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ANTI-CORRUPTION
CONFERENCE**

**MOBILISING PEOPLE:
CONNECTING AGENTS OF CHANGE**

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Short Session Report: Global Solutions

Session Title: Bringing Closed-Door Dealings to Light: How Transparency Can Change Lobbying Practices?

Date & Time: 08-11-12 09:00-11:00

**Report prepared by: Julio Bacio Terracino, Integrity Policies Analyst,
Organisation for Economic Co-operation and Development**

Experts:

- **Ms. Karen Shepherd, Commissioner of Lobbying, Canada**
- **Mr. Luiz dos Santos, Deputy Chief of Staff, Executive Office of the Presidency, Brazil**
- **Mr. Karl Isaksson, Chairman, European Public Affairs Consultancies' Association, Brussels**
- **Mr. Samsuk Han, Director, Anti-Corruption Policy Division, Anti-Corruption and Civil Rights Commission, Korea**

Moderated by:

Ambassador Richard Boucher, Deputy Secretary General, Organisation for Economic Co-operation and Development

Main Issues Covered (500 words or more, narrative form)

The workshop aimed at addressing the issue of lobbying from various angles. Private interests seeking to influence government decisions, legislation or the award of contracts is part of the policy-making process in modern democracies. Lobbying can improve government decisions by providing valuable insights and data. Yet, experience has shown that in some instances corporate lobbying and the extremely powerful financial force behind it can lead to unfair advantages if the process is opaque and standards are lax. The interests of the community are at risk when negotiations are carried out behind closed doors.

Informed voices have argued that recent economic crises were caused, partly, by the influence of specific interests on government decision making. In addition, data is increasingly available to show the rising number of lobbyists and their annual spending. For example, the United States lobbying sector spending has more than doubled between 1998 and 2011, increasing from USD 1.44 billion to USD 3.30 billion. In Europe, the new Transparency Register of the European Commission, launched in 2008, received over 2,000 registrations within the first 14 months. Today over 15,000 lobbyists have voluntarily registered.

Effective lobbying is incredibly nuanced and this panel brought together varying perspectives. The expert speakers and audience participants did not only look at what makes up a comprehensive lobbying framework, but delved deeper and addressed some of the even more challenging issues that

can change the rules of the game, such as: Why do we need lobbyists? Can lobbyists be blamed for everything? What do lobbyists think about regulatory reform? How do we balance the financial power of some lobbyists (and their clients) with that of (or lack thereof) decision makers and civil society? Where is the line between persons influencing public policy and abusing it?

Further, this workshop suggests that lobbying reform is an important mechanism of public sector integrity. As countries around the globe begin to design and implement lobbying regulations, these laws should aim to furnish greater transparency to promote accountability between public officials and those who lobby them. This considers corporate and professional lobbyists, grassroots activists and civil society. This will contribute to the restoring of trust between private interests and the public sector.

Main Outcomes/Outputs

The workshop provided the opportunity to learn about the existent lobbying regulatory framework in Canada and at the EU level and the current efforts to address this issue in Brazil and Korea.

Firstly, Ms. Shepherd articulated the Canadian experience with lobbying legislation at the federal level. She enunciated the registration process, in that lobbyists are legally required to disclose detailed information in their initial filings with the Canadian Registry of Lobbyists. These disclosures are publically available. Further, lobbyists are required to disclose on a monthly basis to promote greater transparency. Ms. Shepherd also detailed exceptions to the disclosure mandate as Canada nuances the term “lobbyist” as a paid position with over 20 percent of their time conducted toward the lobbying of public officials. She further stated how the Lobbying Act mandates a 5 year moratorium for former public officials to curtail blurred ethics found in the “revolving door”. Finally, Ms. Shepherd offered recommendations to ensure greater efficacy which includes the issuance of monetary penalties and increase the number of individuals and activities covered by the Act.

Secondly, Mr. Luiz dos Santos spoke about how the lack of transparency, equity of access and legitimacy in the policymaking process has caused several hurdles to reforming the lobbying sector in Latin America. Consequently, there has been a strong public association between lobbying and corruption. Mr. Santos continued to express how an increase in transparency can reduce exposure to corruption and risks, increase the accountability of the policymakers and promote a fair “traffic of influence” between advocacy groups and public officials. He suggested that that the recent Brazilian Law of Access to Information is the precursor towards greater regulation of lobbying to promote transparency.

Thirdly, Mr. Isaksson articulated the importance of lobbying in the European context. As a senior executive of a corporate lobbying association, Mr. Isaksson provided the lobbyist’ lens on self-regulation and discussed that lobbyists themselves are not against transparency. In fact, he suggested that the recent voluntary EU Transparency Register should move towards a mandatory registration for lobbying within any EU body.

Finally, Mr. Samsuk Han spoke about the recent Korean experience and the “Bill on Prevention of Improper Influence-Peddling and Conflict of Interest.” Lobbying as a profession is relatively new in Korea and Mr. Han specified that paid lobbying activities (e.g. asking for special favours regarding a public official’s duty in return for financial benefit) is strictly prohibited. He expressed insistence that lobbying can be legalised as long as improper influence-peddling (solicitation) and illegal performance of public duty from public officials are mitigated. Mr. Han also spoke about the interaction between public officials and lobbyists, in that public officials also have an obligation to act with the upmost integrity and manage potential conflicts of interest.

Recommendations, follow-up Actions (200 words narrative form)

Lobbying is more complicated than the negative connotation associated by public perception. Overall, government decision making is influenced by different interests. The influence by lobbyists, NGOs or any other stakeholder is welcomed; however the lobbying of those interests needs to be carried out in full transparency. This will contribute to ensuring accountability in the decision-making process and avoiding capture by vested interests. This will also help reduce the stigma currently associated with the lobbying sector.

Highlights (200 words please include interesting quotes)

“One lobbyist endangers democracy, but a thousand lobbyists safeguard it.

Key Insights Recommended to be included in the IACC Declaration

Experience has shown that the wrong influence on public decision making can lead to disastrous outcomes. To avoid the wrong influence and promote the right one, it must be recognised first that lobbying takes place in all societies by all stakeholders, whether formally or informally. When lobbying public decision making bodies, full transparency is the best way to ensure accountability in the decision-making process and avoid capture by vested interests. Ultimately integrity and transparency in lobbying contribute to citizen’s participation in policy making and to mobilising people against corruption.



Rapporteur's name and date submitted

Julio Bacio Terracino 8/11/12 _____