

A CASE FOR LOBBYING

Relevant for: Developmental Issues | Topic: Important Aspects of Governance, Transparency & Accountability including Right to Information and Citizen Charter

NO 'L' WORD: A protest in New Delhi against the entry of foreign retail chains into India. Photo: Anu Pushkarna | Photo Credit: Anu Pushkarna

So whatever happened to that one-man commission to investigate lobbying charges against Walmart after a furore in Parliament earlier this year? Last heard the commission and its report were both given a quiet burial after it was found that there was nothing that could possibly be questioned. Not surprising at all, given that the very basis of the probe was incorrect.

The brouhaha over Walmart's public declaration in its home country of the monies it spent on lobbying activities merely showed India's ignorance of best practices in the developed world.

While American and European companies have perfected the art of lobbying for their interests under strict scrutiny of the law, we, in India, are still struggling with the nuances of a process that we choose not to understand because it makes a lot of sense for many to keep it in the grey zone.

It is easy to equate lobbying — an attempt to influence policy through legal and ethical means — with corruption in India because a large chunk of the population believes that almost every dealing with the government requires bribes to be paid to officials.

Does that make honest, transparent efforts to convince the government of a point of view illegal? No, it doesn't. Neither does it stop companies, non-governmental organisations and industry bodies from engaging with the government to get concessions that impact them positively or contest those that don't.

Regulated

Lobbying, as a process, practice and profession, has been around the longest. Lobbyists provide a contrarian point of view, which in a democracy is essential not only for debate but also fair play.

In the United States, lobbying firms are regulated under the Lobbying Disclosure Act of 1995 and the subsequent Honest Leadership and Open Government Act of 2007 which provide for mandatory public disclosure of activities and put limits on gifts to elected public officials among other stringent measures. In short, lobbying is a legal activity and a profession that attracts some of the best minds on policy.

Facts

In India, where there is no law regulating the process, lobbying had traditionally been a tool for industry bodies and other pressure groups to engage with the government ahead of the national budget.

For decades, organisations such as the Federation of Indian Chambers of Commerce and Industry and the Confederation of Indian Industry among others have worked hard on behalf of their members to influence key ministries and policies. In recent years, the need for continuous engagement has increased and so has the sophistication.

Most often, this exercise does not involve cloak-and-dagger games in dark alleys. Discussions take place in government offices where facts are used to try and convince policymakers of the need to change track, and how this is in the larger good of the larger number of people. Governments benefit from policy changes as much as those propagating the change.

Results

There are enough examples of policy change through transparent means. Go back just over a decade and look at how phone companies used an advocacy programme to convince the government to slash import duties on mobile phones. Cheaper handsets brought about a telecom revolution in the country. Electronic procurement by the government is another example where advocacy helped introduce transparency in its purchases of goods.

So why do our politicians and political parties so dread the “L” word and get into a moral mess over its use? Why would the media get all excited and equate it with corruption? Why won't the government want to create rules to regulate the sector to ensure it is process-driven and doesn't encourage corruption?

One reason could be that in the Indian system, most politicians are themselves lobbyists, and making this activity transparent with laws might adversely impact their turf.

Another could be that it makes political sense to keep confusing the man on the street who still depends on government benefits that the villains of the piece are rich and greedy corporates and lobbyists.

In reality, lobbying is not corruption; at least not the western model that is increasingly gaining currency in India, as an open economy pulls in new rules of engagement from developed economies. Given that most foreign companies have to follow strict anti-corruption laws in their own countries, few are keen to come under the lens of their regulators, lose face and pay fines.

The Indian government itself spends millions of dollars every year to influence the U.S. government and other interest groups there.

We should, in India, put in place a system that allows everybody — from corporates down to the man on the street — to push their interests. Lobbying is a time-tested method to get what we want by engaging with decision makers. It is in the absence of transparent lobbying that corruption flourishes.

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