

Lobbying and political corruption review politics essay



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This report has been produced to critically analyse the practice of lobbying, and assess the impact it has on politics. The report also aims to present available strategies to deal with potential and existing political corruption related to unedifying lobbying, and review practices that attempt to prevent this type of corruption.

At present there are various national and international strategies trying to tackle the problem of political corruption. To recommend any improvements, it is first vital to have a closer look at current theories and practices in the field. Therefore, the report analyses current definitions of both (political) corruption and lobbying. It reviews the practice of lobbying with its good and unedifying aspects, and enlists corrupt acts that may be related to lobbying. It then shows the importance of accurate measurement of corruption and presents most popular and reliable ways of measuring corruption, for example Transparency International Corruption Perceptions Index. The report then goes on to current theories and practices in the field of anti-corruption strategies. The analysis of four main approaches to designing an anti-corruption strategy is enhanced by a case study of a strategy targeting political corruption. The report also suggests the “best practise” that is currently available when combating political corruption.

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Introduction

Corruption, understood as “misuse of public office for private gain” is one of the biggest challenges in the modern world. Various studies show that corruption is a major obstacle to the development of the economy

(Kaufmann and Wei, 1999; Aidt, 2009). There is a visible negative correlation
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between the level of corruption in the society and growth. It is not a new problem, it has always been a feature of human societies, however the impact it has or may have on the economy is greater than ever before. Corruption poses a serious threat to the rules of fair and free market. As opposed to the theory stating that corruption “greases the wheels” of inefficient systems, it is suggested by Aidt that: “the cumbersome procedures that corruption is supposed to help overcome may be created and maintained precisely because of their corruption potential, and substantial real resources may be devoted to contesting the associated rents. This leads to pure waste and to misallocation of resources.” It creates an unfair system by favouring family members or friends or illegally passing on sensitive information that may help some competitors against others. Lobbying, although legal in most of its forms may also tilt the balance within the society, if certain individuals or organisations possess significantly higher levels of influence on politicians and the government.

Therefore, it is so important for governments to, first of all, to measure and monitor levels of corruption and the influence of lobbying groups in the society, as well as create and implement effective anti-corruption strategies. A good anti-corruption strategy, addressing all possible forms of corruption, may significantly reduce the problem.

The aim of this report is first of all to critically analyse the practice of lobbying, as well as its impact on politics. The report then goes on to assessing current anti-corruption strategies and practices which deal with the potential political corruption. The assessment is based on academic

theories and a case study of Poland. Finally, the recommendations regarding the best strategy to tackle the problem are presented.

Background

At present there are various national and international strategies trying to tackle the problem of political corruption related to lobbying. To recommend any improvements, it is first vital to have a closer look at current theories and practices in the field. Therefore, the report analyses current definitions of both (political) corruption and lobbying. It reviews the practice of lobbying with its good and unedifying aspects. It then shows the importance of accurate measurement of corruption and presents current anti-corruption strategies.

Definitions

Corruption

As far as the term “ corruption” is concerned, there is no internationally accepted definition of it. However, there are some common themes in all academic and legal definitions. Corruption is the misuse of public office in order to get some private gain for an individual or an organisation.

Corruption, in its broad meaning, may be systematically divided into three categories, based on the narrower context of the act. These are: Political Corruption, Bureaucratic Corruption and Electoral Corruption.

In the report I will concentrate on political corruption. “ The definition of political corruption based on legalistic criteria assumes that political behaviour is corrupt when it violates some formal standard or rule of behaviour set down by a political system for its public officials”

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(Heidenheimer et al., 1989, p. 724). Heidenheimer then points out that the definition given does not cover all possible acts of corruption as “ all illegal acts are not necessarily corrupt and all corrupt acts are not necessarily illegal.” Lobbying, for the matter of fact, may be one of the examples of a legal act which may, in some circumstances, be regarded as a form of corruption. Furthermore, as observed by Hodess (2004, p. 11): “ Political corruption need not involve money changing hands; it may take the form of ‘ trading in influence’ or granting favours that poison politics and threaten democracy.”

Lobbying

There is currently no legal definition of lobbying in the UK or the EU. A legal definition is however provided by the US law in Lobbying Disclosure Act, the federal legislation that regulates lobbying in the US Congress. Under the federal law lobbying is legal as long as it is registered. The Lobbying Disclosure Act defines “ lobbying acts” as: “ lobbying contacts and any efforts in support of such contacts, including preparation or planning activities, research, and other background work that is intended, at the time of its preparation, for use in contacts, and coordination with the lobbying activities of others.” “ Lobbying contact” are then defined as: “ Any oral, written, or electronic communication to a covered official that is made on behalf of a client with regard to the enumerated subjects”. It is important to remember that the definition provided only covers the registered, that is legal, lobbying.

A broader definition of lobbying, suggested by Woodstock Theological Centre (2002, p. 82) presents lobbying as “ the deliberate attempt to influence <https://assignbuster.com/lobbying-and-political-corruption-review-politics-essay/>

political decisions through various forms of advocacy directed at policymakers on behalf of another person, organization or group.” That may cover not only legal forms of lobbying, but also corrupt activities, which “support” or are linked to lobbying.

Good and bad aspects of lobbying

As mentioned above, lobbying in its core is not always illegal or corrupt.

Good lobbying may be seen as a substitute to acts of corruption (Campos & Giovannoni, 2007). Most NGOs try to influence political decisions in some way by informing, communicating, or persuading government officials to pass certain legislation. They may be seen as providers of different points of view on public policy issues. Furthermore, as pointed out by Campos and Giovannoni (2007, p. 2) “in many cases lobbyists have expertise that politicians don’t have and can influence politicians by strategically sharing this expertise with them (...).”

Lobbyists may also mobilise their supporters to use petitions as a form of public pressure for political actions or can “influence politicians by providing endorsement or by threatening to provide voters with damaging information about them or their policies” (Campos & Giovannoni, 2007, p. 2). That is where the grey area of lobbying starts. Some lobbies are very powerful and are able to mobilise enough voters to unseat an elected representative if he/she votes against what the lobby group wants. In that case it may be very difficult for government officials to act objectively. Furthermore, under the US law it is legal for a lobby group to pay for business trips of legislators.

That includes all-expenses-paid conferences at luxurious resorts, or fully paid trips to exotic countries. The junket is a widely used tool in the United States, <https://assignbuster.com/lobbying-and-political-corruption-review-politics-essay/>

but also in the EU it is estimated that 60 to 90 million Euros are spent each year by lobbyists (Inter Press Service, 2005). That raises ethical issues, such as fairness of that type of actions. They may be seen as a subtle way of “buying votes”, and because not all lobbying groups (and in a broader sense, not all groups of interests) have resources to pay for junkets, the balance between the influence of these groups may easily be tilted.

There are many other activities, linked to lobbying, which are legal, but unethical. They may be seen as different forms of “supporting” unedifying lobbying, or in broader sense as forms of political corruption. For example, the practice of “revolving door”, when an individual moves back and forth between public office and private sector (a lobbying organisation). It may be an origin of a conflict of interests, defined as “a set of circumstances that creates a risk that professional judgment or actions regarding a primary interest will be unduly influenced by a secondary interest” (Lo & Field, 2009) or abuse of authority. Lobbying may lead to situations when an elected representative uses his/her position of power unethically to achieve a desired end, because of the influence or pressure from a lobbying group. Another form of unethical activity that may be related to lobbying is political nepotism. It is exploiting an official position to provide a job or position to a family member, a friend (which may mean a lobbyist).

Furthermore, there are many acts related to lobbying, which are both unethical and illegal. One of them is bribery – the act of offering, promising, giving, taking, receiving or soliciting an advantage with the intention of influencing the recipient in some way favourable to the party providing the bribe. A bribe may take a form of a gift, a loan or a reward. A similar act is “
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trading in influence". It has been described by the Council of Europe (2000, p. 10) as " a corrupt trilateral relationship in which a person with real or supposed influence on other persons, often public officials, trades this influence against money with someone seeking influence. The difference between this offence and bribery is therefore that the person being bribed is not acting as a public official but merely serving as a link." The pressure put on representatives or other politicians by lobbying groups may also lead to an illegal disclosure of information. It happens when sensitive information is passed or disclosed to unauthorised parties.

Measuring corruption

There are several reasons why it is important to attempt to measure corruption. First of all it draws the attention to the issue of corruption and prompts anti-corruption actions, such as creating an anti-corruption strategy. Furthermore, like with any improvement process, it is not possible to measure the success of an anti-corruption strategy, if the original level of corruption is not known. The " before" and " after" results, compared to similar systems where no anti-corruption actions were taken, are a good indication of the success / failure of the strategy.

One of the most reliable way of measuring corruption and its impact on the economy are official statistics provided by national and international institutions. It is however important to remember that all official statistics are solely based on reported cases of corruption. The main problem that has to be faced while measuring corruption by the means of statistical data is the fact that many cases of corruption go undetected. As underpinned by Aidt (2009, p. 275) " Individuals involved with these activities (...) go a long way <https://assignbuster.com/lobbying-and-political-corruption-review-politics-essay/>

to conceal what they do and corruption is by its very nature (mostly) unobserved.” Furthermore, not all detected corruption cases are being reported.

Another possible way of measuring corruption are surveys of opinion. Surveys of that type are carried out among potential victims of corruption (which may mean the society as a whole) or others involved in the detection process. In the European Union such survey are carried out by the European Commission and then presented in a form of an annual Eurobarometer report. Surveys of opinion may provide information about the victims’ awareness or the perceived extent of the problem, which may eventually lead to better fraud prevention.

One of the most comprehensive tools of measuring corruption currently available is the Corruptions Perceptions Index (CPI) introduced by Transparency International. It is a quantitative tool, measuring levels of perceived transparency, fraud and corruption at local and international levels. It is “ an aggregate indicator that ranks countries in terms of the degree to which corruption is perceived to exist among public officials and politicians. It is a composite index drawing on corruption-related data from a variety of reputable institutions” (Transparency International, 2011, p. 1). For example the 2011 CPI was drawn on 17 different surveys and assessments from 13 different institutions. The index is based on “ opinions from some 55, 000 people in 69 low, middle and high income countries on a number of issues relating to the prevalence and impact of corruption including their assessment of the levels of corruption within a number of sectors and institutions. Political parties were perceived as the most corrupt, followed by <https://assignbuster.com/lobbying-and-political-corruption-review-politics-essay/>

parliament/legislature, police, and legal system/judiciary” (McCusker, 2006, p. 6). CPI, alongside other tools provided by Transparency International, such as the Bribe Payers’ Index (BPI) and Global Corruption Barometer (GCB) provide comprehensive and reliable information about the perceived and actual scale of corruption in the country.

Theoretical basis of anti-corruption strategies

Before presenting an example of a currently used anti-corruption strategy, focused on combating political corruption, it is useful to understand the theory of anti-corruption. There are four key approaches when designing an anti-corruption strategy.

„ First, interventionism, in which the relevant authorities wait for the corrupt action to occur and then intervene to capture and punish the offender. (...) Second, managerialism, in which those individuals or agencies seeking to engage in corrupt behaviour can be discouraged or prevented from doing so by establishing appropriate systems, procedures and protocols. (...) Finally, organisational integrity which involves the integration of an organisation’s operational systems, corruption control strategies and ethical standards so that a norm of ethical behaviour is created” (McCusker, 2006, pp 8-9). These three schools constitute the traditional approach to the subject of anti-corruption.

Each of the traditional approaches has some weaknesses. If only the interventional approach is adopted, it stimulates retribution and therefore deterrence, to some extent, but the problem of the damage that had already been done remains. It is also important to remember that, as it has been

mentioned before, the majority of corruption cases are never reported, therefore cannot be punished.

There are three elements that must be present for a corrupt act to take place: motive, opportunity and (at least perceived) lack of punishment. Managerialism concentrates on elimination of opportunities for corrupt individuals to commit the crime by providing a set of rules. However, there are different types of corrupt individuals and different motives. Furthermore, all rules can be subverted. Therefore, managerialism is not free from weaknesses either. Without strong interventional arrangements, the risk of being caught and eventually punished may be low enough for some individuals to decide to commit the crime after all.

Approach based on organisational integrity suggests that it is a weak organisation rather than an individual, that the corruption originates from. Therefore, it is the organisation that must provide a solid structural framework that deters and prevents corrupt activities. " Arguably, targeting individuals in anti-corruption efforts is likely to be less successful than targeting the organisational context in which individuals operate" (McCusker, 2006, p. 9). The weakness of this approach is that it does not stress the motive of a corrupt individual enough.

Except for those three traditional approaches, there is a holistic approach suggested by Transparency International, which sets an objective of cooperation of all main institutions and sectors within the society, including NGOs and media, in the combat against corruption.

The strategy based on the holistic approach sets objectives which are to be delivered by key institutions and sectors. It aims to provide anti-corruption education, as well as to deter unedifying lobbying by making party political funding more transparent. “ The broad aim of the NIS is to combat corruption as part of a wider battle against misconduct and misappropriation and to create an efficient and effective government which regards its *raison d’être* as working in, and for, the public interest. The ultimate goal is to promote good governance, regarded by some commentators as an essential component in anti-corruption endeavours” (McCusker, 2006, p. 11). A successful strategy cannot be just a set of theories, it must consist of practical measures.

There are a number of measures that may enhance the holistic approach. Huberts (1998, pp 217-219) has distinguished six strategies:

economic – emphasises the need for the economic stimuli for corruption to be reduced and suggests that such might be achieved by, *inter alia*, paying higher civil service salaries

educational – aims at altering the attitudes and values of the populace and civil servants alike via training and education campaigns and engagement of the media

cultural – ensuring that the behaviour and attitudes of those in power are subject to stringent codes of conduct and their behaviour filters down to civil servants

organisational or bureaucratic – strengthening internal control systems such as auditing to detect corrupt activity, and staff rotation to reduce the propensity for individuals to establish themselves in entrenched corruption political – increasing in transparency in terms, for example, of the monitoring of party finances and more broadly, a clearer and more definite separation of powers in terms of the judiciary and the state

judicial or repressive measures – advocates harsher penalties for corrupt practices but also the creation of independent anti-corruption agencies.

Case study – Poland

After the fall of communism in Poland in 1989, almost the whole political system of the country had to be revised and rearranged. That included creation and implementation of a new Constitution, decentralisation of power, as well as creation of new institutions. The lack of rules in the early years gave many opportunities for all sorts of corruption, most of all – political corruption. That situation is reflected in Transparency International Corruption Perceptions Index. Poland was first included in the survey in 1996, scoring 5.57. The situation deteriorated in subsequent years and „ in 2005, Poland was ranked as the most corrupt of the eight new Central and Eastern EU member states” (Gadowska, 2010, p. 180).

Falling CPI Index forced Polish government to create and implement a cohesive and holistic anti-corruption strategy. The decision to create the strategy was taken in September 2002. A large part of the strategy concentrates on fighting political corruption related to privatisation of public companies. The first phase of the programme, including reorganisation of <https://assignbuster.com/lobbying-and-political-corruption-review-politics-essay/>

the legal system, so that it would be clearer and free of loopholes took place between 2002 and 2004. The second phase of the programme – coordination of the anti-fraud and anti-corruption strategies and actions taken by national and local agencies, as well as creation of anti-corruption culture within the society ended in 2009. During this phase (in 2006) a new Anti-Corruption Agency called the Central Anti-Corruption Bureau (CBA) was formed. It aims to “ combat corruption in public and economic life, particularly in public and local government institutions as well as to fight against activities detrimental to the State’s economic interests” (CBA, 2013). CBA not only collects data on the extent and nature of corruption in the country, but also has investigative and prosecution powers. Some of the actions taken by the Agency are regarded as hugely controversial, for example “ provoking” politicians to corrupt actions during under-cover operations. It is worth noting that these operations, although controversial, were highly successful and started a process of “ cleaning up” in high level politics. The third phase of the programme, which started in 2012, concentrates on anti-corruption education within the whole society and on prevention.

The corruption levels have been falling down slowly ever since 2005. According to the latest report of Transparency International from 2012, Poland scored 58 points (5. 8 in the old system), and is currently in place 41 out of 176 countries and territories included in the report.

Conclusions and recommendations

As it has been shown, currently the “ best practice” in the field of anti-corruption, including countering political corruption, is the holistic approach.

The holistic approach assumes that points of view of all groups of interests
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are taken into account while designing an anti-corruption strategy. That ensures that fundamental characteristics and nature of corruption itself are understood by policymakers. It is vital because theories of corruption and its cause have to be interpreted in the context of actual human behaviour, drivers and interaction.

The holistic approach also ensures that once the anti-corruption strategy is created, all groups of interests, including the public and media, are included and involved in the implementation of the anti-corruption strategy. A successful anti-corruption strategy may not rely solely on government leadership and regulations. It cannot be created on the assumption that legal institutions such as the judiciary, the parliament and ministries are the only ones responsible for the strategy, as in some cases, like political corruption, they are corrupted themselves. "Engaging external participation in anti-corruption processes involves forging broad based coalitions to increase pressure for anti-corruption actions, following policy reforms that eliminate administrative opportunities for corruption, reinforcing media independence and citizenship participation, enhancing the effectiveness and accountability of independent oversight institutions and building the capacity and independence of prosecutorial agencies and the judiciary with appropriate checks and balances for holding them accountable to the public" (McCusker, 2006, p. 18). A good anti-corruption strategy also strives to create an anti-corruption culture within the society by education and zero-tolerance policy. It changes the "expectations" of voters, puts stress on integrity and honesty of political representatives, which may prevent corrupt individuals from

entering high level political positions. All these actions create strong pillars for a comprehensive anti-corruption strategy.

However, as underpinned by McCusker (2006, p. 28) the support from the society is not enough for an anti-corruption strategy to be successful: “ There are no simple solutions to the problem of corruption but it is important to recognise the fundamental role that political will and support for reforms at the highest levels of government can play in bringing about practical results and in raising the credibility of, and public support for, anti-corruption progress.” Even once the strategy is created, it is vital to remember that one of its goals is to promote good governance and increase in the honesty or integrity of government as a whole, as these are essential components in anti-corruption endeavours, especially when combating political corruption. More commitment from politicians, transparency party finances, internal control and supervision, as well as stronger selection of public personnel are regarded as the most effective anti-corruption methods in general (for more details see Appendix 1) and are also the best methods to fight a more specific types of corrupt actions - unedifying lobbying, unethical financial support and “ buying law”. Furthermore, a successful anti-corruption strategy cannot be limited to rhetorical issues. It must consist of practical and, in case of seriously corrupt societies, brave and radical reforms of corrupt processes and practices. One of reforms of that kind is a creation of an independent Anti-Corruption Agency.

To summarise: “ successful campaigns against corruption have included measures to reduce the opportunities for and benefits of corruption, to increase the likelihood that it will be detected and to make it far more likely
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that a transgressor will be punished. Conversely, difficulties with anti-corruption strategies have included limits being placed upon power or commitment at senior, and therefore influential, political and social levels, overly ambitious anti-corruption promises leading to unrealistic and unachievable expectations and subsequent loss of public confidence, piecemeal and uncoordinated reforms, failure to establish institutional mechanisms that outlive the reformers, failure of the government to include and utilise private sector opinion leaders and failure to devise effective communications programmes” (McCusker, 2006, p. 28).

Although each anti-corruption strategy must be designed based on a specific situation in the country, a closer cooperation between countries could be beneficial. Exchange of experience (especially including the US federal government) could provide governments from developing countries with a better understanding of the phenomenon of political corruption and unedifying lobbying, and suggest better solutions to those. However, to make it possible, it is first vital to create an internationally recognised definition of corruption and acts of corruption. That would have to include the clarification on legality of lobbying and activities related to lobbying. All these actions could eventually lead to implementation of international anti-corruption regulations.

Appendix 1

Huberts. jpg

Source: Huberts (1998, p. 217)