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Behind the spin

Edda Müller, President of Transparency International in Germany, explains the job of a lobbyist

'Lobbying' and 'corruption' are often lumped together in public discourse. What's the difference?

Lobbying and corruption have some similarities, but they are also distinct. Corruption always has some kind of criminal dimension, whereas lobbying – in the sense of representing particular interests – is a legal aspect of a functioning democracy. Both, however, tend to take place in secret.

The victims of corruption and lobbying are always third parties. In the case of corruption, this is a competitor who doesn't get the contract because someone else paid a bribe. With lobbying, it's the interest groups that haven't exerted enough influence who lose out. The parties wronged by lobbying are often consumers who have less access to decision-makers than specific business interests.

Also common to lobbying and corruption is the way they erode trust in democratic structures. So both present a danger to society. That is why we deal with both lobbying and corruption at Transparency International. We emphasise the need for greater transparency. We want the public to know who governments have consulted when they design laws – which interests have prevailed, and which haven't.

The lobbying cliché involves smoked-filled rooms and suitcases full of cash. What do real life lobbyists do?

A lobbyist usually monitors what's going on in politics. They need to know what plans are being hatched and which projects are being developed. A good lobbyist will research the politics surrounding the area they are campaigning for, before becoming part of the official lobbying process involving industry federations and social groups. The later they leave it, the fewer chances they will have to exert that crucial influence. Lobbyists also have to understand how political institutions

and groupings function. Which politicians have particular influence? Where and how are political decisions made?

The best lobbyists have excellent contacts in the world of politics, and keep abreast of the latest developments. This is one reason why politicians who leave government often walk into top corporate jobs. They know first hand what is being planned, and they have the best contacts.

So former politicians are very useful to businesses who want to influence the political process. For this reason, transparency advocates are campaigning for rules that would force former politicians to wait a certain amount of time, before they are allowed to work for corporations.

You've been with Transparency International since 2005 and you worked in politics before that. How have you seen lobbying changed over time?

Lobbying started a long time ago. Back in the 1950s, the political scientist Theodor Eschenburg warned of the 'domination of the federations'. But what's changed isn't the amount of lobbying, but how it's done.

Many political decisions now take place at the European level. Meanwhile, more internal regulation has reduced the influence of industry federations. This creates a problem for politicians because federations serve to pool interests and report negotiated compromises to their membership. They ensure that various interests represented, which is necessary because politicians do not have time to speak to each member of an industrial federation, let alone negotiate with them.

Now businesses, especially the larger ones, are entering the political process on their own. Some of these are international corporations that are not domiciled in the European Union or Germany but are still affected by EU legislation. Corporations that are not represented by European or national automotive associations, for example, are increasingly hiring big law firms to make targeted interventions for them. I call these lawyers lobbying mercenaries.

So you see the way lobbying federations pool different interests as a positive thing?

Of course! The articulation of interests – all interests – has a direct democratic function. Each interest (as long as it is not criminal) is equally entitled to a voice and should be able to seek support in the political process. However, politics necessarily seeks to find a balance,

and will always give priority to one interest over another. In democracies, such decisions are made during the electoral process. A government that subordinates everything to its declared goal of 'keeping the economy running' will consider and balance interests differently than one with other priorities.

We voters can ensure which types of balancing processes are used. We also need to know how various interests are represented, which were considered in the legislation process, and which got the final say. Only then can we make an informed decision about who to vote for. Which political parties represent the interests that are important to us, and which do not?

What sort of rules would ensure the equal representation of industry interests and those of civil society?

It's not just a question of transparency: the excessive power some corporations enjoy is closely tied to tax law, for example. The way large international corporations can transfer their tax liability to wherever it is lowest – a practice that is euphemistically called tax 'planning' – disadvantages European and national corporations that don't have this option. The practice creates an unfair starting point because the power of these multinational corporations also comes from their financial endowment. On the other hand, digitisation has boosted the multinationals' significance well beyond their ordinary economic weight. Multinationals can use algorithms, which they treat as trade secrets, to manipulate consumers. We need them to do more just disclose who they have lobbied in person.

Transparency International is calling for the introduction of legislative footprints – in other words, documenting who has lobbied whom during the process of drafting laws. Under our proposals, the first reading of a proposed law in the German Bundestag (Parliament) would always be followed by a debate on how politicians were influenced when drafting it.

We are also demanding an equal voice for the various political forces at play. The keywords here are party funding and sponsorship. In the run-up to parliamentary elections, individual parties receive massive sponsorship from certain industries and businesspeople, but voters don't learn about this till long after the elections. We need party contributions to be disclosed sooner, so that voters can understand the link between party donations and concrete political decisions. We also want more transparency over the income legislators receive outside of politics.



Edda Müller

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