industry that facilitated such unethical behavior.

Lobbyists have seen few limits and regulations on their behavior over the years despite everyone’s awareness of the lobbying industry’s unethical qualities. Ethical limits have instead been made the responsibility of the government, but as an “outgrowth of government ethics, not...of lobbying or citizenship ethics” (Weber 254). Essentially, governments are told to ignore lobbyists and “special interests” and to deny their donations on moral grounds, but lobbyists are not asked to restrain themselves from donating to politicians or attempting to manipulate policy. Thus, the “rules of the game are not likely to change” until we place a greater portion of the

responsibility on corporations and their lobbyists and hold them accountable for disregarding ethics in the way they currently do their jobs (Weber 259).

With some background in mind about what lobbyists do, what their reputations have been, and how those reputations evolved in an industry lacking an ethical code, how does globalization fit in? As Earl Fry, a professor of political science at Brigham Young University, states: “Internationally, globalization trends will necessitate much more cooperation across national borders, with multinational cooperation as opposed to unilateral initiatives” (Fry 1). Essentially, 21st century global conditions will require cooperation among multinational actors, like lobbyists, within the global business industry. Globalization of media is the largest source of ethical problems for lobbyists. Besides the initial use of media by a “powerful group of nations, transnational corporations (TNCs) and international organizations” as a means to provide “methods for large corporations to maximize profits by entering foreign markets,” as Mirza Jan of Pakistan argues, there have been other unexpected effects of the globalization of media as well (66-67). Global media, which was originally dominated by Western forces, now includes “media industries from a number of other countries [that] are also heavily across the world,” turning what were deliberate efforts to expand markets into an interconnected world where media facilitates “transborder data flow...and the flow of information” (Jan 66, 70). Thus, with such flows of information across national borders, the citizens of the globe are learning about the horrors going on across the world, all the while ethicizing and gaining a universal respect for humanity in subtle increments over time. One such horror of the 21st century has become the rapid expansion and negative influence on society and the environment of multinational corporations, and it is due in large part to the untouched, unaccountable, unchecked work of corporate lobbyists behind the scenes of the global market.

Now then, to turn to the ultimate question at hand: Are corporate lobbyists becoming more considerate of ethical issues in their international, global business agenda? In short, are corporate lobbyists ethicizing in response to 21st century conditions and pressures? If so, how is it occurring? My research has revealed that there is no precise answer to these questions. Instead, there are theories about what could happen as well as small-scale examples that could potentially be extrapolated to a global scale that serve as the only indications that corporate lobbyists in the 21st century are becoming more ethical.

There are a number of theoretical approaches that scholars have taken pertaining to ethicizing corporations and the lobbyists that represent them in the global arena, but three distinct options will be discussed here. One option is offered by Barbara Gunnell of Scotland, who writes of a government-regulation approach to the “lobbyocracy” that exists both in Brussels and the European Union at large (Gunnell 27). She deems it a “lobbyocracy” because lobbyists have taken over the democratic process and turned democracy into something new, something corrupt, and something entirely undemocratic in her eyes. She looks at Brussels in particular as an extreme example of excessive lobbyist influence. There are 5,000 registered lobbyists in the city, though an estimated 25,000 are unregistered, and they “earn their living from wheeling and dealing in the corridors and dining rooms of Brussels” (Gunnell 28). And of all of these lobbyists, Gunnell estimates that 70% of them represent corporate interests while only 10% represent actual countries in the European Union (28). Her solution to this “lobbyocracy” (which could easily describe many other democratic capitols around the world, including Washington) is essentially to make corporate lobbyists’ intentions more transparent. The “bigger lobbyists,” as individuals, should be required to publish details about what firms they represent (Gunnell 27). “What is missing within Europe is not just democratic structures but

any proper political debate,” argues Gunnell, and she suggests that Europe must invigorate the political debate in order to create the transparency necessary to enforce ethics in corporate lobbyist agendas (28). Even if more regulations fail to come into full enforcement as Gunnell prescribes, perhaps the threat of regulation will serve as a deterrent and cause corporate lobbyists to consider more transparent, ethical practices in order to avoid the implementation of such regulations.

Another theory, argued by Alessandra Casella, the head of Economics at Columbia University, speaks quite contrarily to Gunnell’s theory. For Casella, Gunnell’s argument (or any government-regulation approach pertaining to lobbyists, for that matter) is not only futile, but also unnecessary. Although she does not name her approach directly, I prefer to call it a realistic, self-ethicizing approach, which refers to standard-setting in corporate manufacturing and production. Casella states that lobbyists are creating health, safety, labor, and environmental standards in trade through “private coalitions” of corporate lobby firms (244). She believes that governments have little influence, as governments set standards, but only offer them as “recommendations” while deferring the actual standard-setting to these “private coalitions” of lobbyist firms (Casella 244). Lobbyists are not loyal to national governments, but rather to their transnational firms and the market. Even when governments are the actors responsible for approving standards in trade, argues Casella, lobbyists will persuade their governments to adopt the “privately developed international standards” (244). If corporate lobbyists are not loyal to their own national governments, they surely will not respond to international organizations like the United Nations trying to make single, all-encompassing global standards. Thus, “harmonization” in ethics will come from the bottom up--starting with deliberate efforts at coordination between corporate lobbyists representing their industry across national borders.

(Casella 244). Since Casella places the power in the hands of corporations and their lobbyist firms, this realistic approach will not happen overnight; lobbyists are not subject to any true enforcement power at the global level. For Casella, it will be gradually overtime that the increased international cooperation among these “private coalitions” will result in “finer distinctions among a variety of products, and thus in better, more differentiated standards” (244). This will create more uniform ethical standards across countries, but more “detailed and differentiated across products” (Casella 263). For example, lobbyists of all the shoe corporations of the world will get together and develop product standards specific to all shoe factories, and those representing clothing apparel will also get together and develop their own distinct standards for clothing factories that may or may not be entirely different than those of the shoe corporations. Thus, Casella’s theory suggests that overtime lobbyists will gradually self-ethicize, or at least learn to self-regulate, as they compare and collaborate ideas with other lobbyists in their particular industry, leaving governments virtually absent from the process.

The last theory I researched comes from Richard Wilcke, who offers what I have deemed a prescriptive pro-market approach—quite opposite the approach suggested by Barbara Gunnell. Richard Wilcke offers a free market approach for corporations to abide by, and thus for lobbyists to represent them by. Wilcke differentiates between a pro-business model, which currently drives corporate policy, and a pro-market model, which he recommends (188). In a pro-market model, lobbyists would stand back and let the market affect policy outcomes, appealing to the consumer rather than politicians. Although this approach asks for lobbyists to virtually disappear, leaving the policymaking to the market, I have developed an alternative form of Wilcke’s model in which lobbyists can still lobby, but in a different manner. Lobbyists could adopt Wilcke’s pro-market approach by shaping policy around the desires of the consumer, rather than appeasing

politicians for personal gain. With globalization as the driving force, perhaps the consumers of the world would be enlightened of the harms directly caused by corporations and consumers would begin to think more environmentally and more ethically—which, in a pro-market world driven by consumer interests over politicians' interests, would be on the policy agenda of corporate lobbyists. Obviously, this is a prescriptive approach offered by Wilcke that I have extrapolated to imagine what could happen if lobbyists did in fact begin to think in terms of a pro-market rather than pro-business agenda.

In addition to theories, I have come across some small scale, more microeconomic examples that reflect an evolution towards ethical behavior in corporate lobbyists. Kumar Satinder, an economist from India, reveals the idea of a “societal marketing concept,” which companies are now considering in India (44). He believes that the consumer movement and the environmental lobby have become “powerful watchdogs” in changing business practices (Satinder 44). Due to this new societal marketing concept, corporations and lobbyists in India have begun to voluntarily change their ways to take these wider concerns into account. The societal marketing concept expresses the need to consider the long-run needs of both society and consumers together, and in the Indian market, success goes to companies that best account for “current environmental imperatives” (Satinder 44). Satinder states: “The concern with ethical issues, such as child labor, working conditions, relationships with third countries and environmental problems, has changed the attitude of the Western World towards a more socially responsible way of thinking” (44). His analysis reflects that what has worked in India is beginning to affect the Western world’s populace, and as consumer and societal movements begin to change Western views, over time these movements may apply pressure and be

addressed by future corporate lobbyists. That is, if they wish to stay afloat with the arrival of the new societal marketing concept.

Now looking at a corporation based in the US, we find a specific example of lobbyist evolution. When observing Reebok International, one finds a particular lobbyist that has “pioneered good corporate practice” (“Reebok”). Doug Cahn, a lobbyist for the Cahn Group and developer and manager of Reebok’s human rights campaign, speaks of “values, fairness, and principles, with all the zeal of an anti-corporate lobbyist” (“Reebok”). Cahn supports his statement by announcing that Reebok withdrew business from a factory in Thailand that had employees working over 72 hours a week, though they were paid above the minimum wage and enjoyed health-and-safety rights rare in comparison to other local factories (“Reebok”). This is an example of a corporation practicing ethics under the representation of an “anti-corporate lobbyist,” which is, unfortunately, currently the exception rather than the norm—but is this in fact changing on a grander scale?

After researching one of the greatest problems in the 21st century global lobby—the lack of ethics in corporate lobbyist behavior—I have uncovered some interesting findings. Although there is no direct empirical evidence of corporate lobbyists ethicizing in their practices at the international level, as I imagine it is hard to conduct studies and produce statistics on such a large scale, some signs have indeed been found that give hope for ethical change. With the effects of globalization, particularly in regard to media and information sharing across the globe, we find an international business lobby of interdependence and interconnectedness. That being said, there is likely to be more than one way to make lobbies more ethical. Perhaps a combination of the aforementioned theories and models can serve as a simulation for solutions at a larger scale to introduce, or even coerce, ethics into corporate lobbyist practices. Whatever the solution to

ethicizing corporate lobbies may be, it will not be done overnight. It will instead be a gradual and slow process, full of progressions and setbacks, all eventually leading, one hopes, to a universal understanding of humanity and how to treat each other ethically. Whether by government threat of regulation, self-realization of ethical issues, or societal and consumer pressures, perhaps in the future we will see ethical practices embedded into corporate lobbyists' agendas as the norm rather than the exception that it is today.

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