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**Lobbying and Devolution: Policy and Political Communication in
Scotland, 1997 - 2003**

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Abstract

This thesis examines the growth of commercial lobbying in Scotland with the devolution of political power to Edinburgh in 1999. The study analyses the nascent public affairs community in Edinburgh in the lead up to, and during, the first session of the Scottish Parliament.

This period covers the public debate at Holyrood over the registration and regulation of outside interests, and examines both the public and private political communication of those actors involved. The evidence base for this thesis is drawn from archival and documentary research, extended observational fieldwork in Edinburgh, and in depth interviews with informants from lobbying consultancies, corporations, voluntary sector organisations, elected representatives and public servants.

A key focus of this study is the role of commercial and corporate lobbyists in Scottish public affairs and the Scottish public sphere. The analysis concludes that the Scottish Parliament's founding principles of openness, equality and accountability could be served through the regulation of lobbying.

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Chapter 1

Introduction

This study examines the development and embedding of lobbying at Holyrood, the new Scottish Parliament created after the devolution referendum in September 1997. The timeframe of this study, from 1998 to 2003, represents a unique political and sociological moment in the Scottish polity, when the rules and principles that would guide and define devolved politics were debated and deliberated upon. This research also follows how these principles were implemented, institutionalised - and in some cases violated - during the first session of the Parliament.

The Parliament is founded upon radical-democratic principles, which were adopted and promoted by a campaign across Scottish civil society (though business and corporate actors were noticeably absent) under the Scottish Constitutional Convention. This movement campaigned for devolution, and sought to establish a new form of participative politics that would bring government and governance closer to the electorate. In November 1997, after the devolution referendum, an all-party body called the Consultative Steering Group (CSG), was charged with finding practical ways of realising the aspirations of the Constitutional Convention in the routine workings of the new Parliament. The CSG was created by the Secretary of State for Scotland and consulted widely across Scottish society on the philosophy and principles that would underpin and sustain this new institution. The CSG's work, published in *Shaping Scotland's Parliament*

(CSG 1998), resulted in the establishment of four very important principles, which can be understood as a quasi-constitutional template for Holyrood. These principles insist upon:

- sharing power with the people and the Executive;

- the accountability of the Executive to Parliament and Parliament to the people;

- access and participation;

- equal opportunities.

These founding principles have informed my research, in the sense that they relate to political communication. Power sharing and equal opportunities require widespread knowledge of the political process, which depends on openness and access to information. Equally, Parliament cannot be accessible and engender participation without transparency, which is a key principle in the analysis that follows and a benchmark for the empirical evidence I have assembled.

With hindsight it now appears that the concentrated effort to innovate and improve Parliamentary practices at Holyrood actually masked the continuity and persistence of British political culture at the Scottish Executive, which remains the locus of government and civil service power in Scotland. The absence of bottom-up and legitimating reform at the Executive has had serious implications for political communication and the business of politics in Scotland. The perpetuation of secrecy, the aversion to disclosure, and the opacity of Executive relations with organised outside interests that characterised lobbying at the old Scottish Office have been impervious to popular democratic expectations for

open and participative governance post-devolution. Thus, the scope for a new style of politics was constrained, if not stillborn.

Lobbying and Political Communication: studying sources

The interpenetration of lobbying and public policy processes, and the agency of important social actors such as corporations and other interest groups, and the media, is a central concern of this thesis. This study adopts an interdisciplinary perspective in examining the nexus of political communication, interest representation, the mobilisation of bias and critical publicity at Holyrood. The overriding ambition of this project is to examine the activities and strategies of lobbyists, and ultimately, how these shape policy outcomes in the Scottish polity. The research is multi-disciplinary in that it draws on literatures across sociology, media and communications studies, and political science.

This study does not address political communication and public relations in terms of journalists' perspectives. My focus is on the communicative agency of organised interests, which I seek to examine via their PR and lobbying strategies. Thus, this research shares common ground with analyses of the PR and promotional activities of governments, corporations and other pressure groups in civil society (such as: Anderson 1993; 1997; Beder 1997; Cutlip 1994, 1995; Davis 2002, 2000a, 2000b; Deacon 1996; Deacon and Golding 1994; Ewan 1996; Manning 1998; Miller 1993, 1994; Miller et al. 1998; Schlesinger and Tumber 1994).

The research also differs somewhat from more conventional 'source studies' within sociology and communications in that it does not simply focus on struggles and strategies for definitional advantage in the media, but is alert to the many other, more private fora, where interests are pursued and agendas established. Much of the empirical work reported below is based on ethnographic observation at meetings, seminars and conferences, which are key (though surprisingly neglected) spaces in politics and public life.

The mass media are not the prime concern of this study, but their presence is felt, usually in the background as a latent political force that can shape debate and - *in extremis*, as with the Section 28 'Keep the Clause' campaign - directly affect political outcomes. More routinely however the media are factored into most sophisticated public affairs programmes and strategies, even if only at the level of crisis and contingency planning (i.e. 'what do we do if this becomes public?'). The significance of the media in the Scottish public sphere should not be underestimated or neglected by those social scientists studying power and decision making. In a small country, and an even smaller political village centred on the Scottish Executive and Parliament, the media suffuse the elite networks across business and civil society that shape public debate (Hassan 2002) and influence public policy.

This study can be located within a growing body of work on the public relations industry in general, and the role of corporate power in contemporary society in particular (Beder 1997; Carey 1995; Ewen 1996; Fagin and Lavelle 1999; Fones-Wolf 1994; Hager and

Burton 1999; Lubbers 2002; Miller and Dinan 2000; Miller and Schlesinger 2000; Silverstein 1998; Sklair 2002; Stauber and Rampton 1995, 2002). It draws upon more established academic traditions of research on lobbying and interest representation (Finer 1958; Grant 1995; Greenwood 1997; John 2002; Lindblom 1977; Marsh 1983; Mitchell 1989, 1997; Mizruchi 1992; Jordan 1991; Ryan et al., 1987), power structure research and the political role of capitalist elites (Domhoff 1970, 1974,1975, 1979, 1983; 1990; Scott 1991, 1997; Sklair 2000; Useem 1984; Zeitlin 1989) but places the management of political profile and communicative strategies at the heart of the analysis. This work is framed by a wider appreciation of the rise of promotional culture and activities (Wernick 1991). Thus, lobbying and PR are seen as concrete and politically significant expressions of promotional power.

Public relations and lobbying activities are well established in Scotland, and have increased markedly over the last two decades. Yet the role of PR and lobbying in Scottish public life has not attracted sustained critical inquiry. There are fleeting references to PR and lobbying in Scottish public policy. Early sketches by practitioners like Donald (1979) and notably Smith (1994) have not been followed up by many social scientists. An exception is the analysis by Schlesinger et al. (2001) *Open Scotland?*, which represents the first sustained effort to map and analyse political communication in the Scottish public sphere. Part of this thesis first appeared in that monograph (specifically chapters five to seven here, though some additional material has been added to update these chapters, and pages 11 to 19 of chapter two). This thesis expands on that work, particularly in relation to corporate lobbying.

Since devolution the media have begun to report, however sporadically and inaccurately, on the roles of these actors in Scottish society, and their increasing engagement with the state, public sector, and the political class, of which they are an important constituent part. This thesis is an attempt to begin to chart and analyse lobbying in the Scottish public sphere by examining the activities of lobbyists as elite professional communicators at a particular moment of unique political change, when the rules and regulations governing lobbying practice were available for public debate and deliberation.

While the emphasis of the research is emphatically Scottish, it is important to note that lobbying is a significant transnational practice (Sklair 2002). The lobbying strategies pursued by large multinational corporations are increasingly global in character and conception. Thus, while the empirical material that underpins my argument is Scottish, it has a global flavour, given the nature of the actors and practices involved, and the principles at stake. This is particularly evident in relation to the lobbying activities of large TNCs located in Scotland (chapter 8) and at points in the inquiry on the regulation of lobbying, where best practice from other jurisdictions was invoked.

Scholarship, Engagement and the Research Process

The inquiry into the regulation of lobbying in Scotland between 2000 and 2002 afforded an unanticipated opportunity to both study the policy process in relation to lobbying in the new polity, and to engage in that public debate. Academic intervention in public issues is a matter that can often divide scholarly opinion. For authors such as Hammersley (1995) social research should be apolitical in the sense that it avoids the

political process in its design, execution, writing up and dissemination. It the research is subsequently picked up by policy makers and officials then the researcher is free to engage with such actors to elaborate and clarify the data gathered and findings generated. This stance is underpinned by the belief that the:

> Politicisation of research is founded on arguments which are defective and which serve to undermine research as a distinctive form of activity ... they negate social researchers' attempts to preserve autonomy from the state and from other powerful social interests, thereby destroying the conditions in which research can flourish, perhaps even threatening its survival. (Hammersley 1995: ix)

This view of the research process touches upon a critical issue - the autonomy of the research enterprise. For many scholars the question of engagement and intervention is problematic as they conceive of the research process in fairly narrow terms as *only* about the pursuit of knowledge, with the social world, its power relations and value judgements somehow held in suspension. This worldview is in part encouraged by a widespread misreading of Weber's classical statements on 'Science as a Vocation' and 'Politics as a Vocation' where he insisted that sociology could not be 'value free' and that the 'initial choice and conceptualisation of a problem, as well as the subsequent attempt to seek practical implications from its study were 'highly value-relevant'' (Silverman 1985: 179).

The detachment recommended by Hammersley and others can be seen as a rather extreme form of academic independence that conceives of the research process as a purist pursuit,

often artificially separated from society and processes of governance. Part of the impetus to conduct such 'uncontaminated' social research can be traced back to the pioneers of sociology, who sought to replicate the natural sciences in order to produce a positivist 'science of man'. Whatever the merits of such a philosophy of (social) science, this kind of argument is particularly difficult to sustain when the very subject matter of social inquiry is political, in this case the political process itself, and how powerful interests articulate with decision makers. As Elias notes in his famous discussion of the problems of involvement and detachment, social researchers:

> Cannot cease to take part in, and be affected by, the social and political affairs of their groups and their time. Their own participation and involvement, moreover, is itself one of the conditions for comprehending the problems they try to solve as scientists ... in order to understand the functioning of human groups one needs to know, as it were, from inside how human beings experience their own and other groups, and one cannot know without active participation and involvement. (Elias 1956: 62)

On this reading it can be seen that involvement and engagement can actually be important conditions for scholarship and the scientific study of society. The policy territory and empirical contours of this thesis in some ways compelled my participation in the policy debate on lobbying. This of course closely relates to the researchers conception of the function of social science. Having received public funding for related work on political communications I felt it both appropriate and necessary to engage in public debate, given

the emphasis placed by the funding council on user engagement, my awareness of the policy field, and my understanding of the need for independent and autonomous voices to participate in policy deliberation in this area.

It would be remiss to ignore the rather important fact that much of the social research undertaken in the UK today, under the auspices of the various research councils, is funded precisely because it addresses the policy concerns of those groups in society now thought of as research users: government, business, the professions and the voluntary sector. Nevertheless, Hammersley is right to warn of the dangers of surrendering the autonomy and integrity of the research enterprise to funding agencies and powerful interests. This thesis explicitly acknowledges this danger and I have sought to avoid this throughout my data gathering, analysis and dissemination.

Hammersley's views on the research process are of course contested. With the collapse of the positivist rationale for social research there have been several competing definitions of what social science ought to be for. These arguments have tended to coalesce around notions that social research is inherently political and should either serve bureaucratic and technocratic ends or serve the interests of the powerless and adopt a 'critical' perspective on contemporary society.

Many social scientists begin their research with an explicit recognition that it is not possible to step outside the social world in order to comment upon it. Bourdieu recently entered the debate on engagement with a plea for a 'scholarship with commitment'. By

this he intended to challenge the orthodoxy that social science must remain aloof from the social and political fray.

> Today we must renew the tradition that emerged in the nineteenth century in the scientific field, which refuses to leave the world to the blind forces of economics and seeks to extend to the entire social world the values of the scientific universe (no doubt idealised). I am aware that by calling on researchers to defend their autonomy and to impose values at the core of their profession, as I do here, I run the risk of shocking those among them who, opting for the cosy virtuousness of confinement within their ivory towers, see intervention outside the academic sphere as a dangerous failing of that 'axiological neutrality' which is wrongly equated with scientific objectivity... I am convinced that we must at all costs bring the achievements of science and scholarship into public debate, from which they are tragically absent – and, in passing, call to order the prattling and incompetent essayists who fill the newspaper columns and the airwaves of radio and television (Bourdieu 2003: 12-13)

I have much sympathy with this view, particularly as it is informed by an understanding of the need to counter the self-interested interventions in public and policy debate that characterise much of the political communications of lobbyists, and it allows for some academic corrections of systematically distorted communication. It also insists on the maintenance of academic autonomy, as it involves a rejection of 'research on demand' and instrumental relations in the production of research. Instead, Bourdieu encourages us

to rethink how we can bring academic insights to the world outside the wall of the academy. Part of this process is surely to take whatever opportunities are available to communicate the insights of social science to wider audiences. In this sense engagement is both proper and necessary.

The structure of the thesis is as follows. A background account of the public and political debate on lobbying in the UK (chapter two) contextualises the theoretical and empirical chapters, referring to academic and practitioner literature on the phenomenon of lobbying. This section also reviews the official debate at Westminster on lobbying, standards in British public life and relations between Parliament and outside interests. The theoretical framework (chapter three) that informs the subsequent analysis addresses some current debates in media and communication studies on public relations in contemporary democracies. This discussion is influenced by the work of Habermas on the public sphere, and seeks to locate the practice of lobbying within an understanding of the conditions of access to communicative power under late-capitalism. This argument picks up on earlier work in political science and sociology on interest representation and power structures, and relates it to more recent theorising on the nature of governance in complex societies and polities. My account of the methodological issues I faced, and reflections on the research process (chapter four), serves as an introduction to the empirical material I have assembled.

The empirical substance of this research is presented in chronological order and mirrors the trajectory of my fieldwork. I began this research looking at the trade associations that

spoke on behalf of the lobbying industry in Scotland and their preparations for the devolution of political power to Edinburgh (chapter five). The focus in this phase was upon commercial consultant lobbyists. This research coincided with an early lobbying scandal at Holyrood, dubbed 'Lobbygate' (chapter six), and a subsequent public inquiry into the role of lobbyists at Holyrood (chapter seven). This point marks a distinct juncture in the research, as I then participated publicly in the inquiry on lobbying, and adopted a policy position that was opposed by virtually every lobbyist in Scotland! Thus, access to informants proved more difficult in researching the role of in-house corporate lobbyists operating in Scotland (chapter eight) and in researching the creation of the Scottish Parliament Business Exchange (chapter nine). My conclusions (chapter ten) seek to draw some lessons from this observational and participative style of research.

Chapter 2

Lobbying in Context

Introduction

This chapter seeks to locate the modern phenomenon of political lobbying in the context

of the creation of the new Scottish Parliament. To accomplish this a short historical

overview is necessary, drawing together the main issues relating to the practice and

regulation of lobbying, as seen by both independent observers (such as academics

studying relations between government and outside interests), and by both politicians and

professional lobbyists who have reflected on their interactions. This in turn positions the

subsequent theoretical discussion (in chapter 3), which examines the role of lobbying in

relation to debates ranging across the public sphere, the nature of democracy in advanced

capitalist societies, contemporary trends in governance, political mobilisation, power

structure research and globalisation. To ground this analysis some discussion of the

political principles and practical issues associated with lobbying is required.

Background

For Jordan (1991: vii, viii) a proper understanding of contemporary British politics is

impossible without examining lobbying. Austin Mitchell MP remarked over a decade ago

that 'In reality, lobbying has increased, is increasing, and is not going to be diminished...

our vaunted constitution is really a framework of lobbying; for the constitution is,

essentially, whatever governments can get away with. Lobbying, persuasion and opinion

manipulation are the tugs at the sleeve of power' (ibid: 3). The power and discretion of

executive government in the British system is indeed crucial to understanding the nature

of lobbying. Interestingly, Mitchell also claimed that Americanised, high powered

strategic lobbying, that meshed political and corporate interests had yet to be imported to

the UK. This claim was made precisely at the time when Ian Greer and his associates

were doing exactly that on behalf of a range of blue chip corporations at Westminster

(Greer 1997).

A *Financial Times* poll in 1985 found that 41% of 180 major British corporations

surveyed were using political consultants, paying them an average of £28,000 p.a. Over a

quarter (28%) of the 180 corporations used PR companies for government relations work,

paying an average fee of £33,000 (cited in Jordan 1991: 20, 21). The scale and ubiquity

of such lobbying activity can be seen as 'in part a logical response to the Government's

discretion on purchasing, in creating product legislation, in setting the regulatory

frameworks, and establishing the relevant tax regimes for companies. For these reasons

ostensibly private companies are very often effectively 'Government controlled'' (ibid:

21). It remains the case that corporate interests continue to make most use of commercial

consultants, in tandem with their own in-house public affairs capacity (John 2002: 12-

14).

Finer (1958) in his classic study of American government relations suggested that

lobbyists cannot 'pressure' government: they simply argue and make requests, because

they lack a credible or effective sanction. However, in the contemporary globalised and

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deregulated era the corporate threat of exit is serious and carries considerable political weight. By virtue of employing a large workforce (who are also constituents of elected representatives) large TNCs certainly do carry a credible sanction. The same is more difficult to say for trade associations, trade unions, and NGOs, and therefore it is necessary to distinguish the political activity of corporations from that of other actors.

Useem (1984: 3) describes a distinctive form of corporate lobbying, undertaken by an "inner circle" of corporate leaders acting on behalf of class-wide interests. This group are far more important than commercial lobbying consultants. They are: 'rooted in intercorporate networks through shared ownership and directorship of large companies in both countries [the US and UK], this politically active group of directors and top managers gives coherence to the politics of business'. Jordan (1991) claims this 'politicised cadre' of big business play a key role in defending the interests of TNCs.

Finer saw the relationship between lobbyists and civil servants as one of 'mutual accommodation' (1958: 22). The lobbyist is but one voice in the policy dialogue or policy community. Far from pressuring government, established lobbyists with credentials and contacts are sought out for advice and consultation by civil servants. Indeed, the relationship between companies and their 'sponsor' departments in Whitehall is often depicted as mutually beneficial, in terms of consultation, information exchange and problem solving. This close co-operation is deeply entrenched in the British system of governance and 'will not be eradicated instantly by ministerial edict' (Jordan 1991: 32).

Registering interests in British public affairs: the story so far...

The House of Commons has wrestled with the issue of lobbying and its regulation over the past thirty years. The history of lobbying in the UK remains somewhat obscure and under-researched. As Doig notes:

> Although political PR was in its infancy at the time [1950[1]] the Select Committee was reporting there were an increasing number of clients seeking access to the decision making processes who turned for professional help to those individuals with advertising, public relations and, more importantly, political backgrounds, such as political journalism, government PR work and party activism. During the 1950s these individuals laid the foundations of political lobbying as a commercial activity (1991:153-4).

The Select Committee on Members' Interests (SCMI) have considered the matter on four separate occasions: in 1969, 1974, 1985, and 1990-91. Latterly, the committee recommended a mandatory register of professional lobbyists, including details of their businesses and clients, to be enforced by a Resolution of the House. Critics of that proposed register pointed to its limited scope and ambition. With the SCMI apparently lacking investigatory zeal and repeatedly prepared to 'think the best of' fellow MPs (Doig 1998: 39), the debate on the regulation of lobbying in the UK in the last decade has, according Jordan (1998: 524), taken an 'unexpected' turn with its focus on legislators rather than the lobbyists themselves.

Under successive Thatcher administrations, markets were deregulated and a business friendly political culture evolved. As a result, the weaknesses of SCMI's policing of the relationship between commercial interests and Parliament became exposed. The 'cash-for-questions' affair was triggered by revelations in *The Guardian* that MPs had been paid in cash and in kind to ask parliamentary questions on behalf of commercial interests. The scandal centered on payments made by Mohammed Al-Fayed (via the IGA political lobbying firm) to MPs Neil Hamilton and Tim Smith.

From Nolan to Neill

Prime Minister John Major set up the (ad hoc) Committee on Standards in Public Life (CSPL) in October 1994, in direct response to the cash-for-questions affair. Under the chairmanship of Lord Nolan, the committee reported within six months. Despite evidence that confidence in the probity of the political process was being eroded, Nolan decided against the regulation of lobbyists themselves, arguing that the creation of a public register would become a marketing device for them. On this analysis, regulated lobbyists would claim official status, and this in turn would create the impression that to approach MPs and ministers successfully, members of the public, or organised outside interests, must procure the services of registered public affairs consultants (Nolan 1995a: 36). Thus the emphasis of the Nolan report was to fall upon regulation of legislators.

Nolan recommended that the Register of Interests should be more informative, that the rules governing conflicts of interest should be set out in more detail, that a code of conduct for MPs should be drawn up, and that an independent Parliamentary

Commissioner for Standards should be appointed. These recommendations were adopted by the House in July 1995 (Doig 1998: 44). Significantly, Nolan also recommended that the Commissioner for Standards should have 'the same ability to make findings and conclusions public as is enjoyed by the Comptroller and Auditor General and the Parliamentary Commissioner for Administration' (Nolan Committee 1995a: 43). Significantly, this recommendation was not adopted.

The then newly-appointed Parliamentary Commissioner for Standards Sir Gordon Downey directed a formal inquiry into the cash-for-questions allegations against some 25 MPs. His report appeared in July 1997, almost three years after the initial allegations were published in *The Guardian*.[2] Aside from the political impact of the 'sleaze' that characterised the final years of the Major administration, the cash-for-questions episode drew attention to the rather limited nature of Parliamentary self-regulation, even post Nolan, where the powers of the Parliamentary Commissioner for Standards became a matter of contention, as the political autonomy of the office was seen by some (most notably *The Guardian*) to be compromised by its dependence on the Select Committee on Standards and Privileges.

Being appointed by Standing Order of the House of Commons, the Parliamentary Commissioner has no legislative power. This means that to see papers or call witnesses the Commissioner relies on a summons by the CSP. The Commissioner is also dependent upon the CSP for resources, and crucially, has no power to publish reports or sanction individuals directly (Woodhouse 1998: 53-55).[3] These restrictions are of concern because

they fail to preclude political interference by the CSP, which at any given time is likely to be dominated by the party of government.[4]

The official response of the lobbying industry to 'sleaze' was, in the first instance, to call for government regulation. The Association of Public Affairs Consultants (APPC), which represents consultancies whose income is entirely or mainly derived from lobbying, called for statutory controls, arguing that 'official regulation would command far greater respect' (Nolan 1995b: 93) than self-regulation. However, there were reservations regarding the feasibility of the APPC's proposed model for regulating lobbying. Some viewed it as a strategic calculation by the APPC that there was neither the political appetite nor the legislative space to easily implement such legislation, a suspicion reinforced during the Standards Committee inquiry into lobbying in 2001 (see chapter 6 below). Thus, the APPC could credibly point to its own code of conduct as a next best alternative. The Public Relations Consultants Association (PRCA), which represents PR consultancies, some of which engage in lobbying, sought 'real self-regulation' (Nolan 1995b: 100) as the optimal guarantee of probity in public affairs. In similar vein, the Institute of Public Relations (IPR),[5] which represents individual PR practitioners - including lobbyists - recommended 'independent regulation of the activities of legislators themselves' (Nolan 1993b: 149). Overall then the lobbying industry was not keen on statutory regulation.

The politics of sleaze

Media interest in sleaze continued after the publication of the Nolan report. The legal

action brought by Neil Hamilton and Ian Greer against *The Guardian* newspaper (Greer 1997; Leigh and Vulliamy 1997), and the Parliamentary Commissioner for Standards' investigation of allegations of corruption against MPs, kept issues regarding probity in public life on the media and political agenda. Indeed, with a UK general election in the offing, New Labour's strategy was to position itself as 'a positive voice in a sea of sleaze and cynicism' (Gould 1998: 350). As the election campaign unfolded, sleaze came to dominate its early weeks, and was a recurrent theme throughout (Gould 1998; Jones 1997; McNair 2000).

The impact of New Labour's landslide election victory on the UK lobbying industry was immediate. Overnight, the cache of advisers to New Labour's front bench rose markedly among commercial lobbying firms whose growth and success had been inextricably linked with successive Conservative administrations (Miller and Dinan 2000).There was a clear demand from government relations consultancies for individuals with contacts in the New Labour Cabinet and party hierarchy, both in terms of the access this would undoubtedly bring, and the ability to interpret New Labour's policy agenda to clients.

Another significant feature of the New Labour lobbying landscape in Westminster and Whitehall was the appointment of a series of special advisers to Labour ministers. Again, many of those appointed to these posts had previously worked for the opposition Labour front bench. Special advisers and party advisers-turned-lobbyists quickly became embroiled in controversy regarding their ability to gain access to ministers on behalf of commercial interests.

The cash-for-access scandal of July 1998 was the result of a 'sting' operation by *The Observer* newspaper. Posing as a US business representative, journalist Gregory Palast secured offers of access to cabinet ministers from Derek Draper and Roger Liddle. Both Draper and Liddle had previously been partners in the lobbying firm Prima Europe. At the time, Draper (a former aide to Peter Mandelson) was working as a lobbyist for GPC Market Access (which had taken over Prima Europe) while Liddle was employed as a special adviser in the Number Ten policy unit. Draper resigned from GPC, although Liddle remained in post. Within a few weeks, the government had announced the tightening of rules governing the conduct of special advisers and civil servants (Hencke 1998: 3).

Reviewing developments in regulation and practice one year later, Derek Draper remarked:

> The most worrying thing that is ever sold is information, a little light thrown on how things work ... I suspect that the close relations which exist between some politicians, advisers and lobbyists (who are often old colleagues) do mean that certain information which should be either public or totally private is passed on. The danger is that one day that information could, literally, be worth a fortune to somebody. Guarding against this danger isn't easy but the intertwined relationships must be disentangled. (Draper 1999: 26)

Given the continuing political salience and sensitivity of commercial lobbying under

New Labour it was fortuitous that the Committee on Standards in Public Life, under the

chairmanship of Lord Neill of Bladen, should again consider the issue. Concerns

regarding the relationships between the public and private sectors under New Labour rule

were captured by the term 'cronyism', which suggested that a new elite was emerging in

British public life, based almost exclusively on the patronage of Prime Minister Blair and

other senior New Labour politicians (Cohen 2003).

Reinforcing standards

The sixth report of the CSPL published in 2000 reviewed the implementation of the

original Nolan report. In the process of gathering evidence it became clear that a 'fresh

enquiry' was necessary in relation to the status and regulation of special advisers, rules

governing the sponsorship of government activities, and the lobbying of ministers and

civil servants (Neill 2000a: 9). The main thrust of the Neill report was to suggest that

there had been considerable improvements in the perception of probity in public life, but

that more needed to be done.

The Neill committee's view regarding the regulation of the lobbying industry reaffirmed

the orthodoxy established by Nolan. Recommendation 26 of their report states 'There

should be no statutory or compulsory system for the regulation of lobbyists. The current

strengthening of self-regulation by lobbyists is to be welcomed' (Neill 2000a: 4).

However a close inspection of the evidence that underpins this view seems to suggest that

the Neill committee have taken a somewhat partial view of this debate. This

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recommendation was the majority view of the committee. One committee member

suggested to me that this view was entrenched before evidence was taken. Given the

profile of those submitting evidence to the committee, largely political 'insiders' who do

not necessarily represent the public interest, it is perhaps unsurprising that the Neill

committee endorsed the view taken by Nolan in 1995.

The Neill committee set out both sides of the argument surrounding a statutory register.

While acknowledging the importance of this debate, primacy was placed on the principle

of openness established by Nolan: 'The democratic right to make representations to

government - to have access to the policy making process - is fundamental to the proper

conduct of public life and the development of sound policy. The committee is opposed to

anything which fetters that right without the very strongest reasons' (Neill 2000a: 86).

The committee heard evidence that openness and accountability could actually be

enhanced via formal regulation, and that this could be achieved 'cheaply and effectively

by electronic information gathering, storage, retrieval, providing easy access to all who

wish it' (Neill 2000a: 86). Despite this Neill arrived at a conclusion which could suggest

a less than full engagement with the merits of arguments in favour of regulation.[6] Rather,

the Committee decided that the principle of openness would be best served by the status

quo:

> In the opinion of the Committee, the weight of evidence is against regulation by
>
> means of a compulsory register and code of conduct. Lobbyist regulation schemes

can help make government more open and accountable, providing useful information about influences on decision-making. But we believe that the amount of information that could be made available through a register would not be proportionate to the extra burden on all concerned of establishing and administering the system. There is also still force in the Committee's original objection, that such a system could give the erroneous impression that only 'registered lobbyists' offer an effective and proper route to MPs and Ministers' (Neill 2000a: 89).

Somewhat contradictorily, the committee recommend in their guidance for 'the lobbied' in government that a clear written record of all contacts with outside interests be kept: 'We do not think that compliance with a new requirement to the record would be burdensome for departments, and we believe that it would encourage high and uniform standards' (Neill 2000a: 91).

Regrettably, Neill fails to explain why the onus of compliance should only fall upon the civil service and not the private sector, given the potential benefits in terms of best practice and public confidence if there were to be general record-keeping and disclosure. The committee placed a considerable degree of faith in self regulation by lobbyists, notwithstanding the evidence submitted by public affairs bodies (notably by the APPC and IPR) in favour of statutory regulation. In addition, the Neill committee proposed no solution to concerns regarding those lobbyists who choose not to join self-regulatory schemes and the entrance into the unregulated lobbying market of lawyers, accountants,

and management consultants.

Scottish Lobbying: evolution and devolution

While Westminster and Whitehall were (and remain) undoubtedly important loci for

lobbying by corporate interests headquartered or operating in Scotland, the Scottish

Office has long held important decision making powers and has therefore been the target

of corporate interest representation, especially in sectors such as oil, whisky, fishing and

forestry. The Scottish Office was not simply a northerly outpost of Whitehall: it had

important decision making functions and a degree of devolved powers and resources

which 'undoubtedly placed Scottish business interests in an advantageous position

relative to their regional English counterparts in that these offices have provided a focus

for political pressure to be applied through lobbying' (Brown and McCrone 1999: 73).

It has often been suggested that the 18 years of Conservative government through the

1980s and 1990s in Scotland sidelined corporatist organisations like the SCDI, the

voluntary sector and certainly trade unions (Aitken 2002, 1992; Paterson 1999, 1994).

Under the Thatcher and Major administrations the input of business leaders and captains

of industry was favoured ahead of civic and corporatist actors. The rolling back of the

public sector under successive administrations and the creation of the quango state placed

business interests at the heart of public service provision and delivery throughout the UK,

and transformed government into a very significant client of corporations. Predictably,

this phenomenon did not resonate well with the voluntary organisations that comprise

civic Scotland and its radical, participative democratic project based on a (partially real,

partially imagined) Scottish liberal consensus, which demanded increased decision

making powers for the Scottish people through the creation of a Scottish Parliament. This

consensus did not however extend to the corporate sector.

> Scottish owned and controlled capital has not seen its future lying in an
>
> independent or devolved Scotland. The reasons for Scottish capital maintaining
>
> the integrity of the UK state are partly economic and partly political. Most
>
> significant sectors of Scottish capital have entrenched interlinkages with UK, and
>
> increasingly with international capital in terms of trade, investment, and markets.
>
> Any potential threat to these interdependencies through the actions of a Scottish
>
> State or devolved form of government would clearly be unwelcome. (Moore and
>
> Booth 1989: 140)

The corporate landscape in Scotland has changed considerably as a result of the

deregulatory policies of the Conservatives. The privatisation of UK's nationalised

industries can be seen as part of a wider policy project, namely the liberalisation of

markets, a key feature of capitalist led globalisation. Prominent among the major

corporations currently based or operating in Scotland are those brought into being by

privatisation. BP (Scotland), BT Scotland, Scottish Power, Scottish and Southern,

Scottish Gas (part of Centrica), British Energy, British Airports Authority (BAA), BAE

Systems, are all leading players in the Scottish business scene. Other notable corporations

in Scotland include those from the banking sector, such as Royal Bank of Scotland

(RBoS), The Bank of Scotland (now part of HBoS after a merger with the Halifax building society) Lloyds TSB Scotland, and the Clydesdale Bank.

Deregulation has also had a direct impact on the public affairs activities of the key finance sector in Scotland, which now manages funds totalling £350 billion, the seventh largest concentration of investment capital in the world. In 1986 Scottish Financial Enterprise was formed with the aim of promoting and marketing the sector, which was felt to be under-performing and not well placed to compete with major international finance houses. The SFE was seen as a way to help the Scottish financial sector to survive and grow in the post 'Big Bang' era of deregulated financial services. SFE remains a 'private sector body to promote the interests of the financial services sector in Scotland. Its activities include political lobbying in Scotland, London and in Brussels, public relations and the dissemination of information about the sector' (Scottish Financial Enterprise 2002) and is an important conduit between policy makers and the finance community in Scotland.

Thatcher's neo-liberal economic policies created new players on the Scottish business scene. Yet, according to Aitken 'Scotland did retain more than is commonly supposed of the old consensual structures through the Thatcher years, even though it spent much of that time protesting noisily about how they were being destroyed in an affront to Scottish collectivist tradition' (2002: 181). Thus while there has indisputably been considerable change in the Scottish corporate sector there is nevertheless a certain inheritance factor

which means that the ways large institutions in Scottish public life relate to each other, often through interpersonal and professional networks, persists.

Distant relations: Devolution and Corporate Scotland

In 1995 the Scottish Industry Forum was created to open a channel of communication between Labour party policy makers and the Scottish business community, particularly indigenous SMEs. A Labour Forum was also created prior to the 1997 general election to address the concerns of large business interests in Scotland at the prospect of devolution. One business participant described the forum as:' "apolitical", very much in quotes. It was Labour talking to business. So the people invited to it were in business, certainly not necessarily supporters, not at all. It's the old boy circuit kind of thing. That still carries on' (interview with author, April 2002).

Despite overtures from very senior figures within New Labour Scottish business remained sceptical about devolution, and really only began to engage with the process on the election of New Labour in 1997. The incoming Blair government, keen to demonstrate its pro-business credentials, spent considerable effort convincing the Scottish business community that devolution would not mean new taxes, divergent economic policy, or extra regulation. 'On the face of it claims of the potential disaster that the Parliament may wreak on business seem curious, particularly since the powers of the Parliament are largely confined to organisations and programmes in the public services' (Kerley 2000: 145). I will return to these issues in later chapters when discussing the

specific corporate responses of TNCs located in Scotland to the new political environment.

Brown and McCrone (1999) suggest that the Scottish policy arena has historically been more corporatist than the rest of the UK, though lagging behind more formalised tripartite relations elsewhere, especially (northern) European social democratic models. The authors also note the relatively weak nature of business representation by trade and sectoral associations in the UK, the tendency towards a 'pluralist' approach to influencing policy (i.e. individual corporations lobby and pursue their own interests), and 'the relative lack of formal institutional forums for business and government to consult' (Brown and McCrone 1999: 71). This absence of formal, public ways of managing the business-policy nexus perhaps contributes to - and almost certainly legitimates in the minds of participants at least - the informal contacts that permeate Scottish public life. Arguably, this also opens up the space for the creation of new, post-devolution, mechanisms for managing business-policy relations. The Scottish Parliament Business Exchange (SPBE) was set up in part to address this very issue.[7] The Exchange has been the subject of ongoing controversy since its creation in 2000, and will be examined in detail below.

Corporate communication and lobbying have largely been ignored by commentators in Scotland. A notable exception is Smith (1994) who refers in passing to the 'pivotal role of public relations in the everyday workings of the [Scottish] media, as well as its increasingly powerful place in corporate decision making' (225). Within the largest

corporations in-house PR is usually a distinct function from that of marketing, and will include publicity, image building, community relations and political lobbying.

> For many major Scottish companies, the PR executive - more often dubbed 'head of public affairs' or 'director of communications' these days in reflection of their expanded role - play a crucial part in corporate decision-making and its presentation. It is no coincidence that those companies who have invested heavily in their own public affairs' departments are among those who have experienced life under the spotlight during moments of crisis [including BP Exploration, United Distillers, Scottish Power, Weir Group, and the Royal Bank of Scotland] ... their task reaches well beyond press-release writing and into the realms of high level advice; the development of a public profile for a new chairman, the lobbying of this or that Ministry over taxation or monopoly legislation, the presentation of all public statements and reports. (Smith 1994: 230)

If anything, the significance of corporate communications has increased since these observations were made. Sam McEwan, communications manager for IBM in Scotland for 24 years (and now a public affairs consultant in Edinburgh), echoing this analysis, remarked upon the strategic role of PR in facilitating the connections between corporations and relevant decision makers.

You end up doing a fair bit of political work within any large organisation if you are head of the PR department ... we in IBM would speak to members of the European Parliament, would speak to members of the UK parliament at very senior levels, [would] speak to people at the Scottish Office at very senior level. There is always ongoing contact. And you are the bag carrier for that... My boss at IBM, if he wanted to speak to the Secretary of State for instance, would pick up the phone. Because it's a huge company, and employed a lot of people, and spent a lot of money, *so the influence was there*... if you've got 2,500 jobs in Greenock, you feel free to pick up the phone to the Secretary of State anytime you like. And I'll tell you what, he'll call you back, guaranteed... If the top guy from IBM in the world, Lou Gerstener, comes over here on a visit, the chances are that the First Minister will meet with him. He may meet him for a dinner, but they will sit beside each other at the dinner, there may be other people at the table. But Gerstener will have an agenda he wants to talk to the First Minister about and the First Minister will have an agenda that he wants to talk to Gerstener about. And you don't need to be a rocket scientist to figure out a couple of those points. You know, 'Are you going to spend more in our country, Mr. Gerstener?' 'How are you going to help me do that, First Minister?' (Interview with author, December 1999 - emphasis added).

Interest Representation in the Scottish Public Sphere

As the Scottish Parliament assumed its constitutional powers in 1999 the Scottish sociologist Tom Burns was writing of the decline of parliaments across the western

world. Burns noted many of the trends outlined above, including the notion that policy networks and sub-governments are increasingly important, representing a form of 'organic governance' (Burns 1999: 171) which in some respects defies the logic of devolution that was presented to the Scottish electorate. The impetus for devolution can be linked to subsidiarity - the belief that democratic legitimacy and efficacy can be maximised by devolving power to a level where it can best be exercised in the interests of the public.

In Scotland this was translated (and perhaps even understood) as putting political power closer to the electorate. Arguably, Scotland now exhibits a greater degree of organic governance than it did prior to devolution. Organised interests, and even some relatively disorganised interests have mobilised and occupied the new institutional space opened by devolution. As the powers of the Scottish Parliament were set out, then those parts of Scottish civil society with the interest, opportunity and institutional status to participate in policy making responded to the creation of this new institution by lobbying for their role in this new governance system.

One forum where political opposition to the marginalisation of Scotland in British politics was keenly felt was the Scottish Constitutional Convention (SCC), which comprised a coalition of groups across Scottish civil society (though essentially from political parties such as Labour and the Liberal Democrats and the voluntary sector). The SCC made the public arguments for a Scottish Parliament and nurtured the idea when successive Conservative governments were unsympathetic to devolution or federalism.

Another key organisation in the creation of the Scottish Parliament was the Consultative Steering Group (CSG), set up by the then Scottish Office in 1998 to draw up the rules and procedures for the new legislature. The CSG was in some respects an off-shoot of the SCC in that many of the participants spanned both bodies. The CSG set about developing a model for the new parliament with a particular accent on participation, access, transparency and openness, all of which have communicative consequences for lobbyists and other political actors. A significant proportion of those groups consulted by the CSG for their views on the operation of the new parliament were civic groups tied to the voluntary sector in Scotland, though key peak business organisations (such as the CBI and IoD) and individual corporations were also canvassed.

The style of governance in Scotland has been described as a 'negotiated order' between business and political elites. The tight networks that comprise this quasi-corporatist negotiated order have tended to act in ways 'beneficial to business interests'. How might devolution disrupt this established order? The potential to change these relations, customs and convention resides particularly in the Scottish Executive, since its predecessor, the Scottish Office, was usually the centre or focus of such networks.

> The unique political, social, cultural and economic arena which exists in Scotland
> can often encourage a recognition of shared interests and a form of concerted
> lobbying which transcends a classic pluralist model and differs significantly from
> the situation in England. The absence of directly elected, democratically

accountable forms of representation in Scotland has also given organised interest

groups a greater legitimacy than elsewhere in Britain. (Brown and McCrone 1999:

74)

The legitimacy of organised interest representation does not alter the fact that the powers

devolved to the Scottish Parliament mean it is unable to shape policy on many important

issues. Leys has recently argued that the experiment with devolution has not really altered

Scotland's experience of neo-liberal, 'market driven' politics:

> Local political authorities are left to do what they can within the constraints set by
>
> the market in their areas. Provided it is done in such a way that local people feel
>
> they have an appropriate share of whatever national resources there are, this
>
> option has the merit of relieving the central government of some of the
>
> responsibility for decisions that are in any case more and more severely
>
> constrained. It is also a useful response to the popular misconception (assiduously
>
> fostered by neo-liberal politicians and newspapers) that power has been 'taken
>
> away' from people and transferred to regional authorities ('Eurocrats' in Brussels),
>
> when in reality it has been ceded, with EU help, to capital. (Leys 2003: 27).

Instead of ushering in an era of participative politics, the constitutional reforms that

promised so much can now be viewed as a more limited political experiment than was

thought in advance of the creation of the Scottish Parliament:

Although they were invariably described as the greatest constitutional reforms of the century, it is the ones that preceded them, almost all accomplished between 1980 and 1997, and which are not usually described in these terms, that in retrospect appear much more fundamental, and whose relationship to economic globalisation is perfectly clear. (Leys 2003: 39)

The British Lobbying system: Westminster and Whitehall

Miller (1991; 1998; 2003) casts the rise of lobbying in Britain as a product of an increasingly democratic and meritocratic society. Miller stresses that 'what you know' in lobbying is more important than 'who you know', yet there is ample empirical evidence to suggest that the latter is vital to 'doing' public affairs. How else can one explain the efforts lobbies go to in securing face time and networking opportunities with decision makers?

Miller's gloss on the evolution of lobbying is certainly questionable in Westminster, but looks odd when set against the evidence of the growth of lobbying in Scotland, where the public affairs universe is in part defined by the narrow political and ideological outlook of its participants (see Hassan 2002). With such homogeneity the 'old school tie' is certainly less important as many mutual interests can be presupposed. Miller rightly notes that politicians are now more professional, but fails to acknowledge that this can breed a set of 'professional concerns' and habits, among which may be (the normalisation of) customs and attitudes toward relations with outside interests, including consultant lobbyists. This contradicts the pluralist meritocratic description of the policy process

advocated by Miller and others who can be said to have a vested interest in painting a benign picture of the ways pressure is applied and decisions are taken by government.

Nevertheless, Miller correctly diagnoses that a 'misdirection of [lobbying] effort has been prompted by an exaggerated media interest in Parliament (which is easy to report) compared with what is invariably the real policy making centre of Whitehall (which is far less accessible). Almost every analysis of pressure group and corporate lobbying activity has been conducted by those outside Government: by academics or journalists with no first hand experience and only rarely an understanding of its real workings...For politics, in their eyes, is about parties; and without party activity, they cannot recognize the submerged mass of the iceberg of politics' (Miller 1991: 55-6).

Miller states that there is surprisingly little background material on which a commentator can draw in discussing the growth of lobbying in the UK, and those engaged in lobbying are unlikely to want to publicise this activity. This is supported by Jordan, who notes: 'On the whole the [lobbying] industry likes to keep quiet about who works for whom. In part this is seen as discretion on behalf of clients, but it is also through an unwillingness to draw attention to the fact that influence is being exerted in a way that fits uneasily with the picture book version of our democracy' (1991: 28).

What data is available through the mass media is limited. Miller (1991) argued that the development of communications as a corporate tool has distracted organisations from doing detailed research in favour of presentation, a dangerous emphasis of form over content. Miller laments this development, and disputes the notion that government is but another public that PR is equipped to deal with. He insists that those advocating such an

approach have no experience of working within government and pinpoints the growth of

PR in the field of lobbying at that point when UK government was at its weakest: 1974 –

79, when the government's slim majority was eroded and it became possible for MPs to

defeat or amend legislation. Political PR is seen by Miller as often misplaced,

concentrating on MPs and Parliament rather than civil servants and Whitehall. 'Public

Relations is about visibility, and it was at the visible manifestation of power that the new

lobbying pundits aimed' (ibid: 59).

Thus, some effort to examine the less visible aspects of lobbying appears necessary. The

accounts below on the formation of the Association for Scottish Public Affairs (chapter

6), its competition with the APPC and the Standards Committee inquiry into lobbying in

Scotland (chapter 8), the lobbying strategies of large TNCs active in Scotland (chapter 9)

and the creation of the SPBE (chapter 10) all seek to examine contemporary Scottish

lobbying in more depth than is afforded by solely relying on information in the public

domain, and in more breadth by considering lobbying as a significant form of

transnational practice (Sklair 2002) associated with contemporary capitalist (ie TNC) led

globalisation. The picture that emerges demonstrates the discrepancies between the

public and private faces of the lobbying industry and the continuities of corporate

lobbyists interests and purposes across different regulatory regimes.

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1 After a Select Committee report on the use of political contacts by Sydney Stanley to help businesses get around post-war restrictions
2 For accounts of the cash-for-questions affair see Doig 1998, Leigh and Vulliamy 1997, and Greer 1997.
3 Unlike the Comptroller and Auditor General or the Parliamentary Commissioner for Administration (Woodhouse 1998: 54).
4 The departure of Elizabeth Filkin as Parliamentary Commissioner for Standards in 2002 was seen by many as the product of an orchestrated campaign against the sleaze watchdog by the Labour Party. http://news.bbc.co.uk/1/hi/uk_politics/1693721.stm
5 The IPR received a Royal Charter in 2004, and is now commonly referred to as the CIPR. As the fieldwork reported here took place before 2004 I will refer to this organisation as the IPR.

6 For example, evidence from the Canadian system was not fully taken into account. See testimony by Professor Michael Rush (Neill 2000b: 41-51).
7 Two of the main players behind its creation, The Royal Bank of Scotland and Scottish Power, happened to be the commercial sponsors of the *Business and the Scottish Parliament Project* report by McCrone and Brown (1999).

Chapter 3

Lobbying in the Scottish public sphere: a conceptual framework

The analysis of lobbying in the newly devolved Scotland that follows in subsequent chapters is informed by a variety of perspectives. This chapter develops a framework for analysing the lobbying activities and capacities of policy actors in post devolution Scotland, synthesising the findings and insights of different approaches across the social and political sciences. Under this broad banner I include several interconnected and complementary theoretical debates. In communication studies and media sociology the activities of public relations professionals (of whom lobbyists can be seen as a sub-category) are understood as a form of political communication. Political scientists and sociologists examining the activities of pressure groups and organised interests tend to focus on interest representation (to decision makers and regulators), and more recently, governance, sub-governance and policy networks as a means of studying the interactions of elected representatives, officials and outside interests. This work also relates to research on power structures and the institutionally privileged position of business in western democracies. Another literature, rooted in economics, conceives of lobbying as a rent-seeking behaviour where actors and organisations seek to manipulate their economic environment in order to receive 'uncompensated rents', such as state subsidies, grants and tax reliefs. Such work focuses on influencing technical decisions by regulators and their economic consequences. Public administration and management approaches to lobbying often understand the phenomenon as a matter of collective organisation and action on

behalf of outside interests, and a technocratic approach to policy development by political authorities. The ambition of this chapter is to draw together aspects of these literatures in order to construct a model of lobbying that can handle the empirical data I have assembled.

Initially I wish to consider how theories of the public sphere and political communication relate to lobbying. Within this wide field I focus on source perspectives and the role professional communicators and experts play in shaping political agendas. This analysis is located in the context of will and opinion formation in a political culture infused with a promotional dynamic (Wernick 1991; Schlesinger and Tumber 1994; Mayhew 1998). A repeated criticism of theories of the public sphere, in particular those influenced by Habermas's formulation of the issue, relates to its idealised (liberal-rational) model of the public communication of politics and policy. These criticisms are central to theorising political communication by organised and powerful actors. To date the most developed area of research in political communications addresses political parties, their news management and spin tactics. The communicative practices of other groups in civil society, including business, require more attention.

Much of the literature on source political communications actually examines the media relations activities of a narrow range of policy actors. It often excludes business and NGO media relations, and neglects the less public communicative activities of such groups, including lobbying and corporate social responsibility (CSR) programmes. This lacuna is partially explained by a tendency to focus on media rather than communication.

Many such accounts emphasise the public dimensions of the political, understanding political culture as news and representation rather than linking these facets of communication to the strategies of groups who pursue their interests in public *and* private fora. The model of the public sphere I propose is sensitive to the variety of lobbying practices deployed by the array of competing interest groups and coalitions that form to seek political outcomes and explicitly acknowledges the power and resource advantages in play in political communication and lobbying. Such an approach stresses those aspects of political communication not directly targeted at the mass media and the general public, but rather at specific decision making, or strong, publics.

A second pillar of my approach to lobbying concerns governance, specifically the shifting conditions and power structures within which political communication, both private and public, occurs. Recent theoretical insights in this field relate directly to issues of political lobbying and communicative interactions and practices. The notion of interactive governance (Kooiman 2003) is emphasised, whereby state and civil society actors engage in policy dialogues and interactions. This can lead to formal, binding partnerships between state and outside interests in specific areas of public service delivery. A related aspect of this is the developing focus on networks (often of the powerful) as a signal feature of governance in developed political economies (Rhodes 1997). This analysis is appropriate to the study of lobbying in devolved Scotland as devolution essentially represents a new form of governance, or at least a layer of governance, wherein new governing interactions are created and reproduced. Governance in this perspective is closely related to modes of regulation, including co-regulation and

self-regulation, as ways of understanding the social and political organisation of public life and policy.

A third dimension to my conceptualisation of lobbying seeks to understand this activity as the practice of distinct groups in given contexts. A concern of this thesis is the strategic communicative action of organised, commercial, interests. In this context normative theories of democracy, especially dominant notions of pluralism and models of liberal democracy, are evaluated in terms of their capacity to account for the role of elites and networks of power and influence in modern polities. Any cursory review of the voluminous literature on collective political action and organised interest group politics (see for example the original empirical findings and literatures cited by, among others, Mills 1948, 1956, 1968; Lindblom 1977; Domhoff 1970, 1974a, 1974b, 1979, 1983, 1990; Offe 1994, 1995; Galbraith 1983; Ryan et al 1987; Mitchell 1987, 1997; Mizruchi 1992; Useem 1984; Grant 1989; Marsh 1983) indicates the centrality of business, particularly large corporations, as key participants in public policy debate. Even the literature on the collective action of new social movements (NSMs) (such as Sklair 2000; Hansen 1993; Beder 1997; Gamson 1975, Tarrow 1998; Crossley 2002; Klein 2000; Eder 1985, 1993) which asserts a more fluid conceptualisation of political organisation, issue contestation, and agenda setting, often demonstrates the presence of organised private sector actors (be they individual corporations or collective business interests) in opposition to the demands and agendas of new social movements, and local communities (Gaventa 1982; Eliasoph 1998, Epstein 1991). The opposition of human rights and environmental NGOs to the interests of large transnational corporations in relation to the

sustainable development policy agenda (Sklair 2002) illustrates the centrality of business interests to many power relations and political outcomes in developed western democracies.

The Public Sphere, Political Communication, and Lobbying

The term 'public sphere' is now so widely in circulation that it is used beyond the academy by discerning commentators and pundits in discussing communication and public policy. The theory of the public sphere is associated with the work of Jurgen Habermas, whose book *The Structural Transformation of the Public Sphere* (STPS), published in English in 1989[1], arguably ranks among the most important works in social science in the last 50 years. The problematic of the public sphere has been an issue for political theorists from the early Greek philosophers, through enlightenment thinkers in Europe, to Marx, and in the twentieth century for social scientists like Lippman, Dewey, Arendt and Mills who were concerned with the role and expression of public opinion in advanced liberal democracies. Habermas's treatment of the public sphere has gripped the sociological imagination on both sides of the Atlantic and beyond, and has spawned many applications in the fields of political science, communication studies, sociology and philosophy.

Perhaps part of the attraction of the concept of the public sphere is that it is elastic and sufficiently flexible to allow a variety of interpretations and investigations. As Garnham suggests, the utility of Habermas's theory is that it seeks to 'hold liberalism to its emancipatory ideals' (2000: 169), by focusing on the links between institutions and

practices in democratic polities, and 'the necessary material resource base for any public

sphere' (1992: 360-61). The popularity of this theory may also in part relate to the

'linguistic turn' in the social sciences over recent years. The ongoing debates about the

nature and scope of the public sphere often, in effect, address different conceptualisations

of society and politics. Many of these debates are media centric, in that they tend to focus

on the role of the mass media in shaping public discourse. However, Habermas has a

more nuanced understanding of political communication than one focused solely on

media and his model allows for public and private lobbying.

For my purposes - theorising the role of lobbying and strategic political communication -

I wish to draw upon aspects of Habermas's model, foregrounding interpersonal

communication and those actors who seek to systematically distort communication. This

analysis understands contemporary lobbying as specialised and strategic political

communication within the public sphere. However, before interrogating these dimensions

of political communication it is necessary to offer an interpretation of the public sphere

that proceeds from a broad framing of the concept to a more focused application of the

theory to questions of lobbying, PR and actually existing democracy. Thus a recent

(re)definition by Habermas seems a useful point of departure:

> The public sphere is a social phenomenon just as elementary as action, actor,
>
> association, or collectivity, but it eludes the conventional sociological concepts of
>
> "social order" ... [it] cannot be conceived as an institution and certainly not as an
>
> organisation. It is not even a framework of norms with differentiated competences

and roles, membership regulations, and so on. Just as little does it represent a system ... the public sphere can best be described as a network for communicating information and points of view ... the public sphere distinguishes itself through a *communicative structure* that is related to a third feature of communicative action: it refers neither to the *functions* nor to the *contents* of everyday communication but to the *social space* generated in communicative action. (1996: 360)

By attending to the importance of social spaces opened up through communicative activities Habermas is correctly emphasising the significance of the networks and interactions of political actors.

A central concern for Habermas in theorising the development of the public sphere as an emancipatory project of the Enlightenment was to consider the role of the bourgeoisie and those with financial and cultural capital in public affairs. Habermas maps the emergence of a space in politics around the democratic revolutions in Europe and America which accommodated ordinary citizens and allowed them to organise and mobilise. This space was soon transformed as 'capitalists participated in this sphere to bolster their hegemonic socio-economic position through the invocation of a public good that furthered their own interests' (Asen and Brouwer 2001: 5).

This account of the 'refeudalisation' of the public sphere charts the regress from an ideal typical golden age of rational, face-to-face discursive argumentation, deliberation and opinion formation on public affairs by men of letters and means, to one where public

debate is mediated by power and money, and communication is systematically distorted. While critics of Habermas point to omissions from the theory of the public sphere, such as the place of women and the private, familial sphere (Calhoun 1992; Fraser 1992; Ryan 1992; Felski 1989), the proletariat and working classes (Negt and Kluge 1993), race and ethnicity (Felski 1989), the separation of system and lifeworld (Garnham 2000; Kellner 1999; Calhoun 1992), there is general agreement on the increasing importance of the mass media in the everyday communication and consumption of politics that Habermas identified.

An enduring criticism of Habermas's conception of the public sphere is that it divides society into two categories – system and lifeworld. As such, public affairs and debate about politics, is understood largely in terms of an analytic distinction between state and market on the one hand (the system), and the private, voluntary association of individuals, families, clubs etc. (the socio-cultural lifeworld) on the other. A central problem for Habermas was to understand the nature of political participation in modern democracies, in the context of increasing state penetration of the lifeworld (principally through the welfare state), increasing corporate penetration of politics and the mass media, and declining political engagement by private citizens. The refeudalisation of the public sphere relates to the decline of public opinion as reasoned consensus and the emergence of public opinion as a product of welfare state capitalism, managed by elites as part of a wider steering of society.

Kellner (1999) identifies the early distinction made by Habermas between system and lifeworld as unsustainable since it suggests that the economy and state are beyond democratic reach.[2] The lifeworld is the milieu of individual and collective social actors, and Habermas later resisted any uncoupling of system and lifeworld. The key point is that system and lifeworld are deeply and reflexively interpenetrated, and should not be separated either analytically or empirically.

For Garnham (1992) a virtue of a Habermasian framing of the public sphere is the escape offered from binary debates about state and/or market control over public discourse. Indeed, the issues raised by Habermas and his critics are now pressing: 'What new political institutions and new public sphere might be necessary for the democratic control of a global economy and polity?' (Garnham 1992: 361-2).

Critically, the role of lobbyists in the advanced liberal public spheres are seen as problematic for the realisation of participatory democracy:

> The neoliberal vulgate, an economic and political orthodoxy so universally imposed and unanimously accepted that it seems beyond the reach of discussion and contestation, is not the product of spontaneous generation. It is the result of prolonged and continual work by an immense intellectual workforce, concentrated and organised in what are effectively enterprises of production, dissemination and intervention. (Bourdieu 2003: 12)

Corporate agents intervene in shaping public policy and regulation. How such interventions are accomplished is a crucial matter for those wishing to understand the dynamics of contemporary politics. Certainly, such interventions (or lobbies) are underpinned by 'systems of information gathering, assessment, and communication. The problem is to open up both the actions and the related informational exchanges to processes of democratic accountability' (Garnham 1992: 371).

Promotional Culture, Spin and Systematically Distorted Communication

An integral characteristic of the idealised public sphere is its capacity to make the political process open and transparent. Habermas emphasises the 'democratic demand for publicity' (1989:195) as fundamental to an accountable and democratic polity. The accessibility of the arena of politics, and thereby its participatory potential, seen through the optic of critical publicity, rests very much upon the practice of public relations by those engaged in politics. How then does Habermas conceive of PR as political communication? Initially public relations is understood as a specialised subsystem of advertising, part of a wider 'promotional culture' (Wernick 1991), and it is noted that in class conscious society the 'public presentation of private interests' must take on political dimensions; thus 'economic advertisement achieved an awareness of its political character only in the *practice of public relations*' (Habermas 1989: 193).

The theory of the public sphere is clearly informed by an appreciation of the role of PR, particularly its early and persistent deployment by business interests for political gain. Habermas mentions pioneers of PR on behalf of corporate America, Edward Bernays and

Ivy Lee, and notes that 'in the advanced countries of the West they [PR practices] have come to dominate the public sphere in the last decade. They have become a key phenomenon for the diagnosis of that realm' (Habermas 1989: 193). Despite this acknowledgement Habermas nevertheless devotes less than four pages of *STPS* to this 'key phenomenon'! However, it is clear from his reading of the role of PR in the public sphere that business interests are the principal actors who use such techniques. The notion that the public sphere is mediatised by means of power and money, and the assertion that we in the developed west live in societies of 'generalised public relations' points to the role of corporations and powerful interest groups systematically distorting (public) communication to their own advantage. In essence this analysis chimes with other historical accounts of the development of corporate political power. Alex Carey identifies this phenomenon as a driver of much of the politics of advanced liberal democracies, stating that the twentieth century has been characterised by three important, inter-related, developments:

The growth of democracy, the growth of corporate power, and the growth of corporate propaganda as a means of protecting corporate power against democracy. (1995: 57)

Corporate PR and publicity seeks to feign a general interest, and disguise the private interests of powerful actors. Thus, the more PR ('the publicist self-presentations of privileged private interests') is involved in public affairs, the greater the likelihood of a collapse of rational-critical debate, undermined by 'sophisticated opinion-moulding

services under the aegis of a sham public interest'. Such practices have profound

consequences for democracy as 'consent coincides with good will evoked by publicity.

Publicity once meant the exposure of political domination before the use of public

reason; publicity now adds up to the reactions of an uncommitted friendly disposition'

(Habermas 1989: 195). So, for Habermas, PR is actually central to the refeudalisation of

the public sphere, or the thwarting and reversal of democracy, driving political discourse

toward the lowest common denominator, as the

> Integration of mass entertainment with advertising, which in the form of public
>
> relations already assumes a "political" character, subjects even the state to its
>
> code. Because private enterprises evoke in their customers the idea that in their
>
> consumption decisions they act in their capacity as citizens, the state has to
>
> "address" its citizens like consumers. As a result, public authority too competes
>
> for publicity. (Habermas 1989: 195)

In delineating the transformation of the public sphere's political function Habermas points

to the political mobilisation of private, organised interests as a key engine of change.

When collective business interests mobilised, and assumed political form, particularly in

opposition to the claims of labour and the regulatory/welfare state, the public sphere was

distorted in ways which 'bore the marks of their origins in the sphere of the market'

(1989: 198). Governance in western liberal democracies draws upon the private, market

orientated sphere, and is accomplished in no small part due to the agency of organised

interests, and their use of publicity.[3] Where once (critical) publicity could be understood

as a freedom guaranteeing corrective to state and absolutist power, its deployment as a tool of organised interests actually helped cement the power of private interests, owing to:

> The credible representation and demonstration of the particular association's special interest as the general interest. In this enterprise special-interest associations have far-reaching political power at their disposal not in spite of but on account of their private character; especially, they can manipulate public opinion without themselves being controlled by it. (Habermas 1989: 200)

This line of analysis complements historical scholarship on the entrance of commercial interests into the field of public policy (Carey 1995; Fones-Wolf 1994; Ewen 1996; Cutlip 1994, 1995; Marchand 1998; Tedlow 1979; Raucher 1968; Mitchell 1987, 1997). It suggests that realising liberal democratic theory in praxis is dependent on reforming governance so that systematically distorted communications cannot unduly influence the processes of deliberative democracy. The kinds of concrete steps necessary to secure such conditions for policy making must, at the minimum, be grounded in principles of openness and transparency.

Political Communication, Media Studies, and Source Strategies

Given the recognition that the articulation of public opinion is central to the proper functioning of democracy, and that the media are integral to communicating public opinion, it is notable that a certain frustration exists amongst some media scholars

interested in issues of power and agency in contemporary society. As reception studies on

the effects of mass media remain an essentially contested area of inquiry there has been a

perceptible shift towards studying the activities and intentions of sources in seeking to

shape perceptions and political agendas. Much of this work has been influenced,

explicitly or implicitly, by theories of the public sphere in academic discourse. In some

respects the horns of this dilemma are well expressed by Habermas when he suggests that

the public sphere is a wild complex that resists organisation and control (and presumably,

easy empirical inquiry) and both creates and receives public communication through the

mass media:

> On account of its anarchic structure, the general public sphere is, on the one hand,
>
> more vulnerable to the repression and exclusionary effects of unequally
>
> distributed social power... and systematically distorted communication than are
>
> the institutionalised public spheres of parliamentary bodies. On the other hand, it
>
> has the advantage of a medium of unrestricted communication. (Habermas 1996:
>
> 307-8)

On such a reading, deliberative politics is shaped by the political economy of the mass

media, processes of institutionalised will formation, and the informal opinion formation

of the 'wild' public sphere. This provides a point of intersection between dialogic

approaches to political communication, and those informed by theories of capitalism and

ideology. Both allow a focus on the immense political communicative efforts in mass

media, and more private communication, to promote and secure the culture-ideology of

consumerism (Sklair 2002). Within this framing there is scope to address political competition between different interests, in terms of discourses in the public sphere, and more private political communication and lobbying. This question is revisited below in addressing lobbying as a transnational practice.

The issue of how informal opinion formation actually happens, and the related issue of whether these informal opinions actually matter to anyone besides those holding them also arises. Fraser's (1992) understanding of actually existing democracy, in terms of strong and weak publics, addresses this problem. Strong publics are those centred on parliaments, executives and regulators - and attract the attentions of professional lobbyists. Weak publics tend to be those which deliberate and communicate, but don't actually have any decision making powers and responsibilities. Thus, the advantage of 'unrestricted communication' for weak publics seems marginal as it is not always clear how this can be turned into political power.

Habermas recognised the evolution of different interest groups and networks around discrete policy fields, comprising public agencies and pressure groups. These are explicitly distinguished from more diffuse 'supplier' groups who draw the attention of the political action system to social problems. In effect the voluntary sector, comprising public interest groups and New Social Movements (NSMs), can shift the terms of public debate: 'these opinion-forming associations, which specialise in issues and contributions and are generally designed to generate public influence, belong to the civil-social infrastructure of a public sphere dominated by the mass media. With its informal, highly

differentiated and cross-linked channels of communication, this public sphere forms the real periphery [of the parliamentary public sphere]' (1996: 355-56).

Weak publics can and do attract the attention of the mass media. NSMs and activist groups in civil society often become the focus of media reporting, though not always on their own terms (Gitlin 1980; Gamson and Wolfsfeld 1993). Despite the innovative use of PR and publicity stunts that many campaigning groups have demonstrated, the media's attraction to the exotic, visually appealing and conflict orientation of many social movements does not readily translate into social or political power. While observers can admire the media strategies of such sources it is a greater challenge to make an impact on the legislative agenda than the news-editors. Nevertheless, sustained political campaigning by such groups can influence public policy. What is striking though is how long it takes, how hard fought reforms often are, and (certainly in the US political system) how such reforms can be reversed over time, when the media agenda has shifted to the newest social movement.

This connects with an emerging debate in contemporary media studies centred on the mediatisation of democracy, in the context of an increasing interest in source-media relations and the place of the media in political communication, and societal governance more widely. Research into relations between sources and the media moves away from the 'media-centricism' (Schlesinger 1990) of studies focused only on media coverage. Source-media studies examines the role of sources and their communications strategies aimed at the media and general public. Research examining contested media discourses,

where official and oppositional (or institutional and non-institutional) actors struggle over policy debate in the mass media, is now well established. Recent reflections on this field of inquiry include Deacon (2003) and Davis (2002, 2003). Davis suggests that:

> Behind the current media interest in a few key 'spin doctors' a substantial layer of 'cultural intermediaries' has evolved with a significant impact on news production and decision-making processes. Politics has become further 'mediatised' as a form of public relations democracy has developed. (Davis 2002: 3)

The framework Davis offers in his analysis of the UK's public relations democracy (2002: 4-5) precludes investigation of some very significant PR activities - namely those *private* 'public relations' in the form of lobbying, government relations, and regulatory affairs. Davis focuses on the news and media agenda (what Lukes (1974) terms the first face of power) largely neglecting how PR and lobbying can actually keep issues off the media and public agenda (the second face of power), and how corporate community relations, Corporate Social Responsibility (CSR) programmes, and other such micro initiatives act to prevent grievances and issues being recognised as such by publics (the third dimension of power), and thus keeping legitimate interests disguised, dispersed and disorganised.

Davis does allude to corporate and state power, acknowledging the 'conscious' control that can be exercised over the media through ownership and management, and hinting that less conscious factors such as ideology and the economy play a role in news

production. Davis criticises radical political economy accounts of media power as lacking 'a substantial focus on micro-level influences and individual agency' (2002: 6), objecting to research that is 'too reliant on work that stresses macro and wider political and economic trends and have not adequately tested this thesis with micro-level empirical work that observes active agents' (ibid). Research on source-media relations offers some redress to this problem. However, the central question for Davis is whether the expansion of PR undermines journalism. We can add to this the broader question of whether the expansion of PR (not just media relations, but incorporating lobbying, community relations, CSR, regulatory affairs, and other communicative activities) undermines democracy and arguably contributes to the reproduction of inequality, general political apathy and disengagement.

To answer this question more critical attention must be devoted to the communications strategies of sources not aimed at the media or public - i.e. private public relations. This is the realm of much lobbying and policy 'debate'. Media studies scholars have virtually ignored the role of business communications and PR, despite most PR professionals in the UK actually working in - or on behalf of - business and commercial interests. What is required is a synthesis of research on interest representation, lobbying and source media studies.

A starting point for such a synthesis might be an examination of political communicative activities across civil society, including corporations, business associations, pressure groups, charities and unions. Classic liberal pluralist conceptions of competition between

policy actors can be revised to account for the resources devoted to lobbying and political PR by business; the robust finding that small, powerful, organised interests are better able to shape policy that large - often diffuse - collective associations (Olsen 1965; Offe 1985); and, that the state's interests regularly coincides with those of organised capital (Miliband 1969; Sklair 2002; Offe 1984, 1985; Gamble 1998; Domhoff 1990). In this respect the analysis resonates with some of Habermas's observations regarding the role of organised interests in the public sphere.

Organised interests (e.g. business groups) don't simply emerge from the public sphere, but 'occupy an already constituted public domain ... anchored in various social subsystems and affect the political system *through* the public sphere. They cannot make any manifest use in the public sphere of the sanctions and rewards they rely on in bargaining or non-public attempts at pressure' (Habermas, 1996: 364). This implies that business can only convert its social power into political power to the extent that it keeps policy negotiation private or convinces general opinion in the public sphere when issues gain widespread attention and become the subject of public and will formation. The need for organised interests to convince the public doesn't arise in many day-to-day settings, which suggests the necessity of looking beyond the media for the locus of communicative power in our public relations democracy.

In a development of his position Davis urges a ' focus on processes of elite policy making and how media and culture affect elite decisions. From this perspective inter-elite communications and the culture of elites is ... significant for sustaining political and

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economic forms of power in society' (2003: 669). This line of reasoning re-engages media studies with debates in political science and sociology which have kept the agency of elites in focus. In attempting to integrate consumption and production research in media studies Deacon (2003: 215) identifies a widespread failure to 'appreciate how powerful institutions and individuals seek to exert influence and construct political discourse in arenas other than the media'. Miller is alert to definitional contest beyond the media:

> To the extent that such work is about definitional struggles in society it [media studies] runs the risk of being media-centric in a different sense. Definitions of social problems...are not only made in the mass media...The logic of examining the genesis of definitions in the media implies the direct investigation of definitions in other areas. (1999: 1240)

Nevertheless, Deacon worries that 'if the media are perceived as just one of the many arenas in which political and public discourses are formulated and contested, there is a risk of returning to the residual position of traditional policy analyses in which media systems are seen as subordinate to political systems, and a peripheral part of the 'environment' in which policy choices are formulated and implemented' (215-16). This statement begs the following questions. Which policy choices are implemented through the media? What is wrong with a return to the residual position of traditional policy analyses if that is what the social phenomenon under consideration demands? The case of lobbying is a good example here, as lobbyists are professional communicators who use

the media, usually infrequently, but always strategically or tactically, in order to advance their interest, arguments and stakes in policy debates. However, when lobbyists choose not to go 'public' what is the point of forcing the mass media into the analysis, except to say that democracy and policy debate is often conducted beyond the view of the public, and certainly without their participation. One potential (interdisciplinary) avenue to advance our understanding of professional political communication and the public sphere is to examine traditional policy analyses from the perspective of interactive governance.

Governance and Lobbying

Academic interest in governance can be equated with debates about the public sphere in that both are at present fashionable in the social sciences, and address similar sets of concerns. Governance is concerned with how polities and socio-political entities are governed or regulated. A central concern is with the distribution of power and resources, and occasionally, *in extremis*, the nature of contemporary democracy. Governance refers to new processes of government which are characterised by self-organising, inter-agency networks which involve resource exchanges, rule governed behaviours and can have considerable autonomy from the state (Rhodes 1997: 15).

Much of the contemporary literature on governance stresses that in advanced, complex and highly differentiated societies governing has become an extraordinarily complicated technocratic process that defies classical theories of democracy (Burns 1999). While not impervious to democratic oversight, the steering processes that states and their agencies engage in certainly induce problems of accountability and transparency which in turn

raise issues about legitimacy and participation. The capacity for citizens to understand or influence such processes is said to be problematic. In part, the solution to these sets of challenges is seen to lie in partnerships between various stakeholders across civil society and state. A core feature of such partnerships is communication, and since such communication relates to policy decisions and choices it can rightly be said to be political communication.

> In diverse, dynamic and complex areas of societal activity no single governing agency is able to realise legitimate and effective governing by itself. Such governance is achieved by the creation of interactive, socio-political structures and processes stimulating communication between actors involved, and the creation of common responsibilities next to individual and separate ones. (Kooiman 2003: 3)

Positioning communication at the heart of such governing interactions opens up a whole vista of governing processes and governance interactions to empirical investigation. This framing demands that the researcher attends to governing partners' expectations of each other, what they do together and say to each other. This is where sensitivity to interactive governance becomes appropriate.

For my purposes it is conceptually important to recognise that such interactions are fundamental to how the business of politics gets done by lobbyists. Appreciating the centrality of interaction, exchange, sociability and dialogue between elected

representatives, public servants and outside interests is fundamental to the study of lobbying. Such an orientation frames much of the empirical research presented below, including the public and private debates on the regulation of lobbying in Scotland, and the subsequent policy outcomes. For Kooiman, governing interactions are the very stuff of the public sphere:

> Communications and meaning-creating interaction on public and governing issues can be deemed to be taking place within the 'public sphere'. The public sphere can be seen as the domain or arena in which societal images on governing issues are formed, discussed and tested. Indeed, that public as well as private actors participate in this communication, it might be called the social-political public sphere. (Kooiman 2003: 38)

This conception of the public sphere tallies with the idea of social space generated by communicative action (Habermas 1996: 360). Indeed, the parallels between governance and public sphere theorising are striking. A central plank of the governance approach advocated by Kooiman stresses the importance of 'governing images', which relates to the mental maps and previous experiences, knowledge, convictions and prejudices of those involved in governing that are brought to bear on policy issues and regulatory decisions. These images are open to change, challenge and re-creation. As such information gathering affords learning opportunities for governance actors (be they officials, representatives of partners from civil society) to redefine and hone their perceptions of policy issues, actors and stakes. This process is very similar to notions of business scan

and policy scan observed by those researching public policy from the perspective of business and commercial interests (Useem 1984; Offe 1985; Mitchell 1997). As Wilson (cited in Ryan et al 1987: 214) notes, this is fundamental to contemporary best practice in corporate strategy:

> Evaluation of the environment - systematic and continuous scanning, monitoring and analysis of the trends and events that shape the environment in which a business lives and moves and has its being - is the logical, businesslike response to these changes. It is the starting point for strategic thinking. It sets the context for strategy development. It is premised on the notion that, though the trends may not be controllable, they are, to some extent, knowable; and that, if they are well analysed, their consequences can be more manageable.

It would appear that this form of diligence is ubiquitous across public, private and increasingly partnership policy networks: 'Learning does not take place among complete strangers. Informal contact and a strategy of 'no surprises'[4] establishes the level of interpersonal communication and trust necessary for the recipients of new information to incorporate that information' (Kooiman 2003: 33). Useem argues that these levels of trust already exist among senior executives who enter politics on behalf of business, noting that social cohesion is a defining characteristic: 'acquaintanceship networks are dense, mutual trust and obligation are widespread, and a common sense of identity and culture prevail' (1984: 63).

Lobbyists inhabit these networks, particularly those charged with managing public affairs and government relations on behalf of large organisations (as opposed to hired commercial consultants) though it is also common for organisations to nominate delegates to participate in certain governance interactions who in turn report back to public affairs managers. Lobbyists are noted for their capacity to supply information subsidies to representatives and regulators. While such activities are often portrayed as value-neutral, seen in the context of governing interactions such learning clearly presents lobbying opportunities. Having the resources to support participation in such networks, and supply learning opportunities, clearly represents a structural advantage to policy actors who so organise. Many do, strategically, particularly large corporations. Such interaction can be formal, including participation on government advisory boards and task forces (Useem 1984), or informal, as part of a wider strategy of political intelligence gathering and lobbying.

Informal channels are characterised as predominantly interpersonal communication networks. The transmission of information occurs in a somewhat unstructured fashion with message content usually fluid and not easily verified. Furthermore, a common attribute of interpersonal networks is that they carry much rumour, slander, and other inaccurate and internally inconsistent information. (Ryan et al 1987: 60)

The authors attach a health warning to such practices, noting that when corporations require accuracy and clarity for their positions on public policy issues they should use

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formal communication channels. A similar warning can also apply to the ethnographer observing such processes and theorising their import.

Networking, Pluralism and Lobbying

Policy networks are said to have some defining characteristics, including limiting participation, definition of actor roles, agenda setting, rule governing behaviour (including defining the rules of engagement with decision makers), privileging of certain interests (ie those participating in and co-ordinating network activities), not only in terms of access but by favouring their preferred policy prescriptions. Policy networks are also said to substitute private government for public accountability (Rhodes 1997: 9,10). The American literature on policy (or issue) networks refers to 'communications network[s] of those interested in policy in some area, including government authorities, legislators, businessmen, lobbyists. And even academics and journalists...a lively issue network constantly communicates criticisms of policy and generates ideas for new policy initiatives' (Helco, in Rhodes 1997: 34). These networks are a social and political resource which can shape future manifestos and policies. Pluralists argue that notions of restricted or privileged access to decision makers through issue networks is no longer problematic[5] in democratic terms, since the state is increasingly autonomous and forms of countervailing power, in the shape of public interest campaigning groups and social movements, exist or come into existence, to balance narrow economic interests.

Pluralist interest representation in advanced liberal democracies is said to be competitive, in that different interests vie for influence. From this perspective, governance and the

management of public policy is improved by incorporating such groups into the decision making process. In theory this style of policy development is thought to be efficient in that it reduces the costs and efforts for policy makers to acquire information, enhances decision making by including a variety of perspectives, mediates social conflict and thereby promotes stability in the democratic process. Policy making becomes routinised and its integrity secured by resisting capture by single groups. Pluralism is also said to guarantee that emerging and unorganised interests can participate in policy making, and that the relative openness of interest representation fosters dialogue and thereafter compliance between parties.

Efficacy is the hallmark of such a worldview, yet it fails to account for persistent (empirically informed) criticisms of pluralism, notably that countering interests are often hard to find (Mitchell 1997). Equally, on important and defined economic issues, the intensity of participation by disorganised groups does not match the commitment of organised interests to secure their policy objectives. Thus, while policy or issue networks may be relatively open those participating are differentiated by their resources and strategic interests in policy development.

How decision-makers view interest representation is a surprisingly neglected area of study. Blumer (1948) observes that the pluralist ideal of perfect competition for public influence is undermined by the rather important fact that the expression of (political) opinion is intimately related to the uneven distribution of power and influence in society. How the state understands such relations or lobbies is an 'obscure matter', though it would

seem that the judgement of which opinions 'count' is a function of organisation, power and prestige (Blumer 1948: 545). An enduring finding from research into state-interest relations is that officials in advanced capitalist societies are most responsive to the representations of business (Lindblom 1977).

Lindblom argues that business, unlike other interest groups, has a structural advantage in terms of influencing policy. Based on the recognition that governments need a flourishing economy and that business is the only sector that can deliver this, it behoves government to offer inducements to capital to perform this function, thus:

> Collaboration and deference are at the heart of politics in market-oriented systems. Such mutual adjustment does not usually take the form of an explicit agreement, rather it is most often impersonal and distant... it relies on shared understandings between the two groups of leaders with respect to the conditions under which enterprises can or cannot profitably operate. Because of this understanding, businessmen need rarely threaten any collective action. (Lindblom 1977: xxx)

The ability of business interests to prevail in policy making is also related to the disorganisation of opposition. A common pluralist reply to this finding is that business is not unified, and is often in competition internally, so that the capture of policy making by corporate interests is certainly incomplete. However, this hardly amounts to a defence of democratic practice as:

Internal business conflict cannot itself act as a surrogate for the representation of other interests, though one may find some correspondence of views on some issues at certain times... and there may be a democratic pay-off in business organisations using resources to pull other interests with friendly views into the policy struggle... internal business conflict is no substitute for alternative interests and values being independently represented in the policy process. (Mitchell 1997: 131)

The structural advantage of business interests in their relations with the state has been seen as a key feature of disorganised capitalism (Offe 1985; Lindblom 1977; Mitchell, 1989, 1997). Olsen's classic essay on the logic of collective action (1965) posits that small well organised groups can co-ordinate their political activities more easily than larger, more diffuse associations. Offe suggest two logics must be considered. The first relates to the differential organisational abilities of capital and labour; the second relates to the stakes of political collective action, wherein each group has a different ability to perceive its own interests (and thereby realise them). This critique of the pluralist / liberal notion that interest groups all compete equally considers the cases of collective action by capital and labour.[6] In this analysis:

The entire relationship between capital and the state is built not upon what capital can do *politically* through its associations, as the critical theory of elitism maintains, but upon what capital can *refuse* to do in terms of investments decided

upon...this asymmetrical relationship of control makes comparatively inconspicious forms of communication and interaction between business associations and the state apparatus sufficient to accomplish the political objectives of capital. (Offe 1985:192, see also Offe, 1984: 119-129)

Useem suggests that the key change in business politics since the 1970s has been the increasing pursuit of classwide collective profitability through high level lobbying, rather than the profits of single economic interests (1984: 34), or a mode of business-political relations that 'discourages the specific and fosters the general' (ibid: 55). Offe also emphasises the class basis of interest representation in his critique of pluralism:

Pluralist theory tends to explain the existence, strength, and particular articulation of interest organisations by reference to properties of the constituent elements of the organisation; their values, their willingness to sacrifice resources for the pursuit of their interest, their numbers, and so on. That this type of explanation leads at best to a very limited understanding of the dynamics of interest representation becomes evident as soon as we realise that an identical number of interested individuals with identical degrees of determination to defend and promote their interest may produce vastly different organisational manifestations and practices, depending on the strategic location of the groups' members within the social structure and depending on the political-institutional status their organisation does or does not enjoy. The concrete shape and content of organised

interest representation is always a result of interest *plus* opportunity *plus* institutional status'. (1985: 222)

Thus, resources are a necessary but insufficient condition for successful lobbying. Opportunity and status also play critical roles, and any analysis of lobbying as a political communicative activity needs to be sensitive to issues of strategy and power. Offe argues that the structural advantage of business in terms of lobbying is not created by businessmen and their associations, but that the asymmetry of power between state and capital means that business simply exploits and fine tunes this relationship. Thus the success of business organisations is not down to organisation, but 'derives from a power relationship that is logically and historically prior to the fact of any collective action of businessmen' (ibid: 192). This line of argument is somewhat deterministic, and its structuralist framing does not allow for agency on the part of other actors in (civil) society. It suggests that issues conflict is generally pointless and that policy outcomes are by and large predetermined by the power asymmetry in favour of capital, regardless of how well oppositional groups organise and lobby. Such a fatalist perspective essentially sees lobbying and policy influence as marginal tinkering at the periphery of business-state relations.

The pace and scope of deregulation across developed, emerging and transitional economies is testament to the success of business lobbies in promoting a neo-liberal policy agenda. The deregulation of financial markets, the GATT and GATS processes, and at a supra-national level the trade debates at the WTO all point to the success of neo-

liberal advocates in shaping public policy, and indeed service provision and delivery, across the globe (Bourdieu 2003; Leys 2003). It is now arguable that state-capital relations are principally defined by what the state can withhold or refuse to capital, as the current global trade discussions seeking to open public services to private finance demonstrate (Teeple 2000; Monbiot 2003).

Lobbying and Strategic Action/Communication

While certain students of corporate public affairs might view business politics as a relatively uncontested area of inquiry, in that business wins because of its inherent structural advantage in market oriented systems, and due to the disorganisation and absence of opposition, it remains the case that corporate strategists (and other interests) don't take this for granted. The strategic dimension of lobbying derives from the awareness that policy influence can be achieved through a combination of planning and resource allocation. At a micro level policy actors could simply look after their own self-interests:

> Self-interest is not the dirty word which many corporations seem to think it is when it comes to public policy. Apparent self-interest can be not only tolerated, but applauded as a strategic focus when adequately balanced with other concerns - i.e. clear expertise and genuine overall concern for the public interest. This is a subtlety lost to many firms. (Ryan et al 1987: 17)

However, in the contemporary era, viable and successful lobbying strategies need to account for other actors, potentially as either partners or opponents. As a form of strategic lobbying activity corporate communications and public relations takes on a political charge:

> One justification for public policy communication strategy is that it provides a mechanism whereby a corporation can ally itself with specific groups for any number of strategic objectives. By developing natural constituencies a corporation can expect to see a multiplier effect regarding its ability to influence public policy issues. This type of program requires a long range, well thought out effort, particularly as to the objectives sought by the firm, and then the development of a program to implement the appropriate communication strategies. (Ryan et al 1987: 50)

How natural constituencies develop is the concern of corporate PR which actively cultivates such relations, in the form of social dialogue with critics, community relations with neighbours and captured communities, and 'licence to operate' dialogue with regulators, representatives, and the media. Under such conditions, corporations can have the interests, opportunity (including resources) and the institutional prestige to lobby effectively. This capacity is not easily matched by other groups or interests. What this means for our understanding and experience of democracy is of course, fundamentally, a much wider question.

Business must be motivated to look beyond its own immediate economic self-interest and recognise the ethical and value dimensions of the issues being raised. Thus far, business has gotten by on largely economic grounds by raising questions about the cost of regulations, the impact of regulation on economic growth, the economic constraints of being socially responsible, etc. It is unlikely that this strategic approach will be enough to justify business involvement in the future ... for business to participate meaningfully in the resolution of public policy issues, it must learn ethical language and concepts and deal explicitly with the ethical and moral dimensions of these arguments. (Ryan et al 1987: 211-12)

The difficulty of course, from both corporate and social perspectives, is how to reconcile market imperatives (short-term shareholder value) with more diffuse ethical and social concerns or values (which tend to be perceived and expressed as longer term and accounted for as costs rather than investments). Currently there is much interest in the moral aspects of corporate activity (witness the burgeoning literature and consulting industry devoted to promoting Corporate Social Responsibility, as well as official policy developments, including the creation of a ministerial brief for CSR within the DTI), and under the partnership mode of governance, how important economic actors such as transnational corporations (TNCs) articulate with political decision makers and other interest groups. One way of conceptualising this dynamic is to examine state-business relations as a form of strategic transnational practice, which takes place in the context of (capitalist-led) globalisation.

Lobbying as Transnational Practice

Leslie Sklair argues that corporate citizenship (one of the various terms under which the ethical dimensions of corporate political action are considered) deserves critical attention:

> No doubt many corporations behave badly, and many behave well, but it is certainly too simplistic nowadays to argue that companies will do anything for profits. The contemporary level of monitoring of corporate activities is historically unprecedented...the reputation of a company, particularly a globalising TNC, is a very valuable asset. Therefore global corporate citizenship is a topic that will continue to attract a good deal of interest, from the corporations themselves as well as their opponents. (Sklair 2002: 68-69)

If the premise is accepted that TNCs are pivotal political actors in the contemporary epoch then what these actors do, their transnational practices, become crucial to conceptualising globalisation, particularly since the differences between various national forms of capital, while significant (Scott 1997), are said to be eroding (Sklair 2002: 72-3). The concept of transnational practice therefore deserves some elaboration as it underpins this agency centred view of globalisation.

> The concept of transnational practices refers to the effects of what people do when they are acting within specific institutional contexts that cross state borders. Transnational practices create globalising processes. Transnational practices focus attention on observable phenomena, some of which are measurable...globalising

processes are abstract concepts, but the transnational practices that create them refer directly to what agents and agencies do and derive meaning from the institutional settings in which they occur, and because of which they have determinate effects. Transnational practices do not themselves constitute a theory. They do, however, provide a conceptual framework within which such a theory may be constructed. (Sklair 2002: 84)

It is suggested here that corporate lobbying represents an important transnational practice, given 'what appears to be happening is that ... protests are becoming more and more clearly focused on the ... transnational capitalist class ... [including] the legions of professional lobbyists, consultants, and PR people who are often the mouthpieces of TNCs, states, and inter-state bodies' (Sklair 2002: 293).

With the creation of a new source of political power under devolution, one can observe a gravitation of lobbyists toward the Scottish parliamentary complex. What lobbyists do in Scotland, on behalf of corporate interests therefore affords an opportunity to examine whether such agency can be understood as a localised manifestation of a wider transnational practice. Crucial to an understanding of corporate lobbying is a sense of the global context in which large TNCs operate, and how various national settings relate to the transnational.

Recent remarks by the head of public affairs at Scottish & Newcastle point to the utility of transnational practice as a way of understanding corporate lobbying and strategy:

For a Scottish-based global business, devolution has been an excellent way of using the tools needed to manage multi-layered domestic governance as a model for [public affairs] in emerging markets...the public affairs challenge is therefore no longer about managing a sungle regulatory system, but about working to create an operational environment that encompasses multiple governments and supra-national bodies, as well as fostering the best possible environment for business development and global corporate responsibility. (Simpson 2005: 36)

The literature in political science on 'forum shopping' examines how powerful transnational actors (principally corporations) seek to optimise their political relations and economic fortunes within the global system of governance, seeking favourable regulation, and where necessary exercising exit over voice when strategy demands. The capacity to so pressurise governments and regulators is a key aspect of corporate power under globalisation.

Power structure research (Domhoff 1974, 1975, 1979, 1983; Useem 1984, Mills 1956; Scott 1979,1985, 1997; Zeitlin 1989) has sought to develop empirical inquiry into the social processes that form the basis of political and power struggles in contemporary polities. Power structure research was partially inspired by a Marxist analysis of social conflict and a critique of pluralist accounts of the social distribution of power. Of relevance here is the attention these scholars devoted to the description and analysis of the networks (social, professional and political) of powerful actors such as corporate

executives and board members, regulators and officials, elected representatives, and indeed media figures such as editors and owners.

Network analysis sensitises the researcher to the role of non-market factors in structuring commercial relations and corporate power (Scott 1997: 204). In Britain, non-market relations (social and political networks) tend to be informal and personal, and give British 'corporatism' and political influence its 'characteristic looseness' (Scott 1997: 268). The Scottish system of handling political lobbying is of course related to the British system, though it arguably has developed its own peculiarities in response to the Scottish political and economic context.

The following analysis seeks to explore corporate lobbying and interest representation in Scotland, and examine these as a form of transnational practice. The Habermasian model is applicable, as it reasserts, in parallel with the logic of devolution, the (normative) centrality of the parliamentary complex as the site of political will formation and deliberation. The ambition of this thesis is to gather data and evidence that makes critical publicity or scrutiny of lobbying possible:

> By making the internal affairs of the parties and special interest associations public, the linkage between such an intra-organisational public sphere and the public sphere of the entire public has to be assured...the activities of the organisations themselves - their pressure on the state apparatus and their use of

power against one another, as well as the manifold relations of dependency and of

economic intertwining - need a far reaching publicity. (Habermas 1989: 209)

The empirical material in the following chapters seeks to make some small contribution

to critical publicity in those parts of the Scottish public sphere inhabited by business

lobbyists.

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1 The original German version was published in 1962.

2 This unsatisfactory divide between system and lifeworld is implicitly recognised and amended in Habermas's later work *Legitimation Crisis* (1976) which introduces the colonisation of lifeworld by state and economy. In fact Habermas began to see that the market needed to be treated as a separate category in itself, and that it penetrated both state and lifeworld. Nevertheless, in part of *Between Facts and Norms* (1996) Habermas again appears to be revising his position and places the market within the category of lifeworld.

3 Mattelart's discussion of the promotion of 'deregulation' by business interests, including the media, provides a neat example of this phenomenon: The process of deregulation shakes up the ensemble of networks, be they advertising, audiovisual or telecommunications. It affects the public as much as the private sector. While it sometimes corresponds to the process of denationalization (or 'privatisation') of public enterprises and networks, it should not be confused with it. One can deregulate the private the same as the public... The project of deregulation is in fact a proposal to rearrange public space. For this very reason, it implies a redefinition of the notion of free speech: the free speech of the citizen enters into direct competition with 'commercial free speech'' (1991: 86, 87).

4 I had frequently come across the term 'no surprises government' in conducting research on public policy in Scotland, and considered it to be a typically Scottish shorthand managerial solution to dealing with problems that might one day become public through the media. However, it would appear that this too is a common feature of governance and the management of policy by public servants and partners across advanced western democracies.

5 Theorising on corporatism and issue network analyses were conceived as critiques of pluralism (Rhodes 1997: 30)

6 The points Offe makes about how groups gain power through organisation are applicable to other groups besides capital and labour, though the ability of capital to pursue its interest through the firm, informal cooperation with other firms and through trade and business associations is unmatched by other collectivities.

Chapter 4

Going out, Hanging around and Speaking up: studying the new Scottish politics

This chapter describes the research process that underpins the empirical evidence presented in the next five chapters. A core issue that emerges from my analysis and findings relates to the challenges of researching the powerful. I draw upon literatures relating to elite studies and public interest research, and attempt to relate this to re-emerging debates about social science in society and 'public sociology' which critically examines power relations between the state and actors across civil society under neo-liberalism (Steele 2004).

The ethical issues that arise in researching powerful actors and institutions are considered. Access to, and control of, information and knowledge are important aspects of such research. The social scientists' vulnerability to the powerful is an underlying theme. Given the particular focus of this thesis, examining the political agency of lobbyists whose practices are steeped in secrecy, discretion, confidentiality and privacy, one appreciates the limits upon co-operation by powerful respondents. My research has attempted to deal with these problems by using several complementary methods over an extended period, including interviews and observation, media monitoring, and during the lobbying inquiry at Holyrood, focus groups and survey methods.

One of the defining aspects of my empirical research on lobbyists and corporate PR in Scotland is that it has brought me into direct contact with a very particular elite – elite communicators in the public sphere: those whose professional concern is the management of reputation and image, and who are attuned to the potential pitfalls of consenting to be researched, recorded or quoted. Lobbyists and corporate PRs are preoccupied with the presentation of selves - professional, personal and corporate. This challenges researchers in this area and suggests some limits to the capacity or scope to engage in critical research. In simple terms, how does one ask challenging questions and not receive corporate spin?

This chapter is a reflection on some of the main issues that have confronted me in researching the development of corporate lobbying in Scotland. This effort essentially spans the period from late 1998 until summer 2003. It involved some seventy-three interviews (with 36 corporate lobbyists, 9 voluntary sector lobbyists and 20 public servants and elected representatives) and participant observation at numerous public and private meetings for those involved in public affairs in Scotland (comprising 52 public meetings such as seminars and conferences and a further 21 private meetings).[1] I also monitored the popular and specialist media in Scotland for news and analyses of issues relating to lobbying at the new Parliament, organised three focus groups to test public opinion on the issue of registration, designed an e-mail survey of public servants in the U.S. and Canada charged with maintaining registers of lobbyists, and conducted archival research at the Scottish Executive's library at Saughton House in Edinburgh.

The interviews I conducted for this study were all semi-structured in-depth conversations which lasted on average for an hour, though some interviewees spoke with me for much longer. Almost all the interviews were conducted face-to-face (only four respondents were interviewed on the phone) and all but one were recorded on minidisc. Meetings usually took place in the offices of the interviewee, although in-house corporate lobbyists twice came to my office for our interview.

I found 'going out' to lobbyists' offices a useful exercise, as it gave me some sense of where they operated from, their proximity to clients and the Parliamentary complex. Visiting their offices also offered me a brief glimpse of the day-to-day working environment of these respondents. What was striking about this was the contrast between the offices of wealthy commercial and corporate lobbyists and the rather less salubrious surroundings of many of the smaller lobbying consultancies and voluntary sector organisations. Visiting these offices also allowed me to collect documentary data, as often respondents would give me promotional material, policy papers and other information that was to hand that they felt, or I declared, might be of interest to me.

This kind of fieldwork also familiarised me with some of the hang outs of lobbyists and civil servants around the Parliament, and was in fact a useful resource in making conversation and connections with those I encountered across the Edinburgh lobbying scene at both formal and informal events. To know some of the places frequented by the public affairs community, and to display this knowledge when appropriate, helped me to foster a sense that I was not a complete outsider to this scene.

Most of the interviews I conducted were on a formal and business like footing. I opted to use semi-structured interviews as a key method because of the flexibility and responsiveness associated with this form of qualitative inquiry. As noted below (chapter 5) survey methods are not well suited to capturing sensitive data associated with public affairs, or probing complex attitudes and values. I combined this data which observational research I conducted when attending public and private meetings, and tried to feed the knowledge and insights gleaned from each method into my ongoing fieldwork. In practice this research strategy amounted to a triangulation of data from participant observation, qualitative interviews, and documentary research on media and archive material.

I was trying to generate rich data from a series of key questions which I asked to almost all respondents. These centred on questions about the openness and accountability of lobbying and lobbyists, and how this related to the founding principles of the Parliament. The data generated by these questions could then be compared and contrasted in the analysis phase of the study.

I was also interested in the career or biography of each lobbyist and asked them to tell me how they came to work in public affairs. All respondents were also asked questions about the organisations they worked for, their clients (if appropriate) and the kinds of expertise and experience they had. I was also interested in respondents' views on the perception of their profession in the media, and amongst politicians and decision-makers. Again, these

'standard' questions were intended to allow me to build up a detailed picture of respondents and their organisations.

The semi-structured interview allows the researcher considerable flexibility in following up responses from the interviewee. Many of the interviews were akin to conversations and I tried to allow interviewees to respond in their own terms and raise issues that they felt were germane. Preparation for these meetings was very important and I devoted quite a lot of time to researching the person and their organisation before we met. I also tried to think through how best the upcoming interview might 'flow' and usually saved the most difficult and challenging questions until nearer the end of the interview, as I felt asking such questions at the beginning might make the respondent defensive and uncooperative.

Wherever possible I sought to ask such questions in non-judgemental language. One tactic was to raise criticisms through third parties, so, for example, I would ask respondents what they thought of the negative media coverage of lobbying as a way of getting them to respond to criticisms of their practices. This allowed me to elide the issue of whether I personally agreed or disagree with the criticism. On a couple of occasions interviewees turned these questions back on me and asked for my views. In these circumstances I felt it was important to be frank with my subjects and I told them what I thought. On reflection I felt that this approach did not interrupt the flow of these interviews or harm whatever rapport I had established with the interviewee.

In terms of managing the interview I felt it was important to try to establish some control of the interaction using both verbal and or non-verbal strategies. The verbal strategy involved my explaining the purpose of my research to the interviewee at the outset of our meeting. In so doing I was trying to signal that although I was often their 'guest', on their premises, I was taking the lead in framing our meeting. I explained how I would use the data and that I intended to publish material based on all the interviews and other research I was conducting. I offered respondents the opportunity to check the transcripts of the interview for factual inaccuracies and errors. Interestingly many respondents were most interested to hear who else I was speaking to and to try to get some sense of what others might be telling me. As with the rationale for lobbyists attending conferences I sensed that most of this interest motivated by a wish to know where they stood in relation to what others in their business were doing and saying. As the research progressed I was able to talk knowledgeably about many issues relating to public affairs in Scotland, and beyond, and I think this may have helped me establish credibility with respondents.

The non-verbal strategies I adopted ranged from dressing in a business suit when meeting business people to dressing slightly more casually when meeting respondents from the voluntary sector. The simple idea here was as Geertz memorably advised about field methods, 'When in Rome...'. Other non-verbal cues I deployed included the use of recording equipment to signal that I was taking control of the interview. On the few occasions where I met interviewees in public places (the lobby of the Parliament, cafes, etc.) I would always arrive early for these meetings and 'set up' at a table of my choosing when possible, in order to communicate that I was leading this interaction. As I rule I

would only accept one cup of coffee or tea if offered by my respondents. This may seem a little petty but the polite refusal of this hospitality was intended to remind the interviewee that I was not a guest and wanted to keep things as business-like as possible.

I found it was good practice to write up my reflections on each interview as soon as I could afterwards. This was often very useful as after I turned off my recorder at the end of our interview, or as respondents were seeing me out, they would mention things that were potentially significant. Writing these snippets and observations down proved to be very useful in planning ongoing fieldwork and when I came to write up my findings. I tried to assess what I had learned from each interview, how the interaction flowed, and whether the data I had just gathered help to confirm old ideas or stimulate new insights. Thus I had a log of how the research was progressing, which became an invaluable reference tool for me when writing up my research.

Researching politically powerful elites requires that the researcher establish trust and credibility. These can be mutually re-inforcing, but perhaps trust is the more important (see also Sigelman 1982). There are certainly advantages to appear as a well-meaning novice or academic dilettante. Being patronized can be a useful way of learning things and getting a purchase on the assumptions that respondents take for granted. If you are not trusted, the interview, meeting, or research presence at a given site (e.g. conference, seminar, etc) can mean respondents are evasive and reluctant to speak candidly.

Molotch argues that social research should be creative, interdisciplinary, and not 'mere' journalism as some critics suggest, but 'deep journalism' (1994: 223). This is highly applicable to researching the world of lobbying and PR: it often resembles investigative reporting. Furthermore Molotch insists that while academics will never have a monopoly on knowledge and insight, they should aspire to be reliable and useful. The former implies sound methodology, while the latter suggests research into areas that connect with issues of governance, power and resources. These are the concerns that pervade my account of this empirical research.

Before discussing how this study evolved it is necessary to position this research in relation to the public interest. The orientation of this thesis is based on a commitment to the public interest, understood as an opposition to the dominance of private interests in public affairs. The public interest cannot be defined in the abstract. In the empirical chapters that follow my articulation of the public interest is in many respects a response to the private and sectional interests participating in debates on interest representation and lobbying regulation in Scotland. This arises from an emerging concern across the social sciences and humanities about the desirability of academic work that addresses social problems, inequality and democracy, merging theory, practice and engaging in public debate (Sanday 1998). My articulation of the public interest in this thesis is based on a commitment to openness, transparency and accountability in public life.

The politics of researching politics

Howard S. Becker (1967) advocated that social science be explicit about how values shape the entire research enterprise. There has since been considerable interest, though perhaps less progress, in addressing the implications of this challenge. Becker's argument was that research as an activity in the social world cannot be value-free, so rather than striving for technically sound, value-neutral research (i.e. the positivist fantasy of objectivity), the issue for social scientists 'is not whether we should take sides, since we inevitably will, but rather whose side we are on' (239). This argument was taken up by some scholars, notably Gouldner (1968), who insisted that a conflict theory of contemporary society demands a commitment to social and political change by those who observe and analyse society.

Gouldner criticised Becker for being somewhat reticent about his own position in relation to hierarchies of credibility. The charge was that Becker and his circle, in researching and criticising various metropolitan elites (especially those running public services), were aiding the agendas of Washington-based policy makers (and research sponsors) intent on rolling back the American welfare system. In supplying evidence of the inefficiencies and faults of city and state administrators this research was used to boost the political power of federal agencies and undermine local autonomy and decision making.

A generation ago something of a re-evaluation of the relationship between sociological practice and wider societal developments[2] took place, against a backdrop of considerable socio-cultural change.

Good sociology is sociological work that produces meaningful descriptions of organisations and events, valid explanations of how they come about and persist, and realistic proposals for their improvement or removal. Sociology based on the best available evidence should provide analyses that are likely to be true in the linguistic sense of not being falsifiable by other evidence, and also in the ontological sense of being "true to the world"... sociological work loses its potential practical importance if it does not encompass the major processes and the actors involved in those parts of the world to be changed. Therefore, work that is not true to the world has neither scientific nor practical value. (Becker and Horowitz 1972: 50, 51)

The authors recognised these as demanding conditions of good analysis, and the potential for political bias to make research 'untruthful' (linguistically and ontologically). Nevertheless radicalism was positioned as a necessary, though insufficient, condition for 'good sociology' (ibid: 60).[3] Radicalism for its own sake leads to 'fanaticism'. However, in its alignment with the powerless, radical or critical sociology strives to redress social inequality and promotes freedom by furnishing knowledge about how society operates. In itself, this can become a resource for political action (by academics and/or others).[4] The gathering of evidence is what marks radical sociology out from radical politics. This data gathering should properly focus on unmasking power and privilege (ibid: 54).

A sociology that is true to the world inevitably clarifies what has been confused, reveals the character of organisational secrets, upsets the interests of powerful people and groups. And while uncovering error does not necessarily aid the interests of those exploited by an organisation or society, it does at least permit equal access to the evidence upon which action must be based. (ibid: 55)

My research on the emerging lobbying universe in Scotland takes its cue from this premise, and is situated in the context of the creation of a new institution grounded in the principles of openness and transparency. Given the particular challenges in researching para-political actors such as lobbyists and PR people, who are sensitised to the implications of consenting to be studied, I would endorse Becker's advice concerning interactions with powerful elites and institutions. This approach is not hostile to respondents: rather it is critically (self) aware of how spokespersons are motivated and constrained in their participation in social research.

The trick for dealing with the hierarchy of credibility is simple enough: *doubt everything anyone in power tells you.* Institutions always put their best foot forward in public. The people who run them, being responsible for their activities and reputations, always lie a little bit, smoothing over rough spots, hiding troubles, denying the existence of problems. What they say may be true, but social organization gives them reasons to lie. A well socialized participant in society may believe them, but a well socialized social scientist will suspect the worst and look for it. (Becker 1998: 99-100)

Ethics of Research and Role

Issues of privacy and (critical) publicity imbue lobbying interactions. Those who engage in the business of public affairs are professionally and culturally attuned to how their policy interests are related to wider public spheres, and nodes of influence in policy debate and deliberation. In liberal democratic theory, and in current practice (however distorted), the public interest must be factored into policy calculation: the interest in public opinion and public relations arises from the understanding that the public interest is not given, but must be established, articulated and contested. This is accomplished by organisations or groups, whose communicative agency (via the media, in other public fora and private settings) often seek to define the public interest in ways that suit them best, and orient to competing definitions and prescriptions in their communications strategies.

Such strategic political communication centrally concerns public goods, resources and values. Professional lobbyists and political PRs compete for such resources on behalf or their employers or clients. In the ideal rational polity the competition for such public resources (ideological and policy related) ought to be open, transparent and for Habermas, based on a communicative ethic that emphasises truth, respect and honesty. This resonates with the normative self-understanding of western liberal democracies that politics reflects and responds to the views (not interests!) of the electorate.

Along with privacy and critical publicity, context animates ethnographic research on lobbying. This study took place in the particular context of the creation of a new parliament.[5] The painstaking devolution campaign since 1979 in and through Scottish civil society (notably excluding most leading corporations in Scotland and many media interests), developing in the 1990s through the Scottish Constitutional Convention (SCC), and after the devolution referendum in 1997 in the form of the Consultative Steering Group (CSG), resulted in a definition of what the Scottish Parliament should do, and importantly *how it should do it*. This process clearly established a public interest in relation to the normative rules under which the Parliament would operate. The CSG's guiding principles for Holyrood are an expression of a contemporary and direct Scottish public interest in the 'good faith', or openness, accountability, equal opportunities and power sharing of the new institution. These principles have acted as a lodestar for the research reported here. The model advanced by the CSG insisted on the sovereignty of the Scottish people over both Parliament and Executive. The Habermasian model for the public sphere and the CSG model for the Scottish Parliament share an insistence on the ideals of liberal democracy in facilitating participatory, and thereby legitimate, democracy.

The Conditions of Access

This is the context of my research on lobbying formation, embedding, practice and (non) regulation in the newly devolved Scotland. Those operating in the Scottish public policy sphere in advance of, and upon, the creation of Holyrood were acutely aware that openness, equal participation and transparency were expected in the new institutional

setting. Indeed, some lobbyists sought definitional advantage by portraying themselves as a sleaze free, non-elitist alternative to Westminster style government relations. ASPA was created in part as a reaction to the perceived illegitimacy of lobbying *practice* at Westminster. The principle of lobbying as a pluralist equal competition for public resources was of course vigorously promoted by ASPA: Scottish lobbying would be ethical and legitimate by virtue of its openness, accessibility and transparency, and an asset to Scottish democracy.

My entry into the self-styled world of open and accessible Scottish politics was relatively easily achieved through membership and support from a university department which considered the examination of this unique democratic experiment - both a social and political scientific case study and a melting pot of theory and praxis - a worthwhile empirical pursuit. The mass media in Scotland, especially the BBC as a public service broadcaster (charged with interpreting and communicating the public interest) and the liberal press[6] played a key role in establishing the rules of the game of political communication (public and private) in the devolved public sphere.

The publicly available information on the public affairs industry in Scotland was a useful starting point in building an image of what lobbying, post-devolution, looks like. The repeated references throughout this study to data published in the Scottish press, broadcast on television or radio, written in the trade press and on the internet, points to the efficacy of using such sources as a way of building knowledge, or a model, of the field of action. This basic, second-hand information, allows the researcher to construct a

provisional account of the field, though the media coverage of Scottish lobbying rarely penetrates the surface. The media are a necessary but insufficient resource for a comprehensive study of Scottish public affairs. Media reporting is not divorced or insulated from the political process, but is in fact an intrinsic part of that process. The media can have impacts on the world of political lobbying (say, via negative reporting of sleaze) but, more importantly perhaps, the media are often a key aspect of strategies for influence adopted by lobbyists and other social actors.

The frame of reference for those outside the lobbying industry looking in was inevitably shaped by the media coverage of scandals such as the Hamilton-Greer 'cash-for-questions' saga, and the 'cash-for-access' story involving the Number 10 policy unit and former Labour aide Derek Draper. Significantly, lobbyists themselves attend to such sources and images. They are a highly reflexive group, keenly aware of their public portrayal. Indeed, media representation was an early way of orientating the researcher to the object of the study. Both the analyst and the analysed shared an interest in this representation. The reasons for this common concern were doubtless quite different, but the common frame of reference facilitated fieldwork and was a useful resource and topic for interviews and observation.

The rhetoric of the CSG was also readily adopted and echoed by those with a professional interest in politics. Thus lobbyists, in public at least, blended the CSGs principles of openness, accountability and equal opportunity into their communications strategies. Another dimension to this dynamic was the important fact that lobbyists

appreciated that their legitimacy could be buttressed by seeking to play down the profit

motive that the media and public associate with lobbying. Commercial lobbyists

recognised the benefits of association with voluntary groups, charities, NGOs and the

'good causes' of Scottish civil society. Anybody with an interest in public affairs was

welcome to join the nascent association, and to show up at seminars, conferences and

other events on the periphery of the parliamentary complex. The rhetoric of the new

politics and the strategic interests of commercial lobbyists seeking to establish and

legitimise their presence around the new parliament meant that I was able to gain access

to part of the usually unseen world of commercial lobbying as a social scientist and was

relatively free to carve out a role for myself that enabled me to both observe and

participate.

When the CSG was consulting widely with Scottish civil society ASPA was attempting

to found a new a lobbying trade association in Scotland. I was allowed into their early

meetings by virtue of my academic interest in the creation of the new Parliament and my

focus on how novel practices might emerge in Scotland. Soon participants at ASPA

meetings began to take my presence for granted and my observation was unobtrusive.

The Chicago School approach to social research involved researchers in natural settings

attempting to gain an understanding of the subjective points of view of those actors

studied, often with some degree of empathy. The research methods comprised a mixture

of casual conversation, semi-formal and formal interviews, observation, and documentary

and archival research. All this was to later be codified as part of research methodology

and this early work was foundational for the development of the discipline later in the 20th century. The contribution of the Chicago School is especially important in the field of participant observation, where many of the naturalistic research techniques, including 'participation in group activity, penetrating fronts, cross checking accounts and generally hanging out' (Adler and Adler 1987: 9) were pioneered. [7]

In an effort to reclaim the field of sociological inquiry from the dominant quantitative approach in post-war America, the second generation Chicago School sought to explicitly codify and test their research practices, hoping that a self-critical and reflective understanding of qualitative social inquiry could lead to more robust findings and greater acceptance of the legitimacy of naturalistic research. This ambition led to an abandonment of those techniques associated with more extreme subjectivity, and a widening focus beyond the individual, to look at social settings, including communities, subcultures, and social movements. The Chicago approach posits the understanding of social life is best gained by actually entering into that life and seeking to understand the perspectives of the actors therein. Only by interacting directly with those subjects being studied can the analyst properly sensitise their research to the 'broad range of social meanings by which members of a social scene organise their attitudes, behaviour, and, ultimately, their social world as *verstehen*, a process of interpretative understanding' (ibid: 12. see also Molotch 1994).

There can be a variety of membership roles open to the ethnographer as a study evolves, and it is possible that the researcher's engagement in a setting can shift over time.

Membership roles range from complete observer, to observer as participant, to participant as observer, to full participant. However, the distinction between these roles is somewhat fluid and the researcher can move between roles and statuses as the study progresses (and regresses). The Chicago School generally sought a marginal role in the settings under observation, striving to retain a critical distance from their subjects and steering their relationships between the poles of friend and stranger. The observer-as-participant stage is characterised as a rather overt role 'typically involving brief and highly formalised interaction between researcher[s] and members, with no attempts to establish enduring relations by either side' (ibid: 13). In some respects the research relationships I developed within ASPA broadly fits this mode, though it is worth noting that the research setting – and very many of the interactions therein – were characteristically brief and highly formalised, or at least formulaic. ASPA meetings, though often relaxed and semi-formal, are nevertheless set on an institutional footing, namely the conduct of business of a trade association.

I attended meetings and said very little. I could explain to others that it wasn't my role to participate in the organisation's deliberations – I was there merely to observe. This conscious decision was predicated on my understanding that confusion over my role as either or both academic and lobbyist was best resolved by emphasising my academic membership categorisation: since academics are commonly seen as unworldly, largely ineffectual and non-threatening, but sometimes of limited use (if only in legitimation terms), I deliberately sought to cultivate academic detachment. I was definitely not a lobbyist, merely a lowly academic (even a postgraduate student, a categorisation that

foregrounds irrelevance) seeking to learn a little about real politics. Thus I could probe

and explore issues by affecting measured wonderment and a little ignorance. Such

behaviours I hoped would be seen as appropriate by those with whom I was interacting.

Within a year I had become a familiar face at ASPA gatherings. On a number of

occasions, while 'networking' (i.e. apparently doing precisely what lobbyists themselves

were doing) I could sense ASPA members grappling with how to introduce me and

precisely explain my presence. Usually this was resolved with some unspecific

formulation suggesting my academic interest and stressing that I wasn't a commercial

player (or a potential competitor, though some supposed I had a commercial interest in

terms of selling training, see below). I was left to fill in the gaps, but generally people

didn't seem particularly interested in finding out more about my research. In one instance

an informant confessed: 'You've been around since the start, you are part of the furniture.

In fact, I've forgotten what it is you are studying.' This is a common feature of

ethnographic fieldwork: 'People soon forget why [the researcher] is there, and react to

him as a participant. They treat him as a person even if he treats them as subjects of

study, and if he wants to remain in the group, he is obliged to participate behaviourally

and to express feelings of interest.' (Gans 1982: 305).

However, Gans elsewhere notes that 'Once the fieldworker has gained entry, people tend

to forget he is there and let down their guard, but he does not; however much he seems to

participate, he is really there to observe and even to watch what happens when people let

their guard down' (cited in Shaffir 1991: 78). In many respects my fieldwork followed

this template and several revelations from this study are based on this style of data-gathering. However, the setting I studied is rather small and circumscribed (tellingly often likened to a village) and a key aspect of my data-gathering involved interviews with many of those I had been observing and 'participating' with, in parallel to my fieldwork. This has two implications: the first is that by openly conducting research I was not seen as a lobbyist; secondly, my interviews could have acted as a 'warning' or pointer to the ultimate aims and objectives of my study, as during interviews I often asked respondents to defend aspects of their professional practice.

Openness and Accountability versus Privacy and Pretext: researching the new politics

One of the most keenly felt moral problematics in ethnographic research relates to the honesty and openness of researchers vis-à-vis their intentions and those whom they study and observe. There is a professional consensus that some degree of secrecy and discretion is advisable in most instances. However, what can make good data (eavesdropping, reading private documents etc.) can also make bad conscience (Punch 1986). In some extreme cases complete honesty is appropriate (often found in action research contexts, see Touraine 1977, 1981), while at the other end of the spectrum, deception and lying can be necessary (see Fielding 1977 on researching the National Front in the UK). The distilled wisdom of those disciplines utilising ethnographic methods suggests that decisions about how research is described to subjects and the conduct of the researcher are essentially situational and contingent matters, albeit loosely guided by codes of conduct that seek to promote professionalism and the integrity of the research process.

This wisdom can be modified somewhat to account for power imbalances in the research relationship in favour of respondents, accepting that researchers can be vulnerable to powerful sources and often need to do more to get data from these sources than would be the case with powerless respondents.

Notably, there is some disquiet about how, when and why research ethics codes can be applied. Galliher offered an alternative code to that of the American Sociological Association (ASA) that might be applied in studying public affairs:

> When actors become involved in government and business or other organisations where they are accountable to the public, no right of privacy applies to conduct in such roles... the revelation of wrongdoing in positions of public trust shall not be deemed "confidential information" within the meaning of this rule. (in Punch 1986: 44)

Thus, there is a sentiment among some social scientists that seeks to apply different standards to different groups. Some critical researchers believe that they need to be less sensitive to subjects who are in positions of power and privilege than they are to the relatively powerless and marginalised. In addition, those who engage in public affairs are often perceived by the media to have waived their rights to privacy upon entering public or political life. Journalists across the world adopt versions of this position, though some choose not to focus on the private lives of politicians and other influentials. Nevertheless, their actions which relate to issues of public interest and policy are nearly universally

considered 'fair game' by political commentators and observers. Many social scientists agree, and thereby the human face of organisations and institutions in the public sphere are a legitimate area of inquiry, for 'to stop researching institutions ... is to abdicate any pretension to change them' (Punch 1986: 32). I am drawn to this position precisely because it allows the articulation of at least a claim to the public interest in policy debate by voices other than those of the powerful. Indeed, it could be said to be a key resource for journalists and analysts seeking to unmask the sectional interests of privileged actors.

This concern also connects with a re-orientation of participant observation under the influence of micro, interactionist, sociology (inspired by Goffman) which stressed the conflictual nature of much social life and human interaction, and places the motives and strategies of subjects as a central problematic of the research process. 'Existential sociology presents a more complex and concealed portrait of social settings and the members who populate them, urging researchers to collect their data in more investigative and multi-perspectival ways [and] legitimates researchers' own subjective experiences as an important source of data' (Adler and Adler 1987: 24).

Symbolic interactionism and ethnomethodology problematised much of what the Chicago School took for granted in terms of the correct footing of fieldwork. Instead of detached marginality and knowing distance, the micro-sociological orientation often demanded different levels of commitment to the research subjects, and insisted on the inherent subjectivity of participant observation. By foregrounding the indexicality and reflexivity of ethnographic epistemology and practices these approaches can be said to have helped

make such inquiry more self-aware. However, this benefit must be weighed against the cost of inhibiting the researcher's ability to make moral and political judgements about the social action under scrutiny.

Jack Douglas argues that the investigative paradigm ought to be based on the realisation that 'profound conflict of interest, values, feelings and actions pervade social life... Instead of trusting people and expecting trust in return, one suspects others and expects others to suspect him' (1976:55). This worldview can be seen as professional licence to deceive and use questionable methods to obtain data. Hoffman (1980) insists we cannot assume suspicion or trust, but must remain open-minded, aware, and take things as we find them. The notion that powerful and elite respondents never 'truly' co-operate is perhaps too extreme a position, even in sensitive research areas, including those dealing with power and challenges to privilege and inequality. Williams (1989) notes that elite respondents may be able to further their own interests by co-operating with social scientists. Becker (1998) recommends that we suspect powerful informants while Scheper-Hughes (2004) similarly refers to a hermeneutic of suspicion in such research. However, cooperation by elites is not always necessary, as often their social positions require them to communicate in public, and this can be a resource for research. Interviews are unusual social encounters. Their success largely hinges on cooperation and depends on how the researcher positions their research in relation to the interests of the interviewee. Observation represents a different type of social encounter: often the collaboration of research subjects is (or becomes) less explicit or foregrounded in comparison with interview settings.

In essence, common sense and responsibility are recommended by the discipline, but what such judgements mean in practice is of course contested. Punch parallels the 'ethical acrobatics' of those he studied with his own 'sceptical awareness that the situational ethics of fieldwork are almost insuperable...the fieldworker can but conform to expectations, endeavouring to keep a straight face and look honest' (Punch 1986: 8). The ethnographic enterprise is therefore a provisional activity, subject to change as social action unfolds and research progresses, and open to reinterpretation (and self-justification) when the research comes to be written up and disseminated. Ethnographers need to learn on the job, be alive to the social mores and cues in play in a setting, and feel their way into a role that enables research to get done.

Mucking In or Muckraking?

Researchers often confront the delicate task of dealing with offers or expectations of involvement. A common dilemma in such circumstances is to either refuse to participate more fully (at the risk of alienating those under observation) or to muck in. I strove to tactfully deflect offers to get involved and made vague noises and gestures toward activity without really enthusiastically following them through. But as my membership role became more participatory, especially on (s)election to the Association's committee – in part because of my faithful attendance at all the early meetings and events - I felt pressure to contribute something to the group's activities.[8] Hence, I became a somewhat

ineffectual and admittedly lax membership secretary, though it is a little difficult to say how good or bad I was in this role, as prior to my accepting the responsibility, the membership secretary's duties had been shared by the Convenor and Secretary of the Association. Membership levels remained static throughout my tenure.

During this period I felt some pressure to contribute to the organisation, and after some agonising over tangible and non-compromising ways to participate I offered to help create a website for the association. I justified this to myself and colleagues in terms of my belief in the openness and transparency of the new Scottish politics, and I felt that I could better make ASPA a more open organisation if I had some editorial control over its web presence. However, I was also aware that the website could be used as a tool for promoting ASPA, a proposition with which I was deeply uncomfortable at both a political and professional level. I also rationalised that if I didn't do it, somebody else probably would and therefore I would simply be hastening an inevitable development.[9] Although a rather unsatisfactory compromise I reasoned that my continuing committee membership necessitated such 'appropriate' behaviour.

In the event, my efforts to create a website for ASPA were unsuccessful (ASPA did not have much money in the bank at the time due to poor membership subscriptions and the costs associated with hiring rooms for seminars and events). However, the process of trying to get members to cooperate was in itself revealing. The larger corporate members and legal firms affiliated to ASPA fobbed off my repeated attempts to get information from them for a member's profile on the website. In contrast, those commercial

consultants who were active in the organisation promptly supplied me with more details than could be used, as well as links to their own homepages. This reinforced my perception that members' commitment to openness was very much dependent on their own interests.

Coming in from the cold: from observation to participation

Most of the writing on the social complications of enthnography tends to consider the problem of researchers going native or over-empathising with their subjects. Comparatively less is said about the converse, the issue of political opposition or moral disapproval of the activities of those being researched. Such writing typically focuses on deviant and marginal behaviour as opposed to the politically powerful and rarely describes circumstances where these differences surface explicitly in public with potential political consequences.

An important feature of the research process and results reported here is that some of the findings, and significantly, my own position on the issue of lobbying in devolved Scotland, became public in the course of the study. The context for this was the inquiry into the regulation of lobbying at Holyrood by the Standards Committee. In giving evidence to the Parliament and participating in the public and media debate around this inquiry, my views on lobbying were available to the lobbyists I was still researching. This dramatically altered the nature of my relations with those in ASPA (meetings were awkward, e-mail correspondence dropped off dramatically, etc.) and with other non-ASPA members in lobbying circles in Scotland who were also the object of analysis. The

latter group were certainly less exposed to my direct observation and proved difficult to negotiate access to for interview purposes. Notably, issues of access and trust re-emerged with a particular force in the midst of the research. This was a direct consequence of my status - or role - shift in the field from observer to participant. What marks this particular move out was that my participation was oppositional or conflictual - I went negative rather than native.

'[T]he participant observer role ... has been broader and more adaptable in its practice than in its formal epistemology' (Adler and Adler 1987: 20). I would characterise the orientation of my fieldwork as oscillating between a posture of chosen marginality and a more committed investigative role which seeks to penetrate the presentation of self (and groups) and understands that interests are at stake in much interaction (both public and private) and that not all social action is consensual.

Active membership involves moving beyond a marginal role in a setting and deliberately participating in some core aspects of the social action under scrutiny. A distinguishing feature of such membership status is that the researcher takes on some functional (rather than simply social or research) role. Thus, my involvement with ASPA led me to become a committee member, and thereafter assume membership secretary responsibilities. As such, I was privy to all details of membership of the Association, and had access to files relating to the early recruitment efforts of the organisation as they sought to establish a presence in Scottish business circles and public life. One signal advantage of assuming a more central role is that it usually allows the investigator to gather data without

depending entirely on the friendship and goodwill of other participants, as their

functional role affords the latitude to adopt a (quasi) businesslike footing in the social

scene. To an extent this posture was available to me, especially as I was able to attend

the committee meetings, though it is one I chose to 'keep in the bank' rather than actively

cultivate. My basic strategy was to say as little as possible and simply to make the

appropriate noises and gestures as and when I felt some such signals were expected of

me, or at least when they would not be out of place. Thus, I played a fairly silent role in

most of the deliberations of the group.

Most ethical dilemmas in the literature relate to cases where the researcher is deeply

immersed in the field and often develops an affinity with those being researched. Rather

typically, Schepper-Hughes refers to the 'hermeneutic generosity' that most field

researchers adopt toward their subjects:

> We tend to accept at face value and not to second guess much of what we are told,
>
> out of respect for the people who are our hosts. We tend to see our
>
> anthropological subjects as friends rather than as 'informants' and as collaborators
>
> and co-conspirators in our work. We expect resistance at first, but expect to win
>
> people over to what we believe can be a mutually rewarding experience. (2004:
>
> 41)

In an important respect my research does not conform to this template. My interaction

with those I studied spans five years, but was (and is I think) acknowledged as

intermittent and instrumental. I did not 'infiltrate' the field of Scottish lobbying, but was there 'by right' (or expectation) (see Ostrander 1993 for a similar account of researching elites in the non-profit sector). Also, my observation was almost always structured, in public settings such as seminars, conferences, and less publicly, at committee meetings and proceedings under Chatham House rules. I was neither privy to the interactions between lobbyists and elected representatives and officials, nor to direct client–consultant relations. The social dimension to my fieldwork was essentially conducted on a footing that was not individualised, familial or emotional. The feel of these research settings is probably best compared with professional networking or 'conference work', where participants reciprocally understand the instrumentality of their social action. Their (and certainly my) participation at these events can easily be understood as work. The food, drink, and repartee at these events should not be mistaken for socialising or leisure.

As Shaffir notes 'the researcher does not simply appropriate a particular status, but discovers that he or she is accorded a status by the hosts that reflects their understanding of his or her presence' (1991: 79). For the lobbying and PR fraternity in Scotland, I was occasionally seen as on some form of commercial hustle – as a potential moonlighting consultant, as a job-seeker looking to move out of academia, as an academic seeking to sell (PR) training to industry. In part I think this underscores the fact many other participants had 'an angle', so their expectation that I might have one was entirely understandable. In many respects this commonly shared belief reinforces the view that the footing of most of these social interactions was highly instrumental and in some respects ritualised. When explaining what I was doing, i.e. observing the evolution of the

new politics, many participants would agree (to paraphrase the responses): 'Ah yes, I see. I / We are very interested in the new politics. It represents an exciting/important/historical moment and presents new challenges.' What remained mostly unsaid, though I believe clearly understood (indeed on occasions minuted) was that the new politics presented unprecedented new business opportunities.

However, taking on a functional role in the organisation while remaining professionally and politically distant from the group's aims and objectives puts the researcher in a rather curious position. Some fieldworkers confess to adopting the perspectives of those they research, particularly after extensive and intensive periods in the field (Marquart 1986). I felt no such impulse. This is not because I did not get along with many of the participants (in the context of our instrumental interaction). I just happened to hold a different view regarding their activities. Many social scientists pursuing ethnographic studies admit to feeling a sense of betrayal and anguish when it comes to publishing their research. It appears that much of this angst relates to the revelation of intimate, personal detail from people's lives (and sometimes the researcher's own), and usually the lives being reported are not those of the powerful or politically active and committed.

Fieldwork requires tact, judgement, skill, patience and work. Not everyone is temperamentally suited to it. Counter-intuitively, many participant observers (when they report such details) reveal that they are rather shy and retiring. This in part may begin to explain the overwhelming focus of ethnographic studies on the relatively powerless. The other key determinant of course is access, and it would appear that ethnographic access to

political influentials and elites remains a comparatively rare empirical phenomenon in social science.

My fieldwork was different for a number of reasons. The interactions were neither incessant nor permanent. Meetings of the association, and interaction at other settings (such as conferences and seminars) were fairly dispersed, consisting (on average) of face-to-face meetings every few weeks and intermittent e-mail correspondence in between. Thus, there was ample scope to keep a distance and perspective on my field role. Secondly, the setting itself and its participants were professional and goal-orientated in nature. The organisation claimed to be a professional association and as such the quality of the interaction therein should be seen as primarily on an occupational or work footing. Doing research in this setting was clearly not equivalent to examining the personal or social lives of unsuspecting, trusting, or relatively naive subjects. This particular social category – public affairs and public relations professionals – are very often professionally engaged in 'social' relations that are essentially instrumental and sometimes manipulative. They cannot be said to be unaware of the impact of publicity, though scrutiny might perhaps have been a new experience for many of them.

The informal and social style of many lobbying events, such as dinners, drinks receptions, even parties and awards ceremonies, should not be seen as simple sociability. In fact, much more is going on. Networking and gaining access (or 'face-time') are core functions of the contemporary lobbyist. In these settings it is not just the bar staff who are working. The crucial (even determining) function of these social milieux is found in the

opportunity they afford to mingle with influentials, build an understanding of their characters, interests, tastes and prejudices (and display aspects of one's own self), put faces to names, activate and animate old ties and bonds, cement relations and understandings, raise concerns, share experiences, press claims, prime targets, and arrange future contacts. Unquestionably, lobbying is a contact sport.

However, it would be remiss to neglect the friendships and human relationships in these settings. As the fine wine and designer beer flows there is scope for the usual social transgressions that alcohol induces. In fact, I have seen lobbyists use this in some ways as a resource to demonstrate their humanity to clients and colleagues.[10] Getting drunk can be seen as a culturally acceptable way of letting off steam, of winding down from the pressures of doing politics. It can thereafter be used as a recyclable source of humour and topic of conversation. By 'seeing the funny side of it' one can further demonstrate soundness of character. Such activity also serves to maintain the fiction that the interactions and stakes in these social fora are really just like other social settings you might encounter outside of work.

What is notable about the (Scottish) lobbying scene is that in each other's company this peer group take for granted a shared understanding or common interest in keeping aspects of their professional practices private. This understanding throws into relief one of the more blatant ironies of this setting, and the rhetoric of Scottish politics regarding openness and transparency: public affairs and public relations are characterised by their privacy and secrecy. For these key players in the new Scottish politics transparency,

openness, and accessibility were to be applied to (and strategically deployed against) those elected to public office and employed to serve the public interest. Emphatically these principles were not seen as fully applicable to the Edinburgh lobbying fraternity themselves.

A feature of many active membership roles is said to be the demand to faithfully serve and act on behalf of the group in relation to outsiders (Adler and Adler 1987: 55). For me this was problematic, as I did not share the political objectives of the group (i.e. to remain unregulated by Parliament) and the fact that one of the key aims of ASPA was to promote their views to opinion formers, including the news media. When the media contacted me I would not speak for the industry, but instead referred media to the convenor or other organisational office holders for interviews. However, relations with the media and other interested parties were to cast my role as participant in direct opposition to my observer role as ASPA committee member.

A fundamental ethic of relations to research subjects is to stick to the original bargain one struck at the beginning of the research. As indicated, my initial bargain was rather vague and I was not subsequently obliged by anyone in ASPA to temper or curtail any of my research. Issues surrounding relations with research subjects often crystallise when research enters the writing up and publication phase. In this regard the chronology of the Standards Committee inquiry is significant, as it was such an important moment for the lobbying sector in Edinburgh. Part of my research was to be published in the Spring of 2001.[11] I knew this would be critical and was prepared for that. I didn't anticipate the co-

incidence of publication with intense public scrutiny from both Parliament and media, including my giving oral evidence to the Standards Committee, which of course generated its own pressures and dynamics. As the media began to take an interest in this inquiry, evidence from the Stirling Media Research Institute to the Standards Committee (largely based on my empirical research) attracted some attention, notably from lobbyists themselves.

One particular incident at this time captures the strains of entering policy debate. An article published in the *Sunday Herald* [12] based on evidence submitted by the SMRI to the Standards Committee caused considerable concern for members of ASPA (interestingly, nobody challenged the official submission to the committee, but media coverage of this was clearly seen as a threat). The following day a committee meeting was scheduled in Edinburgh. I expected a hostile reception at this meeting and walked around the block several times (à la Everett Hughes) before mustering the courage to attend. As I entered the room all conversation stopped. When I took my seat one member asked me about the front-page story in the paper the previous day. Though I had rehearsed my response many times on my way to the meeting that preparation evaporated under scrutiny from fellow committee members. My discomfort must have been obvious. Another committee member who had just arrived from Brussels had missed the story and asked what was going on. Rather than give a second-hand account of the article the then convenor left the meeting room. The sound of the photocopier punctured the excruciating quiet as we sat around the table saying nothing. The deafening silence continued as a copy of the article was distributed among the committee and read by those who had not

seen it. My stress levels were rising as the assembled committee looked to me for an explanation of this story, and probed for the first time the nature of my study.

Despite my co-authorship of a detailed written submission to the Standards Committee I opted to blame journalistic licence rather than defend my own beliefs and findings. In particular, a couple of ASPA members took exception to the use of the word 'subterranean' to describe their activity. I had deliberately used this term but preferred to suggest it was the journalist's choice of phrase. Essentially I bottled it and avoided direct confrontation even though I believed the description to be fair comment. Strategically, I wanted to maintain access to ASPA which I saw as an important source of future data. The price to be paid for this access was a painful grilling by fellow committee members and strained relations thereafter. I suspect that most of those present were unsatisfied with my justification of the story but eventually the meeting returned to its formal agenda. This remains the only time I was directly challenged about my research. After this ASPA members were certainly cautious in their relations with me and I had something of a pariah status at public affairs seminars and struggled to find lobbyists to chat with during informal networking periods.

Nevertheless my description of the lobbying world in Edinburgh has not been disputed by those researched to date. I understand this to mean my research is factually accurate and I think fair, though some did question the emphasis and interpretation I have offered ('We are not subterranean!'; 'So what if we got our ducks in a row?').[13] This in itself may be somewhat comforting, but it doesn't preclude the possibility that people profoundly

disagree with my analysis. My continued participation in ASPA was doubtless attributable to the potentially negative publicity that expelling me from the association might generate rather than the integrity and validity of my research.

Conclusion: doubt and duress in village politics

The research process I have described has in part been an attempt to pursue public interest arguments about the character and style of post-devolution politics in Scotland. In so doing I entered policy debate in a manner not anticipated at the beginning of the research. This shift in role had considerable consequences for my ability to continue to investigate corporate and commercial lobbying (reported in chapters 8 and 9) in what is a fairly small and closely knit professional community. Perhaps one way to appreciate the nature of this research is to examine what I think have been the effects of my engagement with lobbyists and decision makers during the course of this study.

Clearly, the official inquiry into the registration of lobbying at Holyrood represents a pivotal moment in my research, which transformed the kinds of normative issues I was addressing as an academic into direct policy concerns for legislators. Given the evidence I had assembled prior to the Standards Committee inquiry I was well positioned to supply independent, timely, evidence-based information to the deliberations of MSPs. While this evidence contradicted much of what commercial and voluntary sector lobbyists were saying it had a certain force by virtue of a number of coalescing factors: key MSPs were well disposed to the kinds of arguments advanced (which chimed with the founding principles of the Parliament); the commercial lobbying fraternity continued to be

undermined by negative publicity (including Lobbygate) and the underlying profit motive of their activities; the timing of the inquiry coincided with publication of a detailed account of the creation of ASPA which stood at odds with its public portrayal. The poor performance of commercial lobbyists in front of the committee was also a factor in shifting the terms of debate in Scotland toward regulation, which in itself was a marked departure from Westminster (and indeed the assemblies in Cardiff and Belfast).

Nevertheless, while the committee accepted the benefits of regulation in principle, the practical matter of developing a register of commercial lobbyists was a fraught process. Corporate and commercial lobbying interests mounted an impressive campaign to thwart such legislation, and given the pressure on parliamentary business and ultimately the lack of political conviction the proposed reforms were first watered down, and secondly, put on the back burner. Changes in committee membership were also probably a factor in the registration slipping down the policy agenda. Effectively, the debate on registration is a good example of the difficulty in developing and implementing public interest policy reforms. In particular, when these reforms directly threaten the interests of that group most experienced and best positioned to work the political system (i.e. lobbyists) then one begins to appreciate the scale and depth of opposition to such policies.

In relation to the effects of my research on this policy process, it could be said to have helped shift the terms of debate in Scotland (though this is perhaps best estimated by others) and for a moment required lobbyists to defend their practices and interests with more urgency and co-ordination than they might otherwise have been obliged to, given a

characteristically uninquisitive political media at Holyrood and a political civil society largely sceptical of the democratic benefits that might accrue from more openness in relation to the organised and resourced influences upon decision making in Scotland. What underpins this macro judgement are the following series of micro-effects which I am confident are attributable to my research endeavours.

The effects of my research role are most clear in relation to ASPA. Following the consultation on registration of lobbyists and the attendant media coverage, ASPA changed some of its practices in ways imperceptible to those outside the organisation. ASPA's seminars were re-branded 'Exchanges' by the incoming convenor. This rebranding was not purely cosmetic, as in future these meetings were to be held under Chatham House rules, a point repeatedly emphasised at the beginning (and sometimes the end) of those seminars I subsequently attended. This stricture had never applied to earlier events when ASPA was striving to establish itself in the open and transparent new polity orbiting Holyrood. One obvious effect of this was that reporting the proceedings of ASPA would in future be more difficult, and it would be difficult to 'name and shame' under such circumstances.

More subtle changes were also underway. I detected that members of ASPA (and some others in the lobbying fraternity) were more guarded in both their official and casual remarks when I attended meetings and other events. This was particularly evident when new members were present at meetings. In one memorable incident the convenor cut across a new committee member while he was speaking, and warned him, in a jocular

(though pointed) manner – and all the while smiling at me – that he should be aware that what he said 'might appear in the next Stirling bulletin'. Another time, when I was being introduced to a new colleague of an ASPA member, the polite etiquette was ruptured when the novice had to be reminded that I was 'the guy who wrote that controversial book, err...the-book-I-showed-you-in-the-office-earlier'. This struck me as I was usually unable to find lobbyists who would admit to reading my account of their activities. This may be related to the noticeable fact that there was no direct contradiction, and precious little mention, of any of the detail I had revealed about ASPA.[14]

In addition I noticed that informal and e-mail contact with lobbyists diminished appreciably once my policy position was publicly known. Minutes of ASPA committee meetings began to take on a minimalist character, and on a couple of occasions those organising events (in particular an ethics training seminar) 'forgot' to notify me that these were taking place.

Outside ASPA there were also some clues that I was seen as someone not to be trusted by professional lobbyists in Scotland. I had considerable difficulty in negotiating subsequent interviews with corporate lobbyists in Edinburgh, and the delays here I think are beyond those that could be attributed to busy diaries (given that access to equivalents and counterparts in Brussels and London was comparatively easy). However, displeasure with my research was not confined to commercial lobbyists. Some leading members of the Third Sector Policy Officers Network (TSPON) were aggrieved by my observation that they were comparatively under-resourced, particularly in relation to their response to the

Standards Committee inquiry. They inferred this (incorrectly) as a slight on their professionalism and competence, rather than appreciating the point that they were at a structural disadvantage in comparison to corporate lobbyists. I have yet to be invited back to any of their meetings or events, and the TSPON has since adopted a policy which explicitly debars academics and students from membership.

In some respects this research process could be read as a case study in how to lose friends and not influence people. It demonstrates the serious challenges facing researchers and activists seeking to shift policy in directions inimical to the interests of powerful actors, in particular, corporations and professional bodies who do not act in the public interest. In terms of the place of critical sociology in contemporary society it is sobering to revisit the debates and concerns of critical, radical or 'insurgent' researchers a generation ago. In terms of methods and practice (which of course are connected with interests) it would seem that others have been here before. My review of the literature on elites and research concerned with power structures and the reproduction of inequality in policy debate points to a puzzling scarcity of ethnographic studies of elite decision makers and the powerful that cannot be fully explained in terms of constraints on access alone. Rather, the social sciences must look to themselves to explain this neglect. It would appear that Domhoff's appeal has fallen on many deaf ears:

> Where is the sociologist or urban anthropologist who will spend summers in
> wealthy resort towns instead of big city ghettoes? Where is the linguistics student
> who will use his or her voice analyser to study ruling class speech instead of

Appalachian dialect? Where is the social anthropologist who will study debutante balls, fox hunts, and ruling class rituals and displays instead of primitive initiation rites in the South Pacific? We need these studies too, but the people to do them have not yet materialised. (Domhoff 1974b: 182)

Part of the explanation must surely lie in the fact that such critical scholarship is rarely rewarded with large grants, promotions, or even tenure. Nevertheless, for those ploughing such lonely furrows it is worth remembering why it is important, and how best to get through such fieldwork:

We take sides as our personal and political commitments dictate, use our theoretical and technical resources to avoid the distortions that might introduce into our work, limit our conclusions carefully, recognise the hierarchy of credibility for what it is, and field as best we can the accusations and doubts that will surely be our fate. (Becker 1967: 247)

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1 For a full breakdown of this empirical fieldwork, refer to Appendix II.
2 Notably the politicisation of students in relation to the Vietnam War, the civil rights, feminist, and to a lesser extent then, the environmental movements.
3 Becker and Horowitz suggest that radical sociology will probably be more complete as it tends to subject conventional sociological theories and accounts to critical examination (if for no other reason than to demonstrate their error, and illustrate how alternatives prescriptions are possible and more useful) (1972: 63)
4 In essence, this debate is grounded on the assumption that radical social and political change is possible. Where radicalism departs from liberalism (or pluralism) is in the judgement that capitalism (as then and now constituted) is ill-equipped to respond to demands for greater equality from marginalised groups. However, in this context radical scholars and activists can be in tension given the lag between action and the gathering and assessment of evidence (which can be a resource for political action).
5 Fieldwork coincided with the creation of the first parliament in Scotland for nearly three hundred years, and importantly, the first in Scotland in the modern age (a feature not fully considered by those trying to

fathom the paradox of public faith and disillusionment with their fledging institutions post devolution) when high democratic aspirations and expectations defined the Scottish public sphere.

6 The creation of the *Sunday Herald* can be attributed to the demands for a vibrant public sphere and critical publicity under devolution, as well as an economic calculation that the demand for such an outlet was economic as well as political.

7 The fact that Robert Park, a leading figure in the School had a journalistic background, perhaps helps explain the orientation toward naturalistic, qualitative inquiry.

8 Even with hindsight I'm not sure how much of this pressure was internal. I expect possibly much of it, as ASPA were hardly the most prescriptive and demanding group.

9 ASPA's website was eventually launched in late 2003, at the organisation's fifth 'birthday party'. http://www.aspa-uk.org. The impetus behind its creation lay in the public criticism of the organisation before the Standards Committee in early 2001, where one MSP rebuked ASPA's representatives for not having such a basic facility which would allow people to inform themselves about the association. Expecting an ongoing monitoring of commercial lobbying by the parliament, the new convenor of ASPA in 2002, Adam Bruce, made the creation of a web presence for the organisation a priority.

10 In the sense of 'after the event' justification and repair work. It should of course be understood that excessive and repeated consumption of alcohol is frowned on, with some lobbyists and PRs earning a reputation as good social company but of dubious professional capacity.

11 Some of this material appeared in Schlesinger, P., Miller, D. and Dinan, W. (2001) *Open Scotland? Journalists, Spin Doctors and Lobbyists*, Polygon, Edinburgh. See in particular chapter 11.

12 Fraser, D. 'Mound more secretive than Westminster: Academics reveal the true extent of silent power at Scottish parliament' *Sunday Herald* Jan 14 2001, p. 1.

13 A phrase used by a former ASPA convenor referring to the co-operation between the APPCS, IPR Scotland, PRCA Scotland, SCDI and ASPA during the Standards Committee inquiry.

14 One exception came at a public affairs dinner, when a voluntary sector lobbyist upbraided me for not mentioning another third sector lobbyist who had flirted with joining ASPA in the very early days.

Chapter 5

Preparing for Holyrood

The growth of lobbying in Scotland

Lobbyists gravitated towards Edinburgh in anticipation of devolution well before Labour won

its landslide election victory in 1997. There has long been lobbying activity in Scotland,

centred on the Scottish Office, conducted by trade associations or lobbyists working in the

largest companies. The prospect of devolution stimulated the arrival of new commercial

lobbying consultancies. Shandwick, (now Weber Shandwick, part of the Interpublic Group),

established offices in Edinburgh in 1979. Despite the postponement of devolution until 1999,

Shandwick could attract sufficient PR clients in Scotland (some also requiring public affairs

expertise) to open and maintain offices in Edinburgh, Glasgow and Aberdeen. 1992 saw the

launch of Scottish & Westminster, a lobbying venture by Dunseath-Citigate and the

Westminster Group, which was premised on a Labour election victory that year (Stokes

1996).

In 1996, Strategy in Scotland and GPC Market Access Scotland, both off-shoots of well-

established Westminster-based lobbying companies, also set up offices in Edinburgh.

According to the managing director of Westminster Strategy, Michael Burrell, they had taken

a triple gamble: 'One was that Labour would win the election in May; the second was that the

Scottish people would vote "Yes" to devolution; and the third was that the Parliament would

be given tax-varying powers' (Matthews 1997: 13). Burrell's company was one of only a few

to recognise devolution's potentially serious impact on UK commercial public affairs.

Michael Craven, managing director of GPC Market Access, believed that for lobbyists working in Edinburgh 'the sky is the limit' (Matthews 1997:16).

The competitive advantage of establishing lobbying capacity in Edinburgh prior to devolution is evident considering how lobbying companies like Strategy in Scotland and GPC Market Access Scotland sought to market themselves once the Scottish public had given their consent to New Labour's devolution project.

First, while commercial lobbying was virtually non-existent in Scotland before 1996 (as all legislative power over the UK resided either in London or Brussels) the Scottish public relations industry was relatively well-established (Hogg 1995; Smith 1994; TMA 1989). This was due partially to Scotland's distinctive national news media system (Schlesinger 1998) and the strength of banking, finance and oil sectors. The presence of a mature PR industry in Scotland represented a threat to the specialist lobbying firms seeking to establish a foothold in the market opened through devolution.

Since the Nolan Committee's report, there has been a marked differentiation of lobbying from PR. This strategy of distinctiveness has been vigorously pursued by lobbyists who seek to distance their work from that of public relations. Lobbyists believe that communication with audiences such as government and political influentials is entirely different from communication with the media. But actually PR work itself often involves communication with specialist audiences. So, the practical distinction between lobbying and PR is often difficult to discern. Indeed, much political public relations are in fact *private* communications and representations.

The blurred boundaries between PR and lobbying are connected to the highly publicised rise of the political spin doctor, straddling the divide between PR and public policy. As many spin doctors become political lobbyists and trade in the precious currencies of political intelligence and access, confusion over the credentials of who can legitimately and effectively lobby is hardly surprising.

Being 'in position' before devolution afforded established firms an attractive (if short-lived) marketing tactic, namely the ability to portray late entrants into the market as craven opportunists. As Jane Saren, managing director of GPC Market Access in Scotland, noted:

> There is a real danger that people who wait until 1999 to set up a decent operation will look like opportunists. While it is true that firms up here [in Scotland] do need strategic public affairs, there may well be some understandable resentment up here if that's how the London consultancies go about giving it. (Matthews 1997: 15)

After the devolution referendum in September 1997, the migration north from Westminster of lobbying companies was noteworthy. In October that year, Ludgate Communications, then the tenth largest PR agency in the UK, announced a joint venture with FMS Public Relations, a leading independent Scottish PR agency, aimed at integrating the public relations and public affairs expertise within each company (Atack 1997: 3). In reality, the deal involved the Ludgate group lending public affairs support and expertise to FMS Public Relations. 1997 also saw the launch of the specialist planning lobbying consultancy PPS Scotland. GJW opened their Scottish branch in 1998.

The growth of the lobbying industry in Scotland can be gleaned from the trade directory *Hollis*, which provides a fairly comprehensive list of the PR consultancies in the UK. In the 1997-98 edition, 39 consultancies advertised their expertise in Government Relations in the UK (Hollis 1997). Only three claimed a competence in Scottish Public Affairs: GPC, Strategy in Scotland and Decision Makers. In the 1998-99 edition, 46 agencies were listed under Government Relations. Of these, four advertised their Scottish lobbying capacity: GPC, Strategy in Scotland, GJW and Public Affairs Europe (Hollis 1998). In the 1999-2000 directory, of the 45 agencies specialising in Government Relations, six claimed expertise in the Scottish market. The new entries included August. One Public Affairs, whose advertisement offers 'expert advice and guidance on political and policy developments from Westminster, Whitehall and the regions' (Hollis 1999: 981).

From 1997, the PR industry in Scotland was beginning to prepare for the Scottish Parliament in ways invisible to the casual observer and not well captured by London-based trade directory compilers. The advent of Holyrood raised the profile of public affairs in Scotland though Scottish PR firms had undertaken lobbying work pre-devolution. Tony Meehan Associates (TMA) claimed to have been involved in lobbying the Scottish Office on behalf of clients since the late 1980s. Similarly, Shandwick Scotland did public affairs work, although they only opened their specialist Scottish parliamentary unit in August 1998. The Scottish branch of the Communications Group also engaged in ad hoc lobbying in conjunction with their London office rather than led from Scotland. Scribe Communications, Carnegie PR, and Proscot PR Consultants have been others in the field for varying periods. At the behest of the former Secretary of State for Scotland, Michael Forsyth, Media House handled the Scottish Office's PR and public affairs campaign to secure the release of two Scottish nurses accused of murder in Saudi Arabia. In 1996, Media House recruited David Whitton from Scottish

Television to head its public affairs division. Whitton's later appointment as Donald Dewar's official spokesman, and thereafter his return to PR consultancy is symptomatic of the connectedness of the worlds of media, politics and advocacy in Scotland.

The creation of a Scottish Parliament led to the entrance of new Scottish players into the lobbying market. These comprised established PR consultancies and new lobbying agencies. Companies such as Beattie Media, Barkers Scotland, Neil Baxter Associates, and The Newton Consultancy all offered a dedicated public affairs service as part of their portfolio from 1997-98. New consultancies have targeted work related to the Scottish Parliament. PS Communications (now Pagoda PR), founded in 1994, was one of the more high-profile consultancies. Holyrood Strategy, formed in 1997, also sought to establish a consultancy business around the Scottish Parliament. In addition, several 'one-man band' consultancies have offered lobbying services.

The commercial interest in devolution was not confined to the public relations or lobbying sectors. Law firms have become involved in public affairs and constitutional consultancy. Westminster Parliamentary agents Dyson Bell Martin began to promote themselves in the Scottish market. In January 1998, the Scottish legal firm Shepherd and Wedderburn WS launched their in-house lobbying service, Saltire Public Affairs. These initiatives were closely followed by the launch of Public Affairs Europe in April 1998, a joint venture of the commercial lawyers Maclay, Murray and Spens and the high profile, 'streetwise' Scottish PR consultancy Beattie Media. Jack McConnell, the former general secretary of the Scottish Labour Party was recruited as a director, as was George McKechnie, a former editor of *The Herald*. McConnell's links with Beattie Media were later to become central to the Scottish Parliament Standards Committee's investigation of the Lobbygate affair. There was unease

among commercial and voluntary sector lobbyists regarding McConnell's appointment, centring on the probity of such an overtly political sinecure. Damian Killeen, Director of the Poverty Alliance in Glasgow, wrote to *The Herald* expressing concern:

> The growth in the number of lobbying companies in Scotland, in advance of the Scottish Parliament, is happening with relatively little critical comment. Some of these companies are staffed by people who recently or currently have occupied prominent political positions. There is little doubt that their access to senior politicians is an important part of these companies' sales pitch. Government in Scotland has, so far, done little to disassociate itself from these developments. What signals does this send out to those who are looking to the new Parliament to provide a level of accessibility and inclusiveness? (Killeen 1998: 16)

Lawyers McGrigor Donald also started a public affairs unit around this time, creating a seven-strong Scottish Parliamentary team, now rebranded MDPP (McGrigor Donald Public Policy). Like the co-operation between Maclay's and Beattie Media, McGrigor Donald cooperated with Shandwick Public Affairs as 'Scottish Parliamentary Healthcheck' to provide information and raise awareness among corporate clients concerning the likely impact of devolution on their interests.

The in-house public affairs capacity of companies operating in Scotland has expanded with the establishment of the Scottish Parliament. The 1999 Scottish Corporate Communications Survey suggested that:

The new Scottish political settlement means that this is a period of uncertainty and opportunity for corporate communicators in industry, commerce, local government and the voluntary sector. Activity is likely to increase as a result of the increased political, diplomatic, research and business presence in Scotland. It is likely that new companies will emerge to provide services, while existing organisations will have to adjust to the new arrangement. (Wood and Higgins 1999: 6)

The survey asked respondents (85 in all, of whom 55 were working in PLCs) about preparations their organisations were making for the new legislature. Responses were reported as follows:

Preparation for Scottish Parliament	Percentage
Engaged professional lobbyists	2
Increased Budget to cover communication in Scotland	9
Expanded existing Scottish communications section	13
Created new communications division	4
Nothing	54
Other	14

(Wood and Higgins 1999: 40)

The authors seemed disappointed by the results of their survey, given the anticipated 'boom' in Scottish corporate communications. Nevertheless, their survey did indicate early adjustments to the new political situation in Scotland.

All told, the Scottish PR industry quickly spotted the opportunities that devolution presented. The Scottish Parliament was seen as transforming the political landscape, including how quangos and statutory agencies would relate to the new seat of power. PR consultants in Scotland were eager to promote the importance of 'local knowledge' in renegotiating many of these institutional relationships. Writing just days after the Yes-Yes vote in the Scottish devolution referendum, Ken Newton, a partner in a Scottish PR agency, outlined his vision:

> [Devolution] could create two channels of opportunity for PR and public affairs consultants - firstly, helping these [statutory] bodies position themselves positively with their governmental masters and secondly, relaunching the bodies which undergo reform ... I believe Scottish devolution can be mirrored by a PR devolution which sees a move towards campaigns that grant more autonomy to those with local skills, knowledge and the client base to drive the client's message home. (Newton 1997: 9)

There was a hollowness around these claims of the Scottish PR industry[1]. Commercial lobbyists need to be viewed in the same fashion. The entry of new companies into the embryonic commercial public affairs sector in Scotland challenged incumbent firms. Formal barriers to entry, as understood in economic theory, do not apply. The start-up costs of a lobbying consultancy are concentrated in the personnel actually doing the lobbying. Thus, it becomes important for established agencies to protect their existing business by attempting some form of professional closure. Crudely, this meant trying to discredit new entrants as opportunists. As Chris Lansdell, managing director of Countrywide Porter Novelli, Scotland, commented, 'At the moment one sees in the marketplace a number of new public affairs companies springing up, some of them little more than brass plate operations' (Gray 1998:

14). More elaborate forms of professional closure and competition were pursued by leading trade associations, as discussed later.

The expansion of the public affairs sector in Scotland occurred at a time of unique constitutional and institutional invention. The imminent creation of a devolved legislature was an extraordinary moment of social and political change. The period between the devolution referendum in September 1997 and the general election in Scotland in May 1999 was a moment wherein the rules and conventions that might govern the new polity were available for public debate and deliberation. As noted, the key arena in which political construction was centred was the CSG.

Lobbying and the Consultative Steering Group

Chaired by Devolution Minister Henry McLeish, the CSG's remit was 'to bring together views on and consider the operational needs and working methods of the Scottish Parliament' (CSG 1998: 3). The CSG would also seek to develop procedures and Standing Orders that might be used by the Scottish Parliament, and then report to the Secretary of State for Scotland. The CSG's extensive programme of work included an examination of how lobbying might be conducted and regulated post devolution. Research was commissioned by the Scottish Office in June 1998 on lobbying practice in other parliamentary systems. The study was carried out by the Centre for Scottish Public Policy (CSPP) and initially submitted to the CSG in August 1998, with a final draft in November 1998.

The CSPP report on lobbying practice is a comparative review of the regulation of outside interests across a variety of national parliaments and regional assemblies. The extremely tight timescale for this research meant that depth of analysis had to be sacrificed in order to

produce a wide-ranging account of different regulatory regimes. The authors admitted their work 'did not detail in-depth the nature and practice of lobbying parliaments' (Lazarowicz and Jones 1998: 51). The report paid particular attention to regulation in polities with relatively developed commercial lobbying markets, namely Australia, Canada, and the United States. The study failed to look at the governance of outside interests at the province or state level, save to mention that different systems existed. That level of analysis might have provided a useful comparison to the Scottish situation in terms of the powers available to the legislatures concerned and the relative size and scale of economies, civic institutions, and networks.

Much of the received wisdom concerning the issue of regulation of outside interests was reproduced. Findings were cast in terms of the 'problems' created by regulation, with no consideration of the benefits of statutory controls. Assessing the Scottish situation, the authors recognised that the home market was in a state of considerable flux. The emergence of the Association for Scottish Public Affairs (ASPA) was noted, as were the various self-regulatory codes of conduct promoted by the commercial lobbyists. The authors apparently accepted the lobbying industry's argument that 'it is the public perception of the growth of lobbying and misconception over its role that tends to lead to recommendations for regulation' (Lazarowicz and Jones 1998: 62).

CSG members told me that the CSPP report was considered rather anodyne and of little use. The CSG also sought evidence from the general public via their open forum meetings in July and August 1998. Annex E of the CSG's report summarises the findings of this consultation. Those participating in the open fora recognised the need for business interest representation, yet there was evident public concern at the potential role of lobbyists. Some distinguished

between paid commercial lobbyists and those working in-house for charities employed to lobby Parliament. Others wished to see the registration of all lobbying in Scotland. Of the 336 responses to the CSG consultation exercise received by July 1998, there is no evidence of a public contribution (there were 6 confidential replies) from any of the lobbying or PR industry trade associations, or individual businesses in this sector. This is curious, considering how lobbyists place a premium on early interventions in most policy processes on behalf of their clients. However, the Association for Scottish Pubic Affairs (ASPA) did arrange a meeting with CSG representatives to make their case for self-regulation.

Interest in the political and commercial consequences of devolution extended to the in-house public affairs departments of large corporations headquartered or based in Scotland. A review of corporations responding to the CSG's consultation indicates which businesses were involving themselves in the newly-emerging political system. Major corporations such as the BBC, BP Scotland, Atlantic Telecom, Caledonian Brewing Company Ltd, FirstGroup plc and utilities like Scottish Power, British Energy plc, and BT Scotland contributed to the CSG's opinion-gathering exercise. BT Scotland were particularly pro-active, employing a head of government for Scotland in their parliamentary affairs department and encouraging staff to stand for election to the Scottish Parliament by granting four weeks' leave to campaign, and if elected, guaranteeing their jobs back when their term of office ended. Furthermore, BT Scotland sponsored the creation of the Centre for Teledemocracy at Napier University to explore and develop new forms of democratic participation by utilising the latest information and communications technology. Many of the opinions expressed by these business interests were later to find their way into the CSG's recommendations.

Trade associations and professional bodies are another avenue through which the concerns of businesses can be communicated to Scotland's political class. Annex A to Appendix D of the CSG report lists 32 professional organisations that responded to the CSG. The business interests among these included the Brewers' and Licensed Retailers' Association of Scotland, the Chartered Institute of Building, the Committee of Scottish Clearing Bankers, the Institute of Chartered Accountants of Scotland, the Institute of Directors, the Institute of Management, the Law Society for Scotland, the Malt Distillers' Association, the Scotch Whisky Association, the Offshore Operators' Association Ltd, Scottish Engineering, Scottish Grocers' Association and the Scottish Tourism Forum. Other umbrella groups and trade associations are listed under business contributors, including the CBI, Forum of Private Business, the Meat and Livestock Commission, the Scottish Industry Forum, the Scottish Council Development & Industry, and a range of Chambers of Commerce.

In contrast, the CSG consultation also attracted a large volume of responses from the general public, almost all expressing a deep-seated wish for a new style of politics in Scotland. These responses often made explicit reference to the dangers of organised corporate lobbying to the democratic system (given that parliamentary sleaze was a big issue at Westminster at this time) and hoped that such activity would either be banned or regulated at Holyrood (Dinan 2002).

The high level of business involvement in the CSG is noteworthy, given the well-known antipathy of many business leaders to devolution. The CBI was the most visible example. Prior to the 1997 general election, CBI Scotland opposed devolution, despite lobbying from New Labour in Scotland for their endorsement. In the devolution referendum in September 1997 the CBI remained officially neutral, although prominent members publicly opposed the

Yes-Yes campaign run by the cross-party umbrella group, Scotland Forward. The CSG afforded the CBI a chance to play political catch-up by actively engaging with the debate on the standing orders and practices of the new Parliament. As one commentator remarked at the time:

> It is entirely to the credit of Scottish business that more and more people are beginning to think seriously about how to turn the fast-looming Scottish parliament to positive advantage. True, people are discovering potential pitfalls, but amongst those who have the time and inclination to explore the possibilities of this business environment, optimism is starting to emerge. (Jones 1999: 10)

The CBI created a Holyrood watchdog group, aimed at promoting the profile and interests of businesses, and identifying their 'strategic and policy priorities' at Holyrood (Scott 1999b). Since the Parliament opened, the CBI sought to institutionalise their lobbying access to MSPs of all parties through the creation of a series of economic and industry briefings, a vehicle which CBI Scotland's director of public affairs hoped 'that MSPs would see as a "must see" event, which will provide them with a very useful background for them to make informed decisions' (Hope 1999: 16). These briefings have since metamorphosed into more conventional Chatham House soirées (see chapter 8).

Reviewing submissions from business to the CSG, Brown and McCrone (1999: 24) reported that 'there was unanimous agreement about the importance of pre-legislative scrutiny, especially in the absence of a second chamber' and that legislative accessibility was a business priority. However, there was less agreement on the precise terms of this access. While most business groups concurred upon the need for a code of conduct and a public

register of interests for MSPs, they disagreed over the regulation of lobbyists and how to balance the interests of resource-poor and resource-rich groups. The Federation of Small Business and the SCDI thought that a code of conduct for MSPs would assist probity at Holyrood. However, it was recognised that this alone could not prevent possible 'dominance by large, well funded organisations' and as a corollary 'the subsequent neglect of small and community based businesses' (Brown and McCrone 1999: 21, 22).

The CSG's final recommendations regarding lobbying reflected the contributions made by business interests and the dominant orthodoxy at Westminster. The CSG's Code of Conduct and Lobbying working group proposed nine key principles governing the conduct of MSPs, amounting to a Scottish version of the seven Nolan principles established to promote the highest ethical standards in public life (CSG 1999: 23, 24). The CSG recommended a ban on paid advocacy by MSPs, an onus to declare interests when taking part in parliamentary proceedings and eleven categories of registrable interests. Failure to comply would be a criminal offence, as would other breaches of the code. Significantly, the CSG supported the development of voluntary codes by lobbying firms and organisations rather than registration. The rationale for this decision can be largely attributed to CSG members' belief that their guiding principles and aspirations would obviate the need for Westminster-style lobbying, making redundant the regulation of outside interests. In hindsight this belief appears hopelessly naive.

It is worth restating the CSG's most important principles, as they were to become the template for much of the subsequent debate on models of self-regulation and access to the Parliament:

The Scottish Parliament should be accessible, open, responsive, and develop procedures which make possible a participative approach to the development, consideration and scrutiny of policy and legislation. (CSG 1999: 3)

Debate along these lines was concentrated upon the public interventions of, and private discussions by, groups such as the Association for Professional Political Consultants (APPC), the Association for Scottish Public Affairs (ASPA), the Scottish Civic Forum, and the Scottish Council for Voluntary Organisations (SCVO).

Jockeying for position: the lobbyists' trade associations

The cash-for-questions scandal at Westminster effectively brought into being the Association of Professional Political Consultants (APPC), the association for the larger, Westminster-based, lobbying consultancies. For entry into the APPC, members' fee income had to exceed £100,000. This at once excluded some smaller 'one-man band' lobbyists. For the APPC's founding members it neatly resolved the difficulty of having to represent and regulate what were often seen as rogue elements in the business, trading on the 'old boy network' for access and political intelligence.

Nevertheless, Ian Greer Associates (IGA), the company at the centre of the scandal that prompted the Nolan investigation, was at the time among the largest and most powerful political consultancies in the UK (Leigh and Vulliamy 1997: xvi, 38) and would easily have qualified for membership of the APPC. Moreover, the involvement of GPC, themselves APPC members, in the 1998 cash-for-access scandal exploded the myth of self-regulation as a bulwark against corrupt practice.

The APPC was created to allow specialist lobbying consultancies to distinguish themselves from other bodies in the governmental affairs and public policy consultancy arena. After the deregulation of financial services in 1986 - the 'big bang' - many accountancy firms began to sell policy advice (Miller and Dinan 2000: 24). Law firms also sought to generate income by advising clients on aspects of parliamentary business. As Andrew Gifford, then APPC chairman, testified to the Nolan committee:

> We have seen increasing competition to our own companies coming from law firms in Brussels and in the UK, from a number of merchant banks ... One has seen exactly the same thing happening from the accountancy firms ... We estimate that the overall market, if one is looking at those people who are directly involved in lobbying amongst all the different groups, is probably well in excess of £1 million a year ... Clearly, with that scale of market there is pressure among the different groupings to gain access. (Nolan Committee, 1995b: 88)

This 'guesstimate' concerns that part of the lobbying market not already cornered by specialist lobbying firms. The value of the lobbying industry as a whole is difficult to quantify. Leigh and Vulliamy (1997: 38) report that by the end of the 1980s 'it was estimated that the mushrooming lobbyists' firms ... were taking £10 million a year from outside commercial bodies for the sale of political influence'. Indeed, Gifford's own firm, GJW, reported a fee income for that year (1994) of £3,152,576 (*PR Week*, 28 April 1995: 17).

Trade associations like the APPC exist to promote and protect the interests of their members. The APPC's formation may be understood as a form of professional closure, whereby the incumbents have sought to protect their market share from new entrants.

The APPC in Scotland

While the APPC was created to cater for Westminster-based political consultancies the profile of its membership mirrors that of its major clients, and is transnational in character. These lobbyists act for multi-national companies with stakes and interests across borders, and require a presence wherever clients are located, or where policy affecting them is decided. Most APPC member agencies have offices both in Brussels and London, and many are affiliated to, or owned by, communications conglomerates with a global reach. Scotland is a local outpost of this global communications economy.

Upon devolution eight lobbying companies in Scotland were members of the APPC. These included six founder members: Strategy in Scotland (now part of Grayling Political Strategy); Shandwick (owned by Interpublic); GPC Scotland (part of the global GPC network, owned by the Omnicom group, which has other interests in Scotland through Countrywide Porter Novelli); Citigate Public Affairs (owned by Incepta); GJW Scotland (owned by BSMG Worldwide); and, PPS Communications Scotland, the only one not owned by a global corporation. Two members joined in 2000: APCO Scotland (part of APCO Worldwide) and August.One. Membership remained static until after the Standards Committee inquiry into lobbying in 2001 (see chapter 7).

APPC companies' lobbyists are involved in a highly competitive market. As Fiona Callison, then Managing Director of Shandwick Public Affairs in Scotland, observed:

> We have got deep pockets. We're hoping that within two years we'll be in the top three of the public affairs consultancies in Scotland and we would expect in terms of

fee income that by year three we're the biggest, or we're dead ... But that's all part of the Shandwick international destination project ... They want to become the largest PR and public affairs consultancy in the world.

Indigenous Scottish companies and organisations were also interested in lobbying the Scottish government. The increasing emphasis on self-regulation after Nolan faced all would-be Scottish lobbyists with a dilemma. The APPC membership requirement of fee income over £100,000 per annum was an insurmountable barrier for almost all aspiring commercial lobbyists in Scotland, given the potential market size and the fact that the Scottish Parliament was not to be elected for another 18 months.

The other self-regulatory options available at the time were somewhat unattractive. The Public Relations Consultants' Association (PRCA) and the Institute for Public Relations (IPR) are the two main trade associations for people working in the UK's PR industry. The PRCA's membership is open to consultancies, whereas IPR membership is for individual consultants. Both have lobbyists as members and have largely similar codes of conduct. Both organisations also have Scottish committees. However, as with the APPC, these associations are seen - by many of their own members as well as outsiders - as having an inherent cultural and political bias toward London. Given this context, and a prevailing climate of opinion in which the political class was promoting a doctrine of Scottish solutions for Scottish problems, the creation of an association for Scottish lobbyists was entirely predictable.

Access, passes and codes - the foundations of open democracy in Scotland?
In an article in *The Herald* on 30 October 1997, Frances Horsburgh exclusively reported that, in an attempt to make the Scottish Parliament a 'sleaze-free zone', commercial lobbyists PS

Public Affairs were planning an association for professional lobbyists in Scotland. The then directors of PS Public Affairs were all mentioned by name (Struan Stevenson, Mike Watson and Dennis Sullivan) and by party political affiliation (Conservative, Labour and Liberal Democrat respectively). The report identified issues that the early debate on lobbying in post-referendum Scotland was to cover: the anxiety of Scottish-based lobbyists to avoid 'cash-for-questions scandals' and the taint of Westminster sleaze; the SNP's vocal criticism of 'the incestuous relationship' between lobbyists and politicians; and the controversial suggestion that 'only members of the proposed association of public affairs consultants would be allowed to operate within the precincts of the new parliament and could be expelled if they failed to abide by its rules' (Horsburgh 1997: 7). These were to become familiar themes.

PS Public Affairs attracted publicity for the creation of a Scottish lobbyists association – and for themselves - until the first public meeting to discuss the idea. On 22 January 1998, *The Herald* reported that 'Pressure grows for Scots curbs on lobbyists'. Dennis Sullivan 'confirmed that his firm, which has cross-party personnel, intends to set up an association for lobbyists, complete with a code of conduct and set of penalties for those found guilty of breaching the rules'. The Liberal Democrats were said to favour a register of lobbyists' interests so that politicians knew on whose behalf they were being lobbied. The SNP's initial idea of an outright ban on all lobbyists (Salmond 1996) was said to be being revised in a policy paper that would 'seek to draw a more subtle distinction between different areas' (Dinwoodie 1998a: 6).

The first formal meeting of those interested in setting up this association took place at the offices of the Convention of Scottish Local Authorities (COSLA) in Edinburgh on 27 February 1998. *The Herald* anticipated more than 50 attendees and suggested that a Scottish

lobbying association 'could have a direct input' into the CSG's deliberations (Horsburgh 1998: 6).

The meeting was attended by over 40 individuals representing a variety of interests in Scottish public life. Of those who met to consider the creation of an Association of Scottish Public Affairs Consultants (as it was provisionally titled) three were councillors, two were 'public sector' bodies (COSLA and the European Commission), four represented Scottish quangos, six were delegates from various associations (including PRCA Scotland and IPR's Scottish Local Government Group), two came from Scottish policy think-tanks, ten represented corporate or business organisations, and thirteen were from public affairs consultancies. Finally, individuals attended on behalf of the voluntary sector (SCVO), the CSG, and the Constitutional Convention. None of the political parties were represented in an official capacity.

The meeting was chaired by Mike Watson, then a director of PS Public Affairs and Labour front-bench peer. In his opening address, Watson stressed that the process to form an association 'should be inclusive, hence the broad mix of consultants, representatives of the corporate sector, local government, NGOs and quangos. If set up *this body will draw its credibility from representing a broad spectrum of sectors*' (ASPA minutes, February 1998; emphasis added). Watson saw the rationale for the emerging association as a deliberate effort not to replicate the model of lobbying at Westminster. The need for a Scottish voice and identity were stressed. Watson argued that any new body should incorporate public relations professionals and suggested that this might be reflected in the organisation's name. This pitch reflected the view that the distinction between PR and lobbying is difficult to draw in practice

and that many companies in Scotland (including PS Communication Consultants) did both. Lord Watson concluded:

> Inclusivity, not exclusivity, is the ultimate goal. This proposition is not intended to be a public affairs Hadrian's Wall ... Our aim is to create a Scottish organisation, which is seen to be Scottish and practising in Scotland. Any organisation with a base in Scotland is more than welcome to join but they do need to be here on the ground ... The role of PS Public Affairs is simply to facilitate a discussion forum. (ASPA minutes, February 1998)

The debate that followed polarised over how a Scottish lobbyists' representative body should articulate with the political system in Scotland and, to a lesser degree, the UK and Europe. Those who were already members of the APPC and PRCA were keen to defend their codes of conduct, emphasising the distinction between commercial lobbyists acting on behalf of a multiplicity of clients and those working in-house for organisations and corporations. Some consultants believed that a Scottish 'sister' organisation to those already in existence might be sufficient to regulate the public affairs industry post devolution. This idea was strongly resisted by others, echoing Watson's view that the new politics of devolution demanded a new approach to public affairs in Scotland.

The majority opted for the term 'professional association' to describe the type of organisation they were interested in creating and belonging to. For many, this would necessitate a code of conduct, the form of which was postponed until a further meeting, but not before Canon Kenyon Wright, chair of the executive committee of the Scottish Constitutional Convention, expressed a view at odds with almost all others present. Wright insisted that lobbying was too

important an issue for democracy to be left solely to lobbyists and hoped that the Scottish

Parliament might regulate and monitor lobbying if necessary.[2]

Recollecting the first meeting of what was to become the Association for Scottish Public

Affairs (ASPA), Angela Casey, convenor of ASPA in 2000-01 observed:

> There was a very strong feeling at the first meeting of anti the big consultancies, the
>
> Strategies in Scotland, GPC, and the bloke who flew up from GJW in London to talk.
>
> They all stood up and said 'This is the wrong thing, we should be going with the
>
> APPC', and were quite anti, which just got a lot of people's backs up ... There was
>
> quite a lot of anti feeling going on and that's carried on, which is a shame.

The starting positions of those engaged in this debate were actually quite enduring. This is not

to imply that they are immutable (and there is evidence that some animosity abated, certainly

until the official inquiry into lobbying at Holyrood when the APPC quickly distanced

themselves from ASPA, much to Casey's annoyance), but rather that different interests limit

the kinds of actions voluntarily taken.

Casey believed that the initial trawl 'was too broad and there was a lot of worthies standing

up pontificating who didn't really know what they were talking about. But I think what's

happened over time is that those have got whittled out.' This is a striking comment given the

store that ASPA's founders attached to attracting a wide constituency for the association, for

reasons of credibility and legitimacy. What Casey candidly conceded was that ASPA aimed

to represent the interests of its members. The more varied these were, the more difficult that

job became.

The nascent Association for Scottish Public Affairs Consultants (ASPAC) - as it was provisionally called - continued to receive minor press coverage after the exploratory meeting in February. The most significant intervention came in a column by Struan Stevenson: 'You must be squeaky clean in the lobby' (Stevenson 1998). Stevenson re-emphasised the need for Scottish lobbying to be sleaze-free. The article puffed the February meeting to establish ASPAC, and outlined his vision for the body.

The next stage in ASPA's formation came on 17 April 1998, with a smaller meeting of over a dozen interested parties to elect a discussion group to take the project forward. Again, this meeting was chaired by Lord Watson. The first item on the agenda was Stevenson's article in *The Herald*. The minutes record that the article simply expressed Stevenson's personal view. However, Robbie MacDuff, managing director of Strategy in Scotland, who was unable to attend, wrote to Watson as interim chairman, suggesting that such public intervention in the debate on lobbying could not be dismissed so lightly. He complained at 'the continuing public profiling of one particular view about how the debate about regulation of "lobbying" in Scotland is likely to develop' and expressed surprise 'that the article spells out what appear to be the "rules of conduct of members."' He went on to denounce 'heavy handed and unsubtle forcing of hand' and 'using the mechanism of discussions around the issue for company commercial advantage'.

John Downey, research officer for the Federation of Small Businesses in Scotland, attacked Stevenson's 'insulting and unfair' remarks, accusing him of 'sitting in self-righteous judgement as he pronounced his guilty sentence on Scotland's lobbying organisations' (Downey 1998). Downey's letter endorsed MacDuff's suspicion that much of what Stevenson said smacked of self-interest and self-promotion.

Downey's intervention distinguished between the commercial lobbyist whose clients may change from one meeting to the next and the in-house practitioner who represents either a commercial corporation or fixed membership of a trade body. This demarcation has resurfaced repeatedly. Downey's letter served as a useful reminder that many who would be trying to influence Holyrood on behalf of outside interests had a considerable track record, reputation and credibility with Scotland's politicians. Bodies such as the Scottish Council for Development and Industry (SCDI) have a pedigree stretching back to the 1930s. Other membership and trade associations such as the Confederation of British Industry (CBI), the Institute of Directors (IoD), and Federation of Small Business (FSB) and the Forum for Private Business have also been active in Scotland for many years, prompting Downey to assert on their behalf 'we do not need an association to provide "comfort" to the politicians with whom we already have an effective working relationship'.

The ASPAC meeting on 17 April 1998 sought to progress outstanding issues: to consider whether a separate Scottish association was necessary or whether a 'sister' body to one of the UK-wide trade associations would be appropriate, and to decide on those to be represented by any such organisation. With hindsight, it is clear that the composition of this meeting was significant. No members of the leading prospective sister group - the APPC - were present. The APPC's strategy was evidently to retain a watching brief on how the association developed (receiving minutes of meetings and other communications), thereby reserving the right to re-enter at a later stage.

The non-participation of APPC members shaped the course of the ASPAC discussion group's deliberations. The most vocal objectors to the project, seen to be the APPC companies (often then referred to as those companies with 'offices south of the border'), perceived to be

detaching themselves from those participating fully in the founding of ASPAC. It was feared that ASPAC could be smeared by other professional lobby groups and that the new association would 'need to face up to the fight and rehearse arguments' (ASPAC minutes, April 1998). The degree of animosity that existed towards APPC was tempered by the recognition that ASPAC might over time develop a working relationship with it and similar organisations such as the IPR and PRCA. Several participants encouraged cordial working links between such organisations, not least because public spats would be damaging to the entire industry. As Hamish McPherson, then public affairs director of Scottish Gas, noted: 'It is important to take others on board, or recognise why [they] are not on board and work with that.'

Priorities that emerged were: to institute formal contacts with Scotland's leading political parties and initiate a dialogue with the CSG; to sell the idea of ASPAC to other groups - both in terms of its inclusive membership and its legitimacy; and to develop a coherent PR strategy to avoid damaging publicity. In the short term, this translated into keeping a low profile and only reacting to publicity should the need arise. The group also began to consider the mundane practicalities of running a membership organisation and held a preliminary discussion of membership fees and administrative support. All of these actions were premised on developing a code of conduct for the association. This vital task was taken forward by a smaller, self-nominated steering group led by Alan Boyd of McGrigor Donald solicitors, which would report back to the discussion group with a draft code of conduct for consideration. The steering group also included Bill Anderson, FSB; Kate Caskie, Shelter Scotland; Susan Gavaghan, Scottish Arts Council; Kate Higgins, Association of Nationalist Councillors; Hamish McPherson, Scottish Gas; Gemma Swart, PS Public Affairs; and Stephen Young, Stephen Young Associates.

The agenda facing the steering group was sketched out by Alan Boyd, who outlined what he saw as the regulatory options open to the Scottish Parliament:

> We can allow the parliament to regulate our own affairs [or] we get our act together and write a code which will allow us to regulate on our own ... There is a golden opportunity for us to influence the CSG. We should go for it in a big way and operate as a professional body. (ASPA minutes, April 1998)

The code of conduct was seen by the vast majority of participants as integral to what ASPAC was about. At this juncture, a previously subterranean issue surfaced: that of access to the Scottish Parliament and what sort of accreditation regime might apply. As Kirsty Regan, then secretary of ASPA, remarked:

> I would say a very small minority, and primarily individual consultants, kept raising the issue of access to the Parliament and would constantly come along to the meetings and raise the question of what's happening with the Parliament giving us [ASPA] passes.

Although the issue became redundant when the Parliament adopted the CSG's key principles (which seek to ensure the Parliament's accessibility), in Summer 1998 this was not at all resolved. Indeed, the ASPAC steering group proposed that joining the association would entitle members to accreditation passes for the Parliament (assuming the legislature chose to adopt such a system). The steering group minutes of 7 May state boldly that 'the aim is to try and get official accreditation from the [Scottish] Parliament along the lines of the European

Parliament'. Any member found to be in breach of ASPAC's code would automatically lose their accreditation rights. While none of this has come to pass, it lends credence to fears expressed during the course of my research that some of the worst aspects of Westminster practice (especially in relation to access and the abuse of press and researcher passes) might be replicated in Scotland, a concern shared by Scotland's political press.

It was agreed that ASPAC should try to get the CSG 'on-side' and work with the Scottish Parliament to promote self-regulation by lobbyists. It was intended to formalise relations with the Scottish Parliament as a necessary first step, and then to expand the code of conduct to cater for local authorities. This has yet to happen. The steering group met again on the 20 May. That meeting devised a set of objectives for the association, mapped out how these might be realised in practice, and offered a provisional code of conduct. The objective of the association was:

> To maintain the highest professional standards in all forms of lobbying directly affecting members and officials of the Scottish Parliament and groups, companies, organisations and individuals. This will be achieved by accepting members into the association who agree to abide by a Code of Conduct.

The steering group recommended that a series of working groups be formed out of the broader discussion group. Consequently, the Constitution, Government/Media Relations and Membership working groups were created, and were co-ordinated by Gemma Swart of PS Public Affairs.

'There is nothing more permanent than the temporary'[3]

The nascent association wished to pursue a 'twin-track' strategy aimed at attracting more active support from political parties, influential political figures, and the CSG, in order to gain credibility. By the end of May 1998, only the Scottish Conservatives had responded to a letter from ASPAC sent to all political parties. However, the association was encouraged by news that the CSG were willing to accept a late submission on lobbying and that Henry McLeish had expressed 'strong interest' in their efforts and was keen on a formal meeting. Having almost settled on a code of conduct, the emergent association began to lay foundations for a formal launch.

These matters were dealt with by three working groups between June and July 1998. Both the Constitution and Government/Media relations working groups considered the code of conduct. As the association began to crystallise around the detailed work of these groups, leading members were in buoyant mood. There was a sense that the political tide was running in ASPAC's favour, that the London consultancies and APPC members who had initially been sceptical were now on board, and that the organisation was particularly well placed to make a critical intervention into any debate on regulation of lobbyists at Holyrood.

The Membership working group set about deciding on practical issues such as at what level to set membership dues, the appropriate categories of membership, and the costs and administrative demands of the organisation. The steering committee initially recommended four categories of membership with a sliding scale of fees (corporate, £200; small business, £100; quangos, £75; and voluntary/not for profit, £50). The Membership working group rejected this proposal on the grounds that defining each category might prove too difficult, and because potential members might not like the category of membership assigned to them.

The group finally distinguished between corporate and individual members, which was found to be a flexible and convenient solution, especially for individuals in the public sector whose employers might have reservations about formal links with lobbyists. This distinction was pragmatic, as ASPA sought to maximise its membership and make it as easy as possible to join. To this end, the association adopted a flat membership levy of £50. The Membership group asked all attendees at the first meeting in February to contribute £50 toward the start up costs of the association. The creation and maintenance of a database of potential members was agreed, providing a target audience for future marketing.

The Constitution working group, chaired by Alan Boyd, was charged by the steering committee with producing a constitution, a name for the body, a logo, mechanisms for electing office bearers and a management committee, and a register of members and their clients. As yet, ASPA have not created a register. This group was asked to finalise the draft code of conduct tabled at the meeting on 1 June 1998, after feedback from the political parties, the CSG, and Henry McLeish.

It was decided that the association should be called the Association for Scottish Public Affairs (ASPA). The objects of the association were quickly debated, though a clause stating that the association would 'establish and keep under review a code of conduct governing members of the association and their staff' caused concern. Applying the code to corporate entities rather than individuals was hotly disputed. This row re-emerged during the 'Lobbygate' controversy in 1999 (see chapter 6) when employees of a lobbying company were accused of improper conduct.

Angela Casey suggested that professional lobbyists wanted the above clause amended to 'governing the lobbying activities of members' but recognised that the voluntary sector would have problems with this. Alan Boyd echoed this concern by indicating that McGrigor Donald tried to avoid using the term 'lobbying'. These semantic sensitivities were fully elaborated in debate over the wording of ASPA's code of conduct. In the end, the group settled on the formulation 'governing the briefing or lobbying activities of members' which seemed to satisify the diverse concerns. The main difficulty in drafting the remaining articles of association for ASPA was finding legally-binding wording that could incorporate both business and voluntary sector interests. The constitution is therefore the product of a largely consensual drafting by those involved, steered by the chair, Alan Boyd, who produced the initial draft, whose legal background informed the working group's deliberations.

The Constitution working group was concerned how the code of conduct might be received by politicians and officials and whether it would have any status, given a reported Scottish Office consultation on self-regulating professions. ASPA hoped to utilise Alan Boyd's contacts in the Law Society of Scotland to obtain a 'steer' on current official thinking. It was also widely held that the code as it stood (and still stands) would need considerable refinement in order to operate as a self-regulating instrument. The Constitution working group resolved to exercise extreme caution in their dealings with politicians and civil servants, recognising that it could be counter-productive to seek a definitive policy statement on the regulation of lobbyists from the Scottish Office. It was known that civil servants were particularly sensitive to briefings of their ministers by outside interests.[4] Thus, any contacts with McLeish and his advisers regarding ASPA's code were clearly communicated as provisional. The task of transmitting ASPA's message fell to the Government/Media Relations working group.

Maureen Smith chaired this group. A pressing job was to prepare a submission to the CSG, wherein ASPA would describe its work to date, indicate the probability of the association being formally launched in the near future, and suggest that further contacts might be appropriate. It is likely that this submission did have some impact, as in the CSG's report the formation of ASPA was noted and welcomed. This group also had to execute ASPA's 'twin track' strategy of promoting the association among the political classes in Scotland. This strategy had three basic goals: to raise awareness of ASPA; to elicit written support for the association from those contacted; and to have ASPA's code of conduct reflected in the respective political parties' manifestos for the Scottish Parliament.

While the steering group sought to arrange a meeting with McLeish, individuals who were also party members approached their parties on behalf of ASPA. Councillor Moyra Forrest acted as the intermediary between ASPA and the Scottish Liberal Democrats. Subsequently, Jim Wallace indicated that he was keen to be kept abreast of developments, and according to ASPA minutes, 'become involved'. Stephen Young volunteered to follow up on the Conservatives' reply to ASPA's initial letter. Young felt that ASPA had a good chance of feeding into some of the 'postmortem' internal policy reviews after the 1997 general election. Maureen Smith wrote to the general secretary of the Scottish Labour Party, Alex Rowley, seeking a meeting. This formal approach built upon some obvious links between ASPA and the Labour Party. Mike Watson's position as a working peer and leading light in ASPA probably ensured that the association's objectives would be well understood within that party.

Watson himself took the lead in approaching the SNP, whose hostility to the idea of commercial lobbying in Edinburgh was a matter of public record. The outcome of the dialogue between ASPA and Mike Russell of the SNP was equivocal. While Russell declined

to endorse ASPA publicly, in private he welcomed the work they had done and offered to comment on the code of conduct. In turn, Mike Watson acknowledged that the SNP had made the political running on this issue in Scotland. It seems little was achieved at this rather polite meeting yet the ASPA delegation were satisfied that it had been good PR for the organisation to meet the SNP directly.

The Government/Media Relations group were also responsible for handling the public profile of the association. Initially this function was to be reactive. In the wake of the acrimony caused by Struan Stevenson's article in *The Herald*, it was felt that the best course of action in the short term was to avoid publicity. However, the group prepared for the possibility of media interest in ASPA's activities. A holding statement was drafted, setting out broad aims and objectives. Thereafter the group focused on ASPA's official launch, scheduled for August 1998. At the time, this was simply thought to involve drafting a press release. As it transpired, the eruption of the 'cash-for-access' scandal at Westminster (or 'Drapergate' as it also became known) meant that ASPA's media relations took on added significance.

The fall-out from the 'cash-for-access' scandal at Westminster reached Edinburgh. Media exposure of political sleaze indicated the election of New Labour had not brought about an era of 'new lobbying'. From ASPA's perspective, the timing could hardly have been worse. Although the association had publicly and repeatedly distanced itself from Westminster, the 'Drapergate' affair prompted the media to take a closer look at how the lobbying industry was developing in Scotland. Dave King of the *Daily Record* became a bête noire for some ASPA members. King's front page splash 'Jobs for the same boys' and 'Lobbying their way to power' (King 1998a: 1; 1998b: 6-7) were seen as jeopardising ASPA's 'twin-track' strategy. This publicity provoked a variety of reactions from ASPA members. For some it was simply

a fuss that would blow over if they held their nerve. For others the attention of the press in general, and the *Daily Record* in particular, represented a direct threat to their livelihoods and some of their remarks (both formal and informal) evinced a deep sense of persecution. All were aware that were the *Daily Record* to campaign on this issue the climate of opinion - particularly among Labour politicians - might rapidly swing in favour of statutory regulation of commercial lobbying in Edinburgh.

Media coverage focused on those lobbyists who were prospective parliamentary candidates for Holyrood. Jack McConnell and Mike Watson were prominent. Struan Stevenson, Michael Kelly, and Charles Brodie, later a director of Holyrood Strategy, were also profiled. For ASPA, Watson's position was potentially damaging. The credibility of ASPA's claim to establishing a new style of public affairs could be undermined were Watson to continue to act as a lobbying consultant, a working peer, and Holyrood candidate.[5] Watson's important role as a catalyst for the creation of ASPA made this matter particularly delicate. Alan Boyd remarked at one of the working group meetings that he would have no part to play in ASPA if Watson did not resolve the matter before the official launch of the association. A consensus formed that some sort of face-saving public statement should be released, even if behind the scenes Watson might have to be 'invited to stand down', should he not do so voluntarily. Watson subsequently scaled down his involvement in ASPA and declared he would retire as a lobbyist upon selection as a Labour candidate for Holyrood.

ASPA adjusted its communication strategy. Bill Anderson had been asked by *The Scotsman* to write an article on lobbying. Originally this was to appear in the business pages and was intended to highlight ASPA's membership drive in advance of a formal launch in August 1998. 'Drapergate' transformed this column from a business to a political story. For

Anderson the article afforded ASPA a chance to tell 'our story' and counter the recent negative coverage. The theme of the piece was to be that Scottish lobbying would be different and its objective was to encourage McLeish to record publicly his preference for self-regulation for lobbyists in Scotland. Prior to publication, the article was to be circulated to all ASPA's working groups for comments and to ensure that everybody was 'on message'. It was decided that Anderson should not mention his role in the formation of ASPA. The working group planned to follow up the article with a series of letters from ASPA. After all this preparation, the piece was never published by *The Scotsman*, though the intention to influence public debate and perceptions is noteworthy.

Some were concerned ASPA was being driven by events beyond its control. Prior to 'Drapergate' the APPC, PRCA and IPR had instigated reviews of their respective codes. The then president of the IPR, Peter Walker, had visited Edinburgh in May 1998 to advocate to the CSG and to the Scottish IPR's AGM a system of regulating lobbyists akin to that operating in Brussels. Walker remarked:

> Consideration has gone into rights of access to the new assemblies for the media and politicians, but not lobbyists. The opportunity is there for transparency and sanctions along the lines of the model so successfully operated in the European Union. Individual parliaments should adopt some form of common framework. (Barker 1998: 2)

While much of what Walker proposed was adopted by ASPA, his message was not well received by several IPR members in Scotland. Repeated references to the new 'assembly'

(rather than Parliament) and misnomers like 'Hamish' McLeish doubtless did little to counter the perception of metropolitan distance from Scottish affairs.

The differences between ASPA and both the PRCA and APPC were more fundamental. While both the APPC and PRCA insisted that affiliated consultancies could not employ elected members of the European, Westminster, and Scottish Parliaments (nor indeed the Welsh and subsequently Northern Irish Assemblies), ASPA were simply proposing a bar on members employing or contracting MSPs and their staff. ASPA was clearly sensitive to the actions of rivals such as the PRCA and APPC. Stephen Young claimed at a working group meeting after 'Drapergate' that the London-based trade associations were busy discrediting ASPA. He suggested that ASPA must be seen as the 'responsible members of the industry'.

The Government/Media Relations working group's consideration of ASPA's draft code of conduct paralleled discussion in the Constitution group. All agreed that members must declare the interests they were representing, although the declaration of party-political affiliations, particularly where a member was an office holder in a political party, was a disputed point. In light of criticism from London-based associations it was accepted that ASPA's code would have to be at least as stringent as those operated by rival organisations. There were divergent opinions as to how the code might be policed. Bill Anderson suggested that ASPA create a register of members' interests so that it could self-regulate. This suggestion met with almost unanimous opposition. Hamish MacPherson was particularly concerned that a register might be abused by members who could use it for political intelligence. These points were communicated to the Constitution group to consider as they finalised the code of conduct in the run-up to ASPA's public launch.

The ASPA code of conduct borrows heavily from the Rules of Procedure of the European Parliament (and to a lesser extent the IPR code). The similarities between the respective codes lends credence to ASPA's repeated claim that it had produced a code that would be 'recognised throughout Europe' (see Appendix 1: Scot the Difference?). The code underwent significant re-drafting by both the steering and discussion groups before its final adoption. Notwithstanding the reservations of APPC representatives like Robbie MacDuff, the revision of the code was largely consensual. Some possible amendments to the code were to be raised in a meeting with Henry McLeish's officials to get an indication of how the Parliament might want to regulate such activities. There was a notable lack of consensus over whether the code should apply simply to its signatories or whether it should cover all staff of affiliated companies.

A telling change made to the initial code was the disappearance of the word 'lobbyist' from the text. The connotations of the word 'lobbyist' in the wake of the series of political sleaze scandals had made its use undesirable in Westminster and practically anathema in Edinburgh in 1998, and ever since. The change in the ASPA code from 'lobbyist' to the preferred term 'members of the Association' was more than mere semantics.

An innocent arriving in Edinburgh might be forgiven for thinking that there are no lobbyists active in political affairs in Scotland. Commercial lobbyists reject this label in favour of euphemisms such as 'public affairs consultant', 'government relations adviser', 'public policy analyst', 'political consultant', 'political strategist', or indeed almost any combination of the above. Lobbyists have made serious efforts to disassociate themselves from the negative connotations of sleaze synonymous with the term lobbyist since the 'cash-for-questions' affair in Westminster. This has been particularly important in the newly-devolved Scottish

polity, where the rationale for devolution was often premised on a new politics explicitly defined against Westminster practice. Nevertheless, in my experience, even though a ritual denial of lobbying has been issued it is commonplace for lobbyists to describe themselves as such and to talk of their professional practice as lobbying.

These sensitivities were keenly felt among many potential ASPA members. In a Government/Media relations working group meeting (ASPA minutes, June 1998), Maureen Smith of the Scottish Tourist Board said her organisation would have 'difficulty in publicly owning the word "lobbyist"'. This sentiment was echoed by another public sector representative, Susan Gavaghan of the Scottish Arts Council. These concerns actually preceded the 'cash-for-access' affair. Similar anxieties surfaced in the Membership working group where some potential members (from both the public and private sectors) were unsure that their employers would want to associate formally with any lobbying trade organisation. In the best spirit of inclusivity, ASPA offered those whose employers might have reservations about the association the opportunity to join as individual members. This arrangement remains in place and testifies to the persistent image and legitimacy problems confronting lobbyists.

These concerns were acute in the voluntary sector. The participation of the Scottish 'third sector' in ASPA was seen as integral to positioning the organisation in Scottish public life. One of the most potent arguments deployed was that ASPA would be an inclusive and representative organisation. So the involvement of the voluntary sector was felt to be very important. At the early meetings of the discussion group, Kate Higgins, of the Association of Nationalist Councillors, suggested that ASPA should 'play the game and let voluntary sector groups act as the spokesperson[s]'. Moreover, as Kate Caskie of Shelter Scotland pointed out,

'MPs have a door open at all times to the voluntary sector, therefore an association which includes both the private and public sector may increase the credibility of the private sector.' The benefits to the private sector were perhaps more visible than those that might accrue to the voluntary sector. As a leading ASPA member at the time remarked, the rationale for courting the voluntary sector was straightforward: 'They have the good reputation, we have the money.'

However, other observers were less than convinced that the interests of the voluntary sector and commercial lobbyists could be reconciled and moulded into a functioning formal relationship. Jane Saren from GPC Scotland observed that what ASPA

> seemed to be arguing for was some sort of body that would bring together everybody who might want to lobby the parliament, and I'm not sure that I think that makes sense ... I think that the challenge is actually trying to get public affairs consultancy recognised as a profession with a code of conduct, and I don't think that it's helpful to try and cast the net as wide as that.

These concerns resonated with many working in the Scottish voluntary sector. As Philippa Bonella, the SCVO's parliamentary officer, recalled:

> We were approached by ASPA when it first started up to be on their working party, and we refused because we felt that what we did was so different from them. In an ideal world, we'd really not want them to exist because we would want every person in every organisation to be able to be able to make their own points in their own way to government and the Parliament.

This line of argument is in keeping with the recommendations of the CSG regarding outside interests and access to the political system. A more trenchant variant was expressed by another third force parliamentary officer:

> There is a huge difference between what the voluntary sector does in terms of 'lobbying' and what the private sector does, in that the key objection is that if you're a private sector lobbyist you'll work one day for the arms trade and the next day for the environment. Whereas we've got ethics about what we do and I think that was the key issue - that these are sort of bad people generally who are unethical and who we shouldn't be associated with ... There was a feeling that a voluntary sector organisation going and getting involved in ASPA would give more benefit to ASPA than it would to voluntary sector organisations.[6]

Despite such reservations ASPA remained keen to project itself as an inclusive, representative and legitimate body. The Government/Media Relations working group anticipated scrutiny from the media at ASPA's launch and planned the event accordingly. There was to be a formal meeting to ratify ASPA's code of conduct and constitution, update members on the activities of the steering and working groups since February 1998, and nominate office-bearers. Thereafter, a press conference would be held. The first issue faced was whether to invite the media to the formal meeting. The group agreed that it would be counter-productive to try and bar the media and decided to err on the side of caution by opting not to invite journalists, but admitting any that turned up. Since none knew about it, none did.

Planning for the press conference betrayed ASPA's fears regarding the sleazy image of lobbying. Members expected to field questions on cronyism and 'Drapergate'. During discussions, Bill Anderson candidly admitted that most lobbying he had ever done was based on personal contacts and networking. Similarly, Hamish MacPherson insisted that the cash aspect of 'Drapergate' was fundamental to the scandal, but that the use of contacts per se was not problematic. He drew a parallel with journalism which is also based on contacts and the cultivation of sources, but recognised that it might be unhelpful to air this opinion at the press conference.

The group decided to approach Alan Boyd to act as spokesperson. He was seen as the ideal candidate for several reasons: he was seen as non-political; he had been instrumental in designing the code of conduct and was a legal expert; and, as a past President of the Law Society of Scotland, he could speak authoritatively as a leading member of a self-regulating profession. Other factors also suggested that Boyd should front the press conference. In their discussions, the working group admitted that thus far they had been too willing to defer to PS Public Affairs. The ripples from Struan Stevenson's column in *The Herald* a few months earlier had not subsided and it was agreed that he should play no further role in ASPA's media relations. Moreover, in the wake of recent publicity, PS Public Affairs had indicated that they wished to take a lower profile in ASPA. Boyd became the obvious choice as spokesperson. The final detail in planning the press conference was to ensure that ASPA members were in the 'body of the kirk' to ask helpful questions, counter potential hecklers, and, if need be, brief the press afterwards.

Becoming a public affair: the launch of ASPA

On 31 August 1998, the Association for Scottish Public Affairs was formally launched at the COSLA offices at Rosebery House in Edinburgh. Mike Watson introduced the agenda for the meeting by claiming that the work ASPA had done behind the scenes during the previous six months had demonstrated the need for such an association.

The first item on the agenda was the presentation of ASPA's constitution and code of conduct by Alan Boyd, chair of the Constitution working group. Boyd stressed two important features of how he envisaged ASPA's self-regulatory regime might work in practice. First, that the code would evolve as the Scottish Parliament evolved.[7] ASPA had received guidance from John Ewing of the CSG, who had been non-committal in his meeting with ASPA's steering committee on 19 August. Ewing indicated that the civil service had taken the view that the regulation of outside interests was a matter for the Parliament to lead on, but that the existence of an organisation such as ASPA might well be of value if and when the Parliament were to consider the issue. The second point Boyd emphasised was that the power of ASPA's code lay in its active enforcement: the on-going policing of members' conduct had to be an intrinsic part of self-regulation. Boyd claimed that ASPA's mission included training members and he expressed the hope that ASPA could be instrumental in developing and disseminating best practice in public affairs.

ASPA's profile was also debated. Maureen Ferrier, then of COSLA,[8] welcomed ASPA's inclusivity and insisted, despite concern in certain quarters, that the public sector ought to maintain a presence. Maureen Smith of the Scottish Tourist Board echoed this point and asked that the voluntary sector should be involved in some way. Opinions expressed about the Scottish media revealed a keenly felt sense of their potential power. Dick Playfair of

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Playfair Walker questioned why the media should have privileged access to the Parliament (a status clearly both coveted and envied). Others like Iain McConnell and Iain Yuill were exercised by the damage more negative coverage could do to the nascent lobbying industry. However, animosity toward the press was tempered by the realisation that they are an integral part of the Scottish political landscape and also by the often unremarked fact that some lobbyists were themselves freelance journalists. Furthermore, several of those present who came from a public relations rather than lobbying background were also closely connected to media networks.

The media coverage of the launch of ASPA was muted, despite the expressed forebodings. *The Herald* was one of the few papers to report the launch (Dinwoodie 1998c: 6), emphasising the spectrum of professional interests represented and quoting Alan Boyd, ASPA's new convenor, saying the association's 'conduct would match the aspirations of the new Parliament'. The report did note the possibility that voluntary organisations were being used by commercial lobbyists to gain acceptance. Dennis Sullivan insisted that this was not the intention, although he did disingenuously assert that with such an association 'it's difficult to have a clique if there are a thousand people'. In reality, ASPA had begun with just over 100 interested parties in February 1998 (of which fewer than 50 actually attended in person). By the launch of the association fewer than 50 individuals were actively participating. Over time ASPA's membership has settled to roughly twenty five organizations and individuals.

The official adoption of ASPA's code and constitution were matters for the association's inaugural general meeting, on 2 December 1998. Fewer than 30 individuals turned up. Robbie MacDuff voiced his reservations regarding the scope of the proposed code. These concerns centred on its limitations when compared to the redrafted (post-Drapergate) APPC code.

MacDuff was particularly anxious that ASPA would only regulate members' contacts with MSPs, excluding relationships with MPs, peers, MEPs, members of the devolved assemblies in Wales and Northern Ireland as declarable political interests. Boyd defended the code, arguing that while some of ASPA's professional members would have interests beyond Holyrood it was not ASPA's job to involve itself in these areas. He drew a parallel with the European Parliament's code, which has no restrictions on business relations with members of other parliaments. Julia Clarke of Holyrood Strategy supported Boyd and defended the right of Lord Fraser, a director of her company, to lobby at Holyrood. Boyd reminded those present that ASPA's committee reserved the right to alter the code during the first year. This flexibility was seen as a pragmatic response to the uncertainties of devolved politics.

The comparison with the European Parliament merits closer scrutiny, especially as it seems to serve as the template for the kind of regulation that ASPA favour. This model was also commended by the IPR for its simplicity, 'transparency and sanctions' (Barker 1998: 2). But the vital missing link in ASPA's model for self-regulation was and is the absence of any official sanction. Whereas breaches of the European Parliament's code (European Parliament 1999) can result in the withdrawal of parliamentary passes, no such provision is enforced by ASPA. Furthermore, the European Parliament maintains a register of interests of all those issued with a pass, which is available for public scrutiny (although only in person at European Parliament Offices). ASPA decided that it would not create such a register of its own, and its self-regulatory armour is simply the power to 'name and shame' those who breach its code. Whether this is a credible deterrent is questionable, especially in light of the 'Lobbygate' affair (see chapter 6) where the "shamed" company continues to operate in Scottish public affairs.

The launch of ASPA

With ASPA's office bearers (Boyd as convenor, Robertson Sullivan as treasurer, and Kirsty Regan as secretary) and its committee now in place, the association was positioned to participate formally in Scottish public life. Alan Boyd was particularly eager to challenge the CSG's Canon Kenyon Wright over his public support for the statutory regulation of outside interests. The media had not been informed about the inaugural general meeting, as it was seen as a purely routine internal matter, and not particularly newsworthy. It was felt that the official launch had gone well and that ASPA could now concentrate on promoting itself through specialist publications such as *PR Week*, *Public Affairs Newsletter*, and a new Stationery Office publication dealing specifically with devolution, *Scotland Forum*. The decision to avoid publicity was understandable given the negative media coverage of lobbying (and ASPA in particular) during 1998, and concerns expressed by members of the Government/Media Relations working group. However, the year ahead would bring an unprecedented level of media interest in the Scottish lobbying industry that simply could not be avoided by any group claiming to be the 'recognised voice' of Scottish public affairs.

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1 It is ironic, given this insistence on the advantages of local expertise, that Newton's erstwhile partner David Budge (of Budge Newton), was later responsible for a PR disaster while working on an account for Scottish Enterprise and Scotland the Brand. Charged with producing an information pack about Scotland's arts, music and film industry to be used promotionally at the Epcot Millennium conference in Disney Florida, David Budge Associates embarrassed themselves and their clients by creating an inaccurate information pack riddled with 'McGaffes' concerning contemporary Scottish culture (Wishart 1999).

2 Wright had previously stated his rather optimistic belief that the openness and transparency of the Parliament would obviate the need for lobbyists.

3. Maria Laptev of GPC Market Access, speaking at the Scottish Council Foundation 'Corporate Citizenship' seminar, Edinburgh, 2 June 1998.

4 This matter was almost totally neglected in subsequent public debate, and along with the activities of in house corporate lobbyists marks the most worrying blind spots in the official deliberations on the role of outside interests in Scottish politics.

5 Watson went on the chair the finance committee of the Scottish Parliament in the first session, and was appointed as Minister for Tourism, Culture and Sport in Jack McConnell's first cabinet.

6 This source later left employment in an environmental NGO to work for a chemical industry trade association in Scotland.

7 There has been no evidence of this to date, and the ASPA code has not been revisited at any time during my membership of the association's committee (2001-2004).

8 Now an independent PR consultant at Maureen Ferrier Public Relations.

Chapter 6

Lobbygate

'I know the Secretary of State very well because he's my father.'

When Kevin Reid uttered these words in the Balmoral Hotel, Edinburgh, on 31 August 1999, little could he have known the chain of events he would set in train. Reid believed that he was involved in a lobbying sales pitch to a potential US client. In fact, he was the subject of an undercover investigation by *The Observer* examining links between the lobbying industry and the new Parliament and Executive. When the story was published in September 1999 it was quickly dubbed 'Lobbygate' and became one of the most serious crises to face the Scottish Parliament in its first year. The story of Lobbygate reveals facets of the nature of public life and power in contemporary Scotland and was a defining moment, illustrating the commercialisation of politics in the newly-devolved Scotland. Lobbygate is important because it inspired a subsequent inquiry and consultation on the role of lobbying at Holyrood and has framed the ongoing debate on relations with outside interests.

Public Affairs Europe was a joint venture between the public relations consultancy Beattie Media and the law firm Maclay, Murray and Spens. Jack McConnell, recently the former general secretary of the Scottish Labour Party, was appointed to establish the company in April 1998. Some questioned the wisdom of McConnell's appointment. One lobbyist argued that such a high-profile public figure would inevitably have political enemies and therefore run the risk of alienating many potential lobbying targets. There was also a second point:

I can understand that in Scotland, which is a very small network, it potentially could be seen as very clever really because it is trading ... on the old boy network [in which] it doesn't matter ... what quality of service you are providing, it is all about the people you know. And that of course goes back to the bad old days of Westminster.[1]

Lobbygate: making connections

On 26 September 1999, *The Observer* published excerpts from its undercover 'sting'. Ben Laurance, a reporter from the paper's business desk in London, had posed as a representative of fictitious US venture capitalists interested in Private Finance Initiative (PFI) investment opportunities in Scotland. Kevin Reid and Alex Barr of Beattie Media met Laurance to discuss lobbying. Reid and Barr were asked about their contacts with politicians and what differentiated Beattie Media from competitors. Barr mentioned his former colleague Jack McConnell was now Minister of Finance in the Scottish Executive. He also pointed out that the Beattie Media did 'a lot of [PR] work with the public sector and with large corporate organisations and we are constantly involving politicians in launches, exhibitions, speeches, presentations, that type of thing' (*Observer* transcript, 1999: 3). Barr stressed Beattie Media's links to the business community in Scotland:

> We're in contact on a very regular basis, not only with politicians and the Scottish Office (sic), but also with business journalists, industry journalists, and movers and shakers within local authorities and local enterprise companies...So we've got our finger on the pulse of what's happening in business and in construction. (*Observer* transcript 1999: 6)

According to *The Observer's* transcript, Kevin Reid talked of his own personal contacts in the following terms:

> Three or four of [the Scottish Executive's] special advisers are close personal friends of mine ... I worked for Jack [McConnell] and for Wendy [Alexander] and for Henry [McLeish] and for Donald [Dewar] on a one-to-one basis [in] the Labour Party media monitoring [team] ... I know the Secretary of State very well because he's my father, so I know him ... But I'm not going to promise you access to people because of who I am and who I know. *Certainly as you know, in the business of politics, you have a relationship, it makes things easier. (Observer* transcript 1999: 6; emphasis added)

That such access and contacts remain vital to the practice of lobbying goes to the heart of much present-day concern about probity in public life. One lobbyist, speaking from experience of both Westminster and Edinburgh before Lobbygate, admitted that lobbyists trading in access were undermining the industry, while simultaneously conceding that when a potential client wanted to know your connections it was difficult to refuse:

> Of course, one does say, well, you know, over the years I have got to know so-and-so rather well. But I think if you can balance this, perhaps keep the list limited, and balance the small list with those who have got absolutely no interest whatsoever in the particular concern of that client, then it is about as fair and just, perhaps, to your own sense of not abusing the system as one can be. The media have lost sight of the fact that ... the check list ... is driven by the client asking for a display of your credibility.

Although it is tempting to think - much as the CSG did - that the openness and accessibility of the Scottish Parliament would preclude the need for contacts-based lobbying in Scotland, the evidence suggests that this aspiration was misplaced.

The Observer's exposé raised questions about Scotland's government and the conduct of lobbying. Ministers in the Scottish Executive were faced with a political sleaze scandal only weeks after the devolution of power from Westminster. The accusations concerned one sub-set of contacts within the multiple networks that characterise Scottish public life. The implication was that such contacts were corruptible, if not already corrupt. Beattie Media's consultants claimed that they could use then ministers Sam Galbraith, Henry McLeish, Jackie Baillie, and Jack McConnell to 'make things easier' for their clients. They also maintained that Lord Macdonald, then a UK transport minister had been 'very, very useful'.

The allegations surrounding Jack McConnell were the most serious. McConnell had professional and personal contacts with Beattie Media dating back to his employment there. His constituency secretary, Christina Marshall, previously worked with both McConnell and Barr at Beattie Media. Marshall was the conduit through which Barr claimed he had been able to influence McConnell's diary and gain preferential access for a client. In one of the more candid and damaging passages in *The Observer's* evidence Alex Barr remarked:

> We appointed Jack McConnell ... to head up our public affairs consultancy, in the certain knowledge that Jack would get a safe seat from the Labour Party, and in the hope and expectation that he would also get a cabinet position within the new administration. So we knew that Jack was going to leave us. (*Observer* transcript 1999: 2)

These claims were subjected to considerable scrutiny, but even at face value, they immediately revealed how lobbyists trade on contacts. It is certainly plausible that Beattie Media (and their partners Maclay, Murray and Spens) calculated McConnell's promotional value into their decision to purchase his services. Gordon Beattie's evidence to the Standards Committee later indicated that Public Affairs Europe had failed to attract any clients or generate any income.

The media themselves are party to many of the private networks of Scotland's elites. The instigator of *The Observer*'s investigation - Dean Nelson - played five-a-side football with, among others, Jack McConnell (Hardie and Tait 1999). As one lobbyist noted, with such professional and social proximity:

> It wasn't going to be too long before the [Scottish political] press latched on to the way in which a very small network, and people knowing each other very well over a number of years, had not separated itself off from the proper conduct of professional lobbying.

Public affairs had been a minor news item just before the Scottish Parliament opened for business in September 1999. The *Sunday Herald* had already run a story detailing the emerging lobbying industry in Scotland, and alluding to Reid's position (Mackay and Adamson 1999). Part of that publicity was generated by Beattie Media's PR department. Gordon Beattie had written to Donald Dewar appealing for the regulation of lobbying at Holyrood. Alex Barr revealed the company's views:

There are professional bodies, in inverted commas, the Scottish PRCA, which we've refused to join because we think it's a waste of time. There's also ASPA ... ASPA have said that you can be a member if you have staff in the House of Lords, MPs - MSPs [Kevin Reid interrupts] - but we don't think that's good enough. Therefore we called for ... regulation by the Scottish Parliament. That hasn't made us particularly popular with those consultancies which employ MPs, Members of the House of Lords as you can imagine. (*Observer* transcript 1999: 10).

Beattie Media's call for the statutory regulation of outside interests was seen almost universally as a publicity stunt. It drew the opprobrium of the convenor of the Scottish Parliament's Standards Committee, Mike Rumbles, who remarked:

Where I would draw the line is where these organisations ... suggest that we legislate on this issue to give them what is, to all intents and purpose, a rubber stamp or seal of approval. To me that is anathema. It is exactly the opposite of what we are trying to achieve in the parliament and, of course, there are vested interests and a lot of money involved. I'm well aware my view with them will not be popular. (Dunn 1999: 21)

Rumbles and his colleagues on the Standards Committee had been considering the issue of lobbying as part of their efforts to devise a code of conduct for MSPs. Their deliberations were to be rudely interrupted by 'Lobbygate'.

The Standards Committee of the Scottish Parliament had met four times before Lobbygate erupted. It had three Labour members, two SNP, one Conservative, and one Liberal Democrat. After two private meetings in June, the first public meeting of the Standards

Committee was on 1 September, 1999. In his opening statement, Rumbles alluded to recent press coverage of lobbying. He stated that he would take great care in handling the committee's media relations and gave his support for the work undertaken by the CSG on lobbying. Thus, at a very early stage the Nolan/CSG orthodoxy on lobbying was adopted as the default position of the Parliament. Referring to Beattie's letter to Dewar, and to reports that Aberdeen City Council were planning to hire professional lobbyists to monitor the Parliament, Rumbles conceded that events might well move faster than the committee could act.

The availability of draft committee papers was the first agenda item for the Standards Committee's meeting on 15 September. Rumbles proposed that all present in the committee room be given copies of drafts under consideration but that these be surrendered at the end of the session. This fudge was challenged by Tricia Marwick who insisted that to withhold such documents flew in the face of the CSG's key principles of openness and accessibility. The committee decided that drafts should indeed be made available to the public, and that their status should be made explicit. My observation of the Standards Committee's work made it clear that members were sensitive to media reporting. As one committee member revealed:

> I am always very conscious not to say the right thing but to say it in a way which can't be misrepresented, because people out there do read newspapers, they do watch television and listen to the radio, and if the Standards Committee don't get it right then there's not much hope for the rest of the Parliament.

The committee were eager to agree a code of conduct for MSPs, but there was no consensus on whether they ought to consider the regulation of outside interests. Apart from Lord James

Douglas-Hamilton (Conservative, Lothians) who had previous ministerial experience, most committee members were political novices. Their collective inexperience as MSPs meant that the influence of civil servants advising the committee was important. At the initial meetings, Vanessa Glynn, clerk to the committee, was regularly called on by the convenor to explain the technical detail of the drafts under consideration and to some degree steer their public deliberations. The Standards Committee had only just begun to develop their relations with the media, the public, the civil service, and not least each other, when it came under intense scrutiny during the Lobbygate scandal.

Spinning Lobbygate

The Observer's front page splash 'Exposed: Lobbygate comes to Scotland' on Sunday, 26 September (Nelson and Laurance 1999) signalled the start not only of a political saga, but also the beginning of an intense public relations contest between a variety of interested actors, including the Labour Party, the Executive, the Scottish Parliament, the Opposition, and of course Beattie Media. The following version of the Lobbygate story is based on the public utterances and the private views of those involved.

The speed at which Lobbygate became a news event was quite remarkable. Later editions of the Scottish Sundays carried news of *The Observer's* scoop. By lunchtime that day, *Holyrood*, a Scottish political analysis programme (broadcast on BBC2 Scotland), reported Beattie Media's claims of entrapment and deception on the part of *The Observer* and said that the First Minister was backing a full investigation by the Standards Committee. This broadcast also featured an interview with Scottish Executive minister Henry McLeish, himself implicated in the emerging scandal, but as chairman of the CSG he was well-placed to comment on the status of lobbying in Scotland. McLeish affirmed his support (and that of all

his ministerial colleagues) for an inquiry into Lobbygate by the Standards Committee, insisting that in the interests of good governance 'the time is now right for a public debate on lobbying'. He added:

> After we have an inquiry by the Parliament, after we look at lobbying, yes, let's make [ministerial actions] as open as possible ... If it has to become more publicly transparent then so be it ... I believe that the public interest is best served by open government. (*Holyrood* BBC Scotland, 26 September 1999)

McLeish's television appearance to promote the Executive's support for an inquiry had been co-ordinated prior to the story's publication. The Scottish Executive had known about *The Observer*'s allegations since the previous Thursday; so too had John Reid, Secretary of State for Scotland, whose son was at the centre of the controversy. As part of the Executive's response to the allegations, a press release was issued on behalf of McLeish and Sam Galbraith, supporting Jack McConnell's call for a Parliamentary inquiry:

> That is why yesterday the Minister for Finance, with our support, immediately called for the Standards Committee of the Scottish Parliament to investigate claims made by this lobby firm, and to consider any further action required to regulate the activities of such firms. (Scottish Executive 1999d)

Stories of political competition - 'turf wars'- between Donald Dewar and John Reid had been running throughout that summer in the Scottish media. These were repeatedly played down by Scottish Executive and Scotland Office ministers, despite the fact that some of the same sources had planted the stories in the first place (Martin and Hill 1999). The Labour Party's

centenary conference in Bournemouth, which began on the day that *The Observer* published

its allegations, was to have been an opportunity for the Scottish Labour party hierarchy to

demonstrate that devolution was working and that Edinburgh and London were co-operating

to make that happen. Instead, by Sunday evening 'turf wars' between the Dewar and Reid

camps were back in the news. The dramatic combination of sleaze, political rivalry, and

personal investment in the story made it uniquely newsworthy. Reports quickly emerged of a

'concerted effort' by Scottish delegates in Bournemouth to 'talk down' Lobbygate, but also to

give their version of events. It was revealed that 'friends of Dr Reid' were annoyed at the

speed at which it was said that there must be an inquiry, and suggested that the Executive's

support for the inquiry had given the story legs (*Good Morning Scotland*, BBC Radio

Scotland, 27 September 1999). Gordon Beattie had cut short a holiday abroad to return to

manage his very own PR crisis. His first action was to issue a press release which included an

'unreserved public apology' to the ministers named in *The Observer's* transcript. This

apology was seized upon by Executive sources as evidence that ministers had no case to

answer (Scottish Executive 1999e).

Lobbygate dominated the headlines in all the Scottish press the following day. The *Daily*

Record reported that 'Senior Labour ministers were at each other's throats last night as the

Scottish Parliament was engulfed by sleaze claims' (MacKenna 1999: 1). Dewar and Reid

were said to have had 'at least one major bust-up yesterday' and that Dewar had pulled back

from ordering a full-scale government probe into the affair after pressure from 'senior Labour

figures ... The extraordinary row spilled into the open as Reid's deputy Brian Wilson

rubbished the allegations while ... Henry McLeish contradicted him and said they were

extremely serious' (MacKenna 1999: 4). The *Record* backed a full public inquiry and, in an

editorial, demanded that 'lobbyists must be banned. And even the smell of sleaze must be cleared by public scrutiny.'

In his opinion column, Tom Brown offered an uncompromising view of lobbying in Scottish public life: 'Lobbyists, fixers, go-betweens and influence peddlars are parasites who infect the body politic. They are the scavengers of the corridors of power. They are the pimps who seek to prostitute politics' (Brown 1999: 6). Brown also questioned the probity of the political and commercial networks centred on Beattie Media and mentioned how these had been the subject of 'caustic comment' by political insiders for some time.

As the political row escalated, on 27 September both Dewar and Reid appeared on *Good Morning Scotland*, BBC Radio Scotland's political 'agenda-setting' news programme, to give their versions of events. Relations between the pair were said to be at an all-time low. Reid defended his son Kevin's personal and professional integrity, claiming he was the victim of 'squalid and contemptible journalism' and subject to 'consistent harassment' on the part of the media. Dewar insisted that the affair must 'quite clearly' go before the Standards Committee. Pressed on whether he favoured a full investigation of Beattie Media, Dewar indicated a significant shift in the Executive's position:

> No, what I want is a thorough and detailed consideration of the best way of moving forward to try and ensure that there is proper regulation of lobbying in this Parliament. It is not a case of looking into these allegations centrally because we have already had an unreserved apology from the company. (*Good Morning Scotland*, BBC Radio Scotland, 27 September 1999)

Sources in the Scottish Parliament revealed that the Executive had initially been 'hammering' the Parliament to investigate Lobbygate. Opposition spokesmen wanted a different kind of inquiry from Dewar, with the SNP pushing for ministerial diaries to be opened to public scrutiny. Both Tories and the SNP were concerned that the Scottish Parliament's reputation might be tainted due to links between the Executive's ministers and lobbying companies. The lobbying fraternity were equally concerned by potential fall-out from the affair, with an ASPA spokesperson quoted as saying that such stories reflected badly on the industry as a whole, and that Beattie Media should be suspended from the precincts of the Scottish Parliament pending a full investigation.

Later, further details became public. On BBC Radio Scotland, Dean Nelson revealed that his paper's investigation had been prompted by a senior Scottish Labour party source, 'appalled' at the flood of job offers from lobbying consultancies 'who wanted him to basically call in all the favours he was owed on their behalf'.

Revelations that Mike Rumbles also had prior knowledge of *The Observer* story fixed the media's focus firmly on the next meeting of the Standards Committee, set for Wednesday, 29 September. BBC Radio Scotland reported that the Parliament faced the 'thorny issue' of calling ministers before the Standards Committee to give evidence. Rumbles was quoted as saying that he wanted the inquiry to focus on MSPs and that to ban lobbying from the Scottish Parliament was impracticable.

By 28 September, *The Scotsman* was reporting a 'Victory for Dewar in turf war over sleaze' (Carrell et al. 1999:1) and praised the First Minister in an editorial for pursuing the 'noble principle' that the sleaze allegations must be investigated. Lorraine Davidson, political editor

of the *Scottish Mirror*, and a recent director of media relations for the Scottish Labour Party, reported that Dewar and Reid had been involved in two separate rows in public during a reception at the Labour party conference (*Good Morning Scotland*, 28 September 1999). Indeed, it became known that Downing Street had intervened to quash the row, and that Anji Hunter, then the Prime Minister's personal assistant[2] had been seen remonstrating with Dr Reid in a hotel foyer (Macleod 1999: 1). Fiona Ross described the events in Bournemouth as an 'unedifying public spectacle' and blamed 'the two camps of advisers and so-called friends' for over-reacting to the revelations (*Platform*, Scottish Television, 30 September 1999).

Interest in the fifth meeting of the Standards Committee on Wednesday, 29 September 1999 was intense. The gallery in Committee Room 1 of the Parliament was full. Extra parliamentary staff were in attendance, including the chief executive of the Parliament, Paul Grice; the head of the Scottish Parliament's Information Centre (SPICe), Barry Winetrobe; and senior parliamentary lawyers. One of the Parliament's most senior clerks, Bill Thompson, was drafted onto the committee's support team. Convenor Mike Rumbles made a statement in which he indicated that as he had not received a formal complaint he was unwilling to discuss the substance of *The Observer's* story. When this position was challenged by SNP members the committee moved into private session. The gathered press pack were incredulous at this turn of events. Dean Nelson briefed the media on *The Observer*'s view of how the matter should proceed and rebutted Labour member Des McNulty's attack on the methods used to obtain the story. McNulty later publicly retracted his criticism of *The Observer* (Laurance 1999).

Meanwhile the Standards Committee was in the throes of a crisis behind closed doors. SNP members feared that the Labour Party was trying to block the very inquiry publicly called for

over the weekend, and threatened to force a public vote. Labour members wanted time to weigh the evidence provided by *The Observer*. As a member of the committee remarked:

> We went to the brink that day ... We looked over and stepped back ... Genuinely, we were at the point of the whole thing breaking down. Because it was very new and we'd been through a very tough election for a few months where we were at each other's throats all the time, and this was an issue where ... I think parties saw an opportunity to make political capital. It would be wrong of people not to think that, but I think that the members of the committee very quickly realised that if the committee was to have any integrity then we couldn't go down that road.

The committee reached a compromise: to go away and think about the terms of reference for an inquiry in the light of evidence received that morning. While recognising that this course of action would be seen as a PR disaster for the Parliament by the waiting media, one committee member insisted that 'if we hadn't got to that position, on that day, that committee and that investigation would never have worked'.

When Rumbles announced the committee's decision to meet again in private session on 5 October to consider the terms of reference of an investigation, the media's reaction was even more severe and testing than members expected. Both main televised evening news programmes (*Reporting Scotland*, BBC; *Scotland Today*, Scottish TV) reported a 'day of confusion' at the Scottish Parliament, referring not only to the Standards Committee, but also to news that, after a fractious plenary session, Donald Dewar had announced that he would make a statement to the Parliament the next day. The popular press singled out Rumbles as the culprit, for failing to inform Dewar when he first learned of *The Observer*'s story, and for

bungling and foot-dragging over the investigation of the allegations (King 1999). *The Scotsman*'s reaction was to raise a petition against the Scottish Parliament to force the Standards Committee (and by precedent all other committees) to sit in public. The legal challenge to the Parliament exacerbated an already critical situation, but also demonstrated how the media were becoming ever more deeply embedded in this affair.

For senior staff at the Scottish Parliament, *The Scotsman's* appeal for judicial review could not have come at a worse time. Legal resources were already stretched in coping with the prospect of a public inquiry. A senior civil servant recalled how *The Scotsman's* action was viewed:

> It's an attack, and I use the word very deliberately ... To use a cliché, it's a free country and *The Scotsman* must be free to do what they want to do ... It's just frankly, in my judgement, a hugely unnecessary and expensive distraction. I don't see what they are going to achieve, other than taking up a good deal of my time [and that of] senior lawyers here. We're having to hire expensive counsel ... So we will have wasted tens of thousands of pounds of public money.

One MSP asked: 'Who on earth are *The Scotsman* to try to determine what would and what would not happen? It was more about boosting *The Scotsman's* circulation than any regard for the Parliament.' Both parliamentarians and civil servants involved insisted they had every intention of holding their inquiry in public from the outset.

The First Minister's address to the Parliament on Thursday, 30 September, became the source of yet more controversy and spin. Dewar reiterated his confidence in the probity of his

ministerial team, and again cited Beattie Media's apology as 'allowing us to draw a line under this particular part of a very unfortunate business'. Furthermore, he intimated that the Standards Committee ought to now take its work forward by concentrating on finalising a code of conduct for MSPs and considering the general regulation of contacts with outside interests (Scottish Parliament 1999). In the furore that followed Dewar's personal absolution of his ministers, a significant facet of Lobbygate was largely overlooked. Seeking to reassure the public that *The Observer*'s claims were baseless, Dewar announced:

> In the light of these events, I have asked my officials to investigate the use of public relations and professional lobbying organisations by all the Scottish public bodies for which we have responsibility. I want to know the full details of the contacts and contracts involved, and I will want to ensure that there can be no question of any impropriety, conflict of interest or any other grounds for public concern.

The formulation was significant. The First Minister was careful to frame the inquiry to satisfy himself, not Parliament. The official secrecy surrounding this inquiry was to become a recurrent feature of the Executive's response to charges of cronyism. The Executive placed great emphasis on Dewar's personal integrity as a guarantor of probity. David Whitton, the First Minister's official spokesman, suggested to the media that there was now no need for a specific inquiry, claiming 'I think that the First Minister's word would be good enough for most people in Scotland' (Tait 1999e: 1).[3]

The political reaction to Dewar's revision of the Executive's stance of the previous weekend drew hefty criticism. The *Daily Record* branded his statement a 'whitewash' (Alba 1999). The SNP accused Dewar of a u-turn and then of a cover up after an early draft of Dewar's

statement was leaked to *The Scotsman*. The discrepancies between the leaked and official

versions indicates Dewar watered down his rebuttal of *The Observer* story, and that his claim

to have learned of the allegations on Friday 24 September had initially been dated Thursday

September 23. This lent credence to *The Observer's* contention that the Executive had had

time to prepare for the looming crisis. It was also apparent that Dewar's advisers anticipated

hostile questioning regarding 'the scope of the Standards Committee work you [Mr Dewar]

are encouraging today and that requested in Jack McConnell's letter to Mike Rumbles' (Tait

1999e: 1). Challenged on these revisions of the Executive's position, David Whitton rather

feebly restated the official line: 'These documents go through many drafts ... We are not

going to comment on leaked documents or drafts - they are what they are' (Tait 1999e: 1).

Meanwhile, the Standards Committee had begun to take a more pro-active approach towards

the media. Sunday newspapers reported that it would meet briefly in private before moving

into public session. Committee sources indicated that the investigation would proceed

regardless of the First Minister's statement (Fraser and Watson 1999a; Martin and Hill 1999).

By Monday, 4 October, it was becoming evident that the Parliament had managed to assert its

authority over the Executive. The Standards Committee meeting on 5 October was a

markedly different affair from the debacle of six days earlier. The transformation was

summarised by *Newsnight Scotland*: 'They looked like Inspector Clouseaus last week; now

they all looked like aspiring Perry Masons.' The committee had met in private for less than

ten minutes before going into public session. Rumbles made a brief statement regarding *The

Scotsman's* petition before the committee, and the assembled press and public viewed video

evidence supplied by *The Observer*. Thereafter, an immediate investigation was agreed into

the matters raised, with the significant proviso (attributed to the SNP) that witnesses would be

required to give evidence under oath. The unity and purpose of the committee clearly

impressed the assembled media. Reviews of their performance in launching an investigation were glowing: 'Mike Rumbles' committee has created an important constitutional precedent. Parliament rules ok ... It seems Donald's word is NOT "good enough" after all' (Macwhirter, 1999b: 7).

The self-assurance that the committee now exuded belied the fact that their investigation was established and sustained by some extraordinary efforts behind the scenes. A committee member revealed that they had taken a conscious decision not to sit in party groups, but to intersperse themselves. The influence of the Parliament's senior staff was crucial, preparing the members and briefing on behalf of the committee (although many committee members also talked to the media throughout the affair). After the committee meeting closed, a briefing by a senior constitutional expert from the legislature took place, which aimed to communicate the status of the Parliament's position. Having observed this briefing, and reviewed the subsequent media coverage, it is evident that the media were convinced by the case put forward on behalf of the Parliament. As one parliamentary source subsequently revealed:

There was a bit of procedurally nimble thinking ... It was wonderful because we found a phrase - we looked in our remit and it talked about 'may investigate members conduct against *any* code' – and, of course, any code in a legalese sense just means any code which happens to be current at the time. We were able to read it as meaning any code including the ministerial code, and it helped that the draft of the ministerial code ... made several references to Parliament - which is very unlike the Westminster code. So, hey-ho. And the government were funny on this.

But the Executive's reaction to these developments lacked humour. In a tetchy exchange on *Newsnight Scotland* on 5 October, the then Minister for Parliament, Tom McCabe, refused to concede that final jurisdiction lay with the Parliament. When challenged that such an interpretation of events had been rendered obsolete by the Standards Committee, McCabe replied enigmatically, 'I think that the First Minister would disagree with that'. On the same programme, interviewer Gordon Brewer had quizzed Rumbles on the committee's powers to summon. Rumbles emphasised that the committee were 'inviting' rather than compelling witnesses to come. This was part of the Parliament's public relations strategy, not only to repair the damage inflicted by the press, but also to avoid future embarrassments. Civil servants feared that should any witness refuse to co-operate with the inquiry, that the Parliament as an institution would be humbled.

In their efforts to ensure that both the inquiry itself, and its public presentation, ran smoothly, parliamentary clerks, lawyers and advisers began some very intensive briefing and preparation of committee members. As one of the civil servants involved recounted, 'I've been there when they [MSPs] needed me, and I've briefed them informally. I speak to them most weekends, for several hours sometimes, because they have found it a terrible experience.' This view was confirmed by a committee member:

> I was very conscious of the support from the legal team and from the clerks, because they provided us with support in a way that folk will never really know. They were there and we knew they were there, and we knew that the advice we were getting was correct and then we could go on and ask the questions because we knew the boundaries we were operating in.

Once the terms of reference, witness list, and running order of the inquiry had been agreed, the news value of Lobbygate abated. As the investigation neared its conclusion, the committee decided that it needed to interview only one minister, Jack McConnell. McConnell was to be the last witness, and on the weekend before his evidence there was a 'fresh outbreak of Lobbygate fever' (Brogan and Dinwoodie 1999). A leak in *Scotland on Sunday* (Hill 1999) suggested that key evidence from McConnell's constituency office had been destroyed. This was said to be a routine office procedure, but the construction placed on the disposal of potentially important evidence (which had allegedly happened prior to Lobbygate) could have damaged McConnell. Executive sources were reported as 'vigorously defending McConnell' and the possibility of the Executive seeking 'to have members of the Standards Committee take an oath denying responsibility for the leak' (Hill 1999: 1) was mooted. How this would be accomplished under the Parliament's standing orders was never clarified. The unmistakable implication was that an SNP member of the committee had leaked this information.

McConnell accused committee members of 'playing politics' with the truth. A report in *The Scotsman* (Hardie 1999) identified Tricia Marwick as the suspected source of the leak. Dewar was reportedly concerned that the time taken to conclude the inquiry was damaging the reputation of the Parliament. One parliamentary source interpreted the leak in the following terms:

> The Executive changed its mind [on the Standards Committee inquiry], and then changed it back again and said we weren't getting on with it quick enough. So they vacillated and, of course, with their great spinning machine they managed to plant some stories which haven't all gone away.

The Standards Committee flatly denied leaking documents to the press. In a media briefing on 25 October, Mike Rumbles insisted he would not be deflected from the inquiry. He stated that he had not questioned his committee members about the leak. In fact, when the committee met informally that morning before their public session, Tricia Marwick had confronted the issue directly. She declared that she had not leaked any information relating to their inquiry. This assurance was accepted. In his briefing, Rumbles asserted the innocence of his committee. Significantly, a parliamentary official who had been observing the briefing interrupted to offer a more robust defence of the committee, stating that the leaked documents had a very narrow circulation and that if it was accepted that the leak did not come from the Parliament one must inevitably look to McConnell and his office as a probable source. Journalists' reactions varied. A number of younger reporters were sceptical of this spin, whereas to some of the more experienced reporters this scenario was entirely plausible. After the briefing, as the journalists discussed the story among themselves, *The Herald*'s Robbie Dinwoodie admonished a more junior colleague, reminding him that in the black arts of spin 'the leak becomes the story, not the content'.

When Jack McConnell came before the Standards Committee on 27 October, he neatly avoided waiting photographers by using the tunnel between the committee rooms and the Parliament's main offices. In an assured performance, McConnell denied any wrongdoing or impropriety. For some commentators there was a palpable sense of anti-climax. The next day, the *Daily Record* complained in an editorial that the committee's 'kid-gloves handling of McConnell was not so much a grilling as a gentle toasting'. Iain Macwhirter suggested that the minister had been:

Deeply concerned, anguished even, over this entire enquiry. Before his appearance, he spent hours meticulously rehearsing his testimony with senior Labour officials. He fully realised that his job was on the line, and that his image had already taken a considerable knock because of his connection with the lobbying business. (Macwhirter 1999d: 11)

Hours after his appearance before the committee, McConnell, like all the other politicians named in the affair, was cleared of impropriety. The committee did however enter an important caveat that their judgement was based upon all the available evidence. That key pieces of evidence were destroyed clearly weighed on the committee's mind.

The Standards Committee's official report on Lobbygate refused to adjudicate between the conflicting accounts of Alex Barr and Christina Marshall. Barr told *The Observer* and the Committee that he understood he had been able to book a date in McConnell's diary through Christina Marshall. Marshall denied this. The Standards Committee, while expressing their concern over discrepancies in their evidence (Standards Committee, 1999, paragraph 34), stuck to their remit of simply considering the conduct of MSPs.

Lobbygate: the dust settles?

For many of the political correspondents reviewing the saga, the Scottish Parliament had asserted its authority over the Executive and Dewar had emerged victorious in the 'turf war' with the Scotland Office. However, the precedent established by the Lobbygate inquiry has still to be tested in constitutional law, and the Executive have reserved their opinion on where ultimate jurisdiction over the conduct of ministers rests. Nevertheless, Lobbygate can already

be said to have had an impact on ministerial conduct, not only in Scotland, but also at Westminster, where the Neill committee stated:

> It is simply sound administrative practice to keep a note of discussions with outside bodies and individuals ... We do not think that compliance with a new requirement to the record would be burdensome for departments ... The [Lobbygate] case demonstrates the potential for strong public interest in the existence of such contacts and the need for a clear record of meetings. (Neill Committee 2000a: 91)

The Standards Committee and their staff came to see Lobbygate as a beneficial learning experience. It is explicitly cited as informing their deliberations on the Code of Conduct for MSPs (Standards Committee, 1999, paragraph 38), and has markedly shaped debate on the regulation of outside interests. Some observers expected legislation in this area (Scott 1999a) but the view from inside Parliament was initially more cautious. As one civil servant remarked:

> This group [the Standards Committee] is very interested. If the inquiry has done one thing it has strengthened our resolve to look at this issue. What I've said to them is, 'By all means do it, but don't pretend to yourselves or to anyone else that it's easy.'

The Standards Committee conducted a survey of members to assess their relationships with outside organisations as a first step. The second phase of this inquiry involved a wider consultation with interested parties, especially lobbyists, and then proceeded to oral evidence and a further consultation on the terms of registration (see chapter 7).

For the media, central players in the entire Lobbygate affair, the necessity of some form of independent scrutiny of MSPs and ministers was clear. The Scottish media's verdict on the cross-examination of witnesses by the committee has been damning. Privately, some members of the committee have accepted that their questioning could have been more penetrating, but were not minded to sanction the creation of an independent commissioner along Westminster lines (Horsburgh 2000; Nicolson 2000).

Lobbygate was damaging for the nascent lobbying industry in Scotland at the time. Many of those I spoke to reported that clients 'wobbled' and were nervous about public and media interest in lobbying. However, as the scandal has receded it has been business as usual. While the public perception of lobbyists in Scotland since Lobbygate has probably been negative, in many ways this need not matter, as the public are not the focus of such commercial activity. Lobbyists are concerned about their relationships with politicians, civil servants, and other opinion formers. On the evening that McConnell was formally cleared, the 'Politician of the Year' awards, sponsored by *The Herald*, were taking place. One lobbyist told me that she was asked by an MSP (and member of the Standards Committee) not to have a social drink in public with his party afterwards, lest it be misconstrued. Other lobbyists reported that on the same night the Scottish Executive withdrew a number of its ministers from tables booked by lobbyists at the event. While the politicians' sensitivity regarding their contacts with lobbyists is understandable, there is a danger in pretending that such links do not exist. Sweeping these contacts under the carpet does not address the issue. One commercial lobbyist interviewed summarised the lessons of Lobbygate in the following terms:

> When you have introduced a legislature, when you have introduced a Parliament, when you have introduced professional lobbying, then those [social] relationships

have to fall by the wayside and the formality of the relationship has to be established. And what Lobbygate showed us was that when that doesn't happen, when that formality isn't put in place, then all of those accusations and allegations are brought to the fore and the wider community becomes very suspicious, not only of the conduct of professional public affairs consultants, but more importantly, and more worryingly for democracy, of the elected parliamentarians.

An issue that received scant critical attention throughout the affair is that of the professional status of lobbying. Both the APPC and ASPA explicitly claim to be 'professional' (as opposed to trade) bodies. One of the traditional prerequisites of a profession (such as medicine, accountancy or law) is to have formal qualifications. However, there are no barriers to entering the lobbying 'profession'. During his appearance before the Standards Committee, Kevin Reid struggled badly to explain what qualifications and training he had. Personal contacts were his most obvious asset.

In some respects, the story of Lobbygate reflects the 'limits of spin'. At the time, the Scottish Parliament employed two information officers, as opposed to 34 in the Executive's Information Directorate. Yet, confronted with an interpretation of the Scotland Act that granted Parliament the scope to investigate ministers, the Executive's spin machine was ultimately ineffective. While the Parliament's media relations office played a low-key role in the affair - acting strictly as information providers rather than spin doctors - the same cannot be said of senior parliamentary staff. Just what status and latitude such agents of the Parliament's corporate body have in relation to defending and promoting their institution is a moot point. At present, it seems that they are indeed informally licensed to spin.

Lobbygate has shed light on the interpenetration of the worlds of politics, media, and commercial promotion, a persistent facet of Scottish public life. The investigation launched by the First Minister into public sector public relations contracts in Scotland was intended, according to Executive sources, to examine the probity of how these were awarded. Regrettably, this inquiry has smacked of expedient spin rather than any real attempt to examine or tackle cronyism in Scottish politics and business.

Published in January 2000, the Scottish Executive's *Report on the use of Public Relations Organisations by Scottish Public Bodies since 1 July 1999* indicated that of the 112 public bodies concerned, 58 had engaged one or more PR consultancies (Scottish Executive 2000). One hundred and fifteen contracts, worth a total of £3.8 million, were awarded by Scottish public bodies in the period under review, with Scottish Enterprise engaged in 16 separate contracts valued at £417,000. The value of local enterprise and development agency PR contracts was an additional £972,000. Almost half of the total public spending on PR reported is accounted for by enterprise and development bodies, the very sector in which Beattie Media were most active. The Executive's research revealed 16 'ongoing' contracts, or retainers. Considered alongside evidence from *The Observer*, it seems likely that Beattie Media had a number of these. Beattie Media were found to be the firm with most public sector contracts, accounting for 20 percent of the total number awarded. However, this figure did not reveal anything about Beattie Media's (or indeed any other consultancy's) share of all public sector PR contracts by value.

The Executive's report was designed to prevent the reader from identifying which public bodies had hired which PR consultancies, and at what cost. The information published by the Executive has reported that 'the median cost of contracts is under £10,000' (Scottish

Executive 2000: 2). Yet the median is but one of three averages that could have been reported and is arguably the most misleading. The report failed to distinguish between the most economically and politically important contracts and those which would be of little public concern. On 28 January 2000, an editorial in *PR Week*, the usually supine trade publication of the British public relations industry (Dinan 1999), commented that: 'a whitewash and a clean bill of health are not the same thing'. Industry rumour suggested Beattie Media were charging, in some instances, fees up to fifteen times greater than other companies doing comparable work for comparable agencies. Efforts to establish the truth of such claims have been fended off by invocations of 'commercial confidentiality'. Michael Lugton, the Scottish Executive civil servant charged with producing the report, denied requests for supplementary information, stating:

> I'm not in a position ... to release more information because of the general convention [of commercial confidentiality] which applies and the view of ministers that what they released was appropriate in all circumstances ... The judgement [on what was and wasn't commercially confidential] was made by ministers on the basis of the advice by officials.

It may be concluded that there is no great political appetite to tackle issues of cronyism in Scottish public life. The willingness of Scottish Executive ministers to quickly opt for secrecy is particularly lamentable when the probity and transparency of the new polity are at stake. Lobbygate has not yet been a watershed in Scottish politics. It has dramatically exposed some private aspects of 'public' life and also threw into sharp relief the relationship between the Scottish Parliament and Executive, yet its impact on the lobbying industry in Scotland is diminishing. Lobbygate may only be acclaimed to have marked a political watershed if and

when secrecy is finally abandoned in favour of the public's right to know. As things stand the default position has been to adopt Westminster practice and stay close to the Nolan/Neill orthodoxy. The following chapter examines the difficulties in challenging this received wisdom.

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1 All unattributed quotes in this chapter are from lobbyists and politicians who spoke under a guarantee of anonymity. Therefore dates and names have been omitted.
2 Now Director of Corporate Communications for BP.
3 We might look at one public reaction to this claim. Defending the spiralling costs of the new parliamentary campus at Holyrood, Henry McLeish asserted on *Question Time* (BBC1, 13 April 2000) that 'no-one in this audience would doubt the integrity of Donald Dewar.' The audience simply laughed out loud. McLeish was visibly taken aback, pleading 'No? Let's be serious.'

Chapter 7

The lie of the land: regulating lobbying in Scotland

The changing landscape of lobbying

After the first session of the Scottish Parliament the lobbying landscape around Holyrood was bedding down. In the wake of Lobbygate, the Standards Committee of the Parliament instigated a review of relations between elected representatives and outside interests. Their first step involved a survey of members' experience of contacts with outside organisations. The spectrum of organisations to which this might apply spans community groups, voluntary sector charities, trade associations, quangos, corporations and commercial lobbyists. The Standards Committee's inquiry involved some reluctant participants, including representative bodies like ASPA, the APPC, and the SCVO. For organisations promoting various models of self-regulation in the wake of Lobbygate tensions between their interests and those of the committee were readily apparent.

This study addresses the role of representative bodies such as ASPA and the APPC in the debate on the regulation of lobbying in Scotland. By looking at how these organisations position themselves and the interests they articulate, one can begin to delineate the field of Scottish public affairs. The investigation by the Standards Committee, and its eventual recommendations, has determined the conditions under which the lobbying industry in Scotland develops.

Representing interests (I): ASPA and the APPC in Scotland

Lobbygate proved to be an important moment in the institutionalisation of lobbying in

Scotland. As mentioned, there was and remains, competition between the two major

representative bodies of the commercial public affairs sector to be recognised as the 'voice of

the industry' in Scotland. The terms of this competition were re-drawn after Lobbygate as the

industry anticipated scrutiny by Parliament.

The founding of ASPA was a bid by would-be lobbyists at Holyrood to establish and

advocate their own system of self-regulation. By promoting a distinct code of conduct, ASPA

was vying for political legitimacy with the established representative body for lobbyists in the

UK, the APPC. After ASPA's official launch, and as the new Parliament began business,

relations between the two associations began to normalise. The concerns of commercial

lobbyists shifted from issues of regulatory competence, focusing instead on boosting their

business now that devolution had arrived. However, once the Lobbygate affair had revived

regulatory issues, the underlying tensions between the two bodies re-emerged.

The official ASPA view was outlined by Angela Casey, convenor for 2000-01:

> ASPA is looking at how lobbying is happening at the Scottish Parliament. Anyone
>
> who has any form of interest in lobbying the Scottish Parliament can sign up [to
>
> ASPA's code] and it's looking at helping, educating people, bringing people together
>
> to learn about how an industry is growing. Whereas the APPC is purely about, 'If
>
> you're going to do lobbying, sign up to this code.' They are two different things and I
>
> can't see why somebody couldn't be a member of one and the other at the same time.

Until 2003 APPC members had to generate an annual fee income in excess of £100,000 to be part of the association. However, political considerations also tend to differentiate the two organisations. Robbie MacDuff, then managing director of Strategy in Scotland, was a member of both groups during 1999 but declined to renew ASPA membership in 2000. MacDuff believed that the regulatory regime operated by the APPC was more rigorous than that of ASPA. The media picked up on this divergence during Lobbygate, though the headline 'Lobbyists plan breakaway group' (Adamson1999: 6) did annoy MacDuff, given that only Strategy in Scotland were members of both associations. Instead, MacDuff preferred to emphasise a 'natural constituency and natural agenda' for APPC members in Scotland, implying the same could not be said for ASPA.

The reaction of ASPA members to these developments at their AGM in November 1999 was mixed: some regretted losing a member while others, echoing the mood of early ASPA meetings, were glad to be rid of an unwilling, 'elitist', participant. This vignette reveals the persistent efforts of various commercial lobbyists in Scotland to define the terms of their professional practice. The over-riding concern for APPC members has been to distinguish between their preferred self-description as 'professional political consultants' and the activities of what might be termed dilettante lobbyists, those offering commercial lobbying services as part of a wider communications portfolio. George Edwards, chairman of GPC Scotland and an APPC committee member commented:

> I have been very careful in conversation over 30 years now to try to explain to people what public affairs actually means, because most people will assume it's public relations. There's a distinction between the two ... I didn't like being described as being in the public relations field and I still don't ... We're not members of ASPA,

and that's not by accident. I mean ASPA is entitled to do what ASPA wants to do and I appreciate this role is different, but our position is that we are professional political consultants. The code of conduct for the APPC is ... more stringent than the ASPA code.

Edwards' differentiation between the worlds of public affairs and public relations is not entirely shared by other lobbyists, even among members of the APPC in Scotland. Overlap between lobbying and public relations in Scotland is not unusual. As Fiona Callison, of August.One (formerly of Shandwick), remarked:

> I think the [Scottish lobbying] market is very immature ... A client comes with a mix of problems, and actually to say what is originally a PR issue and what is actually public affairs, that is something for accountants to get excited about back at base. It's not actually a meaningful distinction in the way that you might find in London or in Washington or in Brussels, where there is a much more mature market.

It would appear that the category 'professional political consultant' is not as exclusive in Scotland as elsewhere. For Angela Casey, managing director of Countrywide Porter Novelli in Scotland, ultimately owned by the same multinational group as GPC, the issue reduces to a question of emphasis in practice:

> We're both [Countrywide Porter Novelli and GPC] doing the same thing in a sense, but we're coming at it from different directions. So there's quite a large overlap between what we do. We tend to be doing media programmes that have government

relations elements to them ... and they [GPC] do it the other way round: they do government relations programmes and they also do the media.

The debate in Scotland may best be understood by reference to the constituencies from which the associations draw their memberships, and the main differences in their respective codes of conduct.

Prior to the Parliament's inquiry APPC in Scotland had eight member consultancies. Of the six founding members, two, Shandwick and Citigate, are essentially PR firms with specialist lobbying divisions. Moreover, other members such as GPC and Strategy in Scotland, offer PR services in addition to their core business of commercial lobbying. The number of APPC members in Scotland has increased as more firms from London reshape their business to cater for client demand for lobbying in Edinburgh, plus the relaxation of their fee income threshold. The arrival of APCO Scotland and August.One on the Scottish lobbying scene in 2000 suggested continuing market expansion. The response of the APPC to devolution has been somewhat uneven. The six original member consultancies in Scotland met informally throughout 1999. These consultancies felt they needed to speak with a Scottish voice rather than rely upon the London-based association secretary to act as their spokesperson. The decision to formalise their Scottish character was aimed at adapting the APPC to the realities of devolution. As Edwards explains:

> We felt that even within the APPC there wasn't sufficient understanding in London of the Scottish situation ... There was quite a lively discussion whether it should be called APPC Scotland or the Scottish APPC and it was pretty universally decided that ... the best way to refer to it is the APPC in Scotland.

The 'lively discussion' centred on whether the Scottish members of the APPC should operate as a fully devolved association in their own right, or remain within the APPC and seek to negotiate whatever autonomy they felt necessary. They opted for a gradualist rather than radical alternative.

The APPC in Scotland therefore remains bound to negotiate with its London-dominated management committee. Until recently, the membership requirement that firms earn an annual fee income of £100,000 was problematic:

> It is not a problem for us [GPC] or for any of the other companies who are members [of the APPC in Scotland], but for any new company coming in it would be difficult. So we're trying to find a way round this because there are one or two good personal operators in Scotland who are experienced, who are willing to work to the standards that the APPC require, but who will never get a fee income of £100,000. So we're trying to find a mechanism for these people to join.

The income barrier to APPC membership contrasted with ASPA's claim to inclusivity and accessibility. One consultant from an APPC member firm complained that the earnings threshold meant that opening up their own consultancy was not an option, unless it operated outwith the APPC code. At the time an ASPA official mooted publicising these restrictions to the Standards Committee during their inquiry in order to discredit the APPC before MSPs. The APPC operate another barrier to entry, namely their code of conduct.

There are significant differences between the respective codes of the APPC and ASPA, with the former tending to be more prescriptive. It prohibits the employment of politicians such as MPs, MEPs, peers, and others. The APPC maintains a register of clients and indicates whether contracts relate to specific projects or retainers, and the code constitutes part of each individual lobbyist's contract of employment. As noted, the ban on employing peers was problematic for both PS Communications (Lord Watson) and Holyrood Strategy (Lords Semphill and Fraser), and underlined the disparities between the two models of self-regulation. Whether ASPA can bolster its own code of conduct to match that of the APPC still remains questionable, given the membership profile of the group which mixes corporate and individual affiliates.

In 1999 ASPA had over 40 members. Most were from commercial communications consultancies, but there were also in-house practitioners, lobbyists from legal firms, and some members with a background in the public sector. Obviously, the range of interests represented by ASPA is less homogenous than the APPC's 'natural constituency'. ASPA sees this inclusiveness in positive terms, allowing it to speak on behalf of a greater range of organisations. However, this initial advantage dissipated in ASPA's second year, as membership roughly halved and was dominated by commercial lobbyists. The decline in membership confirmed doubts originally expressed regarding ASPA's direction and purpose. Several members initially joined in order to stay abreast of developments in the industry and to pick up political intelligence at ASPA seminars and events. Within a year, those sources were questioning the value and efficacy of ASPA, whether as a collective lobbying voice or as a forum for information and debate. Nevertheless, other members were glad of the networking opportunities afforded by ASPA and remained keen to participate.

After a period of suspicion and occasional hostility between both trade bodies, by summer 2000 relations had improved to the point of an 'entente cordiale'. Angela Casey and George Edwards met informally to discuss matters of mutual interest, not least the Standards Committee's review of lobbying. Both associations recognised the merits of presenting a united front to any official inquiry. Common ground is shared as both bodies support the principle of self-regulation. Nonetheless, in private, each body harboured mixed opinions of the other, with some lobbyists at ease with the notion of co-habitation while others sought a single voice for the industry.

Relations between the main trade associations continue to evolve. Much of the posturing that characterised the early days of ASPA has receded, with references to the southern or English character of the APPC virtually disappearing. It can now be acknowledged that the local expertise heavily emphasised by early ASPA members was somewhat hyped. As Angela Casey explained: 'The bigger consultancies, because they've moved people up here from London, they know what they're doing and everyone else is finding their feet really.'

This recognition of the importance of Westminster practice as an early - and enduring - benchmark for lobbying in Edinburgh is significant. The local knowledge that Beattie Media (and others) traded upon has been seriously discredited in the eyes of the Parliament and indeed some clients, who prefer seamless public affairs capacity across different regulatory spaces, such as Edinburgh, London and Brussels. For those dealing in Scottish public affairs, an actual human presence 'on the ground' at Holyrood is now essential.

Commercial lobbyists were invited to give evidence to the Parliament's Standards Committee when they decided to hold a public investigation (or 'go down the silly route', as more than

one lobbyist described it). This was approached with extreme caution by the Edinburgh professional public affairs community. During this study it was difficult to identify any commercial lobbyist who respected the Parliament's Standards Committee. There was a widely-shared belief that the Standards Committee did not understand lobbying. But these self-same lobbyists did not seek to correct the Parliament's 'misconceptions'. The reluctance to engage with the Standards Committee is consistent with most lobbyists' acute anxiety about publicity for their industry and their expectation of negative media coverage. Hence, ASPA's strategy after Lobbygate was to offer co-operation by making its code and constitution available to the Parliament, while at the same time shying away from the direct gaze both of parliamentarians and the media. Angela Casey reasoned that 'if giving evidence means that we are going to be shot down [then] it's not necessarily a very sensible move. I think it could just be damaging, I think it would be slightly foolish.' While lobbyists would have chosen to remain in the background the parliamentary inquiry made this strategy untenable.

Representing Interests (II): The Scottish Voluntary Sector

The voluntary sector - or 'third force' - is an important but often neglected actor in Scottish public life. There are an estimated 50,000 voluntary organisations in Scotland, including 21,000 recognised charities. 100,000 people are employed in this sector, supported by a further 300,000 volunteers, who generate a combined income of nearly £2 billion in the Scottish 'social economy' (http://www.scvo.org.uk/information/Default.htm). The Scottish Council of Voluntary Organisations (SCVO), as the national umbrella body for the third sector, lobbies on behalf of this panopoly of interests and causes. Arguably, the powers devolved from Westminster, and the Executive's legislative programme, have impacted most upon the voluntary sector. This is unsurprising as the campaign for devolution was shaped

and promoted by the interests of Scottish civil society. These interests engaged in the work of the CSG and participated in many of the consultation exercises that informed the creation of the new Parliament. The CSG's 'accessibility' principle, which has significantly shaped the operation of the Scottish Parliament, owes much to the sustained interventions of the Scottish voluntary sector.

Ironically, given the 'third force's' enthusiasm for the principle of devolution, the SCVO's response to its practicalities was somewhat uncertain. In 1999, the SCVO created a Parliamentary Information and Advisory Service to assist small, resource-poor organisations 'to respond to developments in the Scottish Parliament and exploit the opportunities presented to the full' (SCVO 1999: 30). The main form of assistance involves the provision of information through general briefings, the pooling of information and resources across policy networks, and a 'bespoke' service to member organisations providing updates in particular policy areas. This work is seen as the realisation of the logic of devolution:

> The voluntary sector will be of great worth to the Scottish Parliament. The new MSPs will need expert advice on a range of issues and voluntary organisations are well placed to fill this role. Research and information produced by voluntary organisations will be a useful resource for decision-makers, offering them sensitive, well-sourced information from groups and individuals affected by their deliberations. (SCVO 1999: 4)

The SCVO has a dual mandate: it seeks to promote an inclusive Parliament by enabling voluntary bodies to lobby for themselves, while simultaneously lobbying on generic issues.

The lobbying capacity of the voluntary sector has been increased by the creation of a Third Sector Policy Officers' Network (TSPON). It currently comprises some forty people, employed either as dedicated full-time policy and parliamentary officers or as part-timers who lobby as part of their wider role in voluntary organisations. In Holyrood's first session the workload of these lobbyists was so great that some of the part-time posts have been made full-time and permanent. These lobbyists interact with the Parliament mainly through the work of the committees and the established cross-party groups.

The novelty of the committee system at Holyrood and the volume of official business meant that some of the ideals suggested to the CSG have failed to fully materialise and that abstract principles were rapidly sacrificed to pragmatism. As Philippa Jones, Parliamentary Officer for the SCVO, recounted:

> We keep coming up against stuff that people haven't really thought about, and I don't think there's any big agenda behind it, it's just they ... suddenly realise they've got all this work to do, and not enough time, and hey, they do it this way in Westminster.

The recourse to established British practice is, of course, both expedient and fairly predictable, yet it does raise some fundamental questions about the limits of innovation in the political culture. Nevertheless, the voluntary sector have had some opportunities to invent new practices in their public affairs activities. The policy officers' network is possibly the best example of this to date. In the words of Elspeth Alexander (then of the LINK Environmental Network), it provided for its participants 'a good way of sharing resources ... a good forum for sharing tactics, sharing knowledge'.

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Lobbygate also shaped how voluntary sector lobbyists perceived their role. There was an anxiety that the voluntary and commercial sectors might be treated in the same fashion by political decision-makers when they considered regulating contacts with outside interests. Arguably, Lobbygate jeopardised the openness and accessibility of the Parliament that the voluntary sector fought so hard to establish:

> Understandably parliamentarians wish to distance themselves and their new institution from the practices associated with the 'sleaze' scandals of previous years at Westminster, but the upshot was that far from seeking to identify ways of promoting the sensible participation of external bodies, the discussion focused on ways to exclude, such as a requirement for formal registration of all forms of organisations approaching the Parliament. Inevitably it is a delicate distinction to make, but there is a clear difference between the activities of for-profit companies hired to influence parliamentary debate, and representatives of the myriad of voluntary organisations and community groups speaking directly on behalf of communities. Both have their place in the system, but the activities of one should not by implication limit the scope of the other. (McTernan 2000: 141)

While there may be a distinction to be drawn between these sectors in terms of the interests they represent, it does not follow that one should be less open and transparent than another. In principle, a special exemption for the voluntary sector in this matter runs against the logic of the CSG's recommendations. Some voluntary sector lobbyists are uneasy about the regulation of their activities. One policy officer wished to avoid the Standards Committee inquiry into lobbying so as not to be tarred with the same regulatory brush as commercial lobbyists. The voluntary sector also perceived giving evidence as a potential threat rather than as an

obligation or a welcome opportunity. There was something to lose as the third sector engages

with work on Executive consultations more than commercial lobbyists (although the latter are

interested in these initiatives and some clients have reportedly found them useful exercises).

This may partially explain a widespread view of voluntary sector lobbyists. Philippa Jones

has pointed to

> An interesting difference between what the Executive say in terms of involving the
>
> voluntary sector, and consultation, and so on, and what the Standards Committee say
>
> about lobbyists. I don't think they [the Standards Committee] recognise that voluntary
>
> organisations often have a duty to represent the interests of their members or users,
>
> because nobody else can do it. And they have the expertise and experience and on-
>
> the-ground knowledge which is extremely useful ... I've spent ages trying to avoid
>
> the word 'lobbying' at all because I think it's got negative connotations which we
>
> don't need, but all of those groups ought to be able to access the Parliament ... I think
>
> there is a radical difference between that and the people who are paid to represent
>
> different organisations all of the time.

Again, the duty to represent such interests does not obviate the principle of openness and its

application to the myriad 'good causes' across Scottish public life. The participation of the

third sector in such consultation is not only focused on the work of the SCVO. The creation

of the Scottish Civic Forum was designed precisely to involve civil society in policy debate.

The Civic Forum is funded by the Scottish Executive and its remit is to facilitate, or channel,

the participation of civic bodies in Scottish public life.

The Civic Forum appointed its first director, Donald Reid (charged with raising its profile), elected a new council and board, and identified a work programme centred on promoting legislative participation and civic priorities, and auditing democratic participation by 'looking at both the Parliament and the People and the information interface between the two' (Scottish Civic Forum 2000: 2). Because the Forum is a membership body, and represents a diverse range of interests, it does not see itself as a lobbyist, and has been wary of offering a corporate view on specific policy proposals or political issues. However, the Civic Forum is certainly seen as a site for lobbying. In its early days, commercial lobbyists such as Holyrood Strategy tried to join but were refused membership, which is not open to profit-making companies. For those members who have the resources to participate in the policy debates organised by the Civic Forum, the opportunity to lobby lead officials and others from the Scottish Executive who actually draft bills is more than welcome, especially as many voluntary sector lobbyists question the efficacy of responding to Executive consultation exercises.

Many policy officers expressed frustration at the short time-scales in which to reply to consultations, a lack of feedback on the impact (if any) of their submissions, and a perception of complacency on the part of the Scottish Executive. Some observers fear the Executive see consultation as a success by virtue of the fact that they reach a large range of bodies. Unhappily, the quality of the participation is not always given precedence over legislative timetables. As Debbie Wilkie (then deputy director of the Civic Forum) noted: 'They [ministers and the civil service] need to realise that it's the beginning of a journey, not the end.'

An oft-cited example of best consultative practice was the Cubie Inquiry.[1] According to the SCVO's Lucy McTernan (2000: 142) Cubie 'may have been conceived as a political fix, but it developed into a good model of extensive consultation on a complex matter.' The chairman of that inquiry, Andrew Cubie, pointed out to the Civic Forum in Edinburgh (on 10 June 2000), that one major factor in the success of the consultation process had been the substantial PR budget allocated by the Executive. Such PR resources publicised and disseminated information about the committee's work and effectively enabled meaningful participation in the consultation process. As McTernan (2000: 143) concedes:

> Of course the most effective way to open up public debate remains attracting the interest of the established media ... Unfortunately, despite efforts to encourage journalists to broaden the analytical coverage of social issues, civic bodies continue to find it difficult to voice opinion on policy unless it can be interpreted as an attack on an individual politician or party.

This rather depressing scenario contrasts sharply with the aspirations that the CSG harboured for the role of the media in the newly-devolved polity, where they would ideally act as an information service for civil society and actively encourage and foster democratic participation (CSG 1999: 7). The media's disinclination to do this on a major scale remains a serious shortcoming. The launch of the Civic Forum in March 1999 failed to attract a single journalist, and their subsequent events have struggled to excite the interest of news editors. That such an initiative, drawing together over 500 civic organisations throughout Scotland, should be ignored by the media is certainly a cause for concern. In terms of the lobbying strategies of the voluntary sector, it is evident that the media are accorded special status: 'building a relationship with journalists is every bit as important as working with the

politicians' (SCVO 1999: 25). Yet profound doubt persists about the inclination of the media to air the concerns of civic Scotland.

Regulating Interests and interesting regulations

The Standards Committee repeatedly identified the activities of 'hired gun' commercial lobbyists as particularly problematic. Members harboured most concern for how relations with outside interests could be compromised through their contacts with commercial lobbyists' clients. Both the APPC and ASPA codes require lobbyists to declare the interest they represent in dealings with elected members and officials, and this appears to be standard practice throughout the industry. However, there remains an anxiety that as commercial lobbyists trade in political intelligence that may be used to the material advantage of any of their clients, their relations with MSPs and officials are inherently compromised. This suspicion is not easily dispelled, and the policing of such matters at present rests with lobbyists themselves. The requirement upon APPC members to publish their client list is in part designed to meet such fears. No such provision is in place for ASPA members, some of whom (particularly those from legal firms with public affairs arms such as Saltire and McGrigor Donald Public Policy) jealously guard the privacy of their clients.

The Standards Committee launched their examination of lobbying practice post-Lobbygate by reviewing events in the first year of the Parliament. The survey distributed to MSPs by the committee before the summer recess in 2000 focused on members' experience of contacts and relations with lobbyists, seeking to establish some baseline data to guide their inquiries. This survey tried to measure formal contacts with outside interests rather than informal, unnoticed, or hidden relations. In other words, the survey addressed the go-betweens rather than the behind-the-scenes.

Before the Scottish Parliament was installed, concerns were expressed within the emergent public affairs industry of a likely over-supply of lobbying capacity in Scotland. After the first session of Holyrood it would appear that the industry has bedded down and the Parliament provides business opportunities for a variety of lobbyists, including in-house corporate or public affairs departments in TNCs located in Scotland, commercial consultants from specialist lobbying firms (often members of the APPCS, which has grown from 6 companies in 1999 to 9 in 2004), public relations agencies and lobbyists working in legal and accountancy practices (including some ASPA members), and those working in the third sector. The Scottish lobbying industry appears in good health and largely survived the downturn in promotional spending that affected the corporate sector (particularly U.S. TNCs) throughout 2001 and 2002 (Miller and Dinan 2003), perhaps because Scotland was still a growing market with new political consulting business opportunities.

The Parliament has radically re-shaped the Scottish public affairs arena, with new spaces opened up for lobbyists to interact with politicians and officials. The formation of cross-party groups in the Parliament is one such instance, and other recognised fora are establishing themselves, including regular conferences and seminars organised by bodies such as the Hansard Society, COSLA, ASPA, SCDI seminars under Chatham House rules, and the usual policy debates sponsored by think-tanks like the Scottish Centre for Public Policy and the Scottish Council Foundation. These sites, along with traditional settings like party conferences, afford lobbyists an opportunity to engage with Scotland's political elite in informal or social settings and are by their very nature difficult to regulate or scrutinise.

Of course, not all lobbying is hidden or covert, as the infamous case of Section 28 illustrated. The decision of the Scottish Executive to repeal Section 28 (properly titled Clause 2a of the

Local Government Act) was a minor political story until the multi-millionaire businessman Brian Souter financed a campaign (to the tune of over £2 million) opposing the Executive's policy: thus, the 'Keep the Clause' campaign was born. One of its signal features was the role played by Media House in promoting the campaign in the Scottish press. Media House, like Beattie Media, was originally a PR consultancy which expanded into public affairs with the advent of the Scottish Parliament. With such a background, Jack Irvine of Media House outlined his views on the developing public affairs industry in Scotland:

> A lot of English firms came up and set up shop, but I think where they have struggled is that they didn't know the politicians personally, even on a superficial level, but what they couldn't get into was the media. Because the media is a very, very closed shop up here and [Media House] are fortunate or unfortunate enough to have been involved in it for all our lives, and you cannot do one without the other. I mean you could present the most brilliant public affairs case you want, but if you can't get the editors convinced of it, you'll lose it ... I go into clients now and say we come at it from two levels, the political/intellectual level and we have the guys who go in with the boots on and kick politicians' brains out.

The targeting of editors rather than key ministers or civil servants runs counter to conventional wisdom at Westminster (John 1998; Miller 2000). Without the active support of the *Daily Record* the Keep the Clause campaign could never have had the impact it did on Scottish politics nor achieved any significant policy concessions from the Executive, a fact readily accepted by Media House. The resources Souter made available to fund the campaign were a necessary but insufficient factor; what distinguished the campaign was the political

clout of the *Daily Record*. Section 28 serves as a reminder of the interpenetration of media, politics and promotional culture in Scotland.

The shaping of public policy by outside interests has brought only the activities of commercial consultant lobbyists into sharp relief. It is curious that throughout the sporadic official debate in the UK (Nolan, the CSG, Neill) the regulatory gaze has yet to fix on the role of clients and their proper conduct. In the Scottish context, clients have been conspicuous by their absence from this dialogue, a fact only partially explained by the location of many clients south of the border. So, while bodies like the APPC in Scotland and ASPA become focal points for the debate on lobbying at Holyrood, their clients and beneficiaries remain neglected.[2]

The Standards Committee published the results of their survey of members' experience of contacts with outside interests in September 2000. Forty-seven MSPs (36 percent) responded to the questionnaire. Of this sample, 77 percent had been lobbied more than 20 times, 98 percent had been lobbied by voluntary bodies and charities, and 49 percent had been lobbied by commercial lobbyists. MSPs were also lobbied by professional bodies (87 percent), trades unions (87 percent), religious groups (85 percent), and business associations (79 percent) (Standards Committee 2000: 2).

MSPs views about commercial lobbying were mixed. While the exact figures are not reported, the implication is that there is a range of opinion on this topic, with the majority satisfied with the status quo:

On the basis of the members' responses to the questionnaire on lobbying there is little support for the regulation of lobbyists. While a few respondents indicated that they would support the regulation of lobbying companies most were content that the system is open and transparent. At the same time there were also some members who felt that professional lobbying companies should be banned from the Parliament altogether. (Standards Committee 2000: 7)

The Committee's report rehearses all the truisms about commercial lobbying that characterise Nolan, Neill and the CSG report: that regulation is impractical; that it cannot be defined properly; and that it enhances the status of professional lobbyists (Standards Committee 2000: 5-7). Lobbying at Holyrood is merely business as usual. Public affairs could remain essentially unchanged in conception post-devolution.

But this cosy picture can be challenged. As suggested, the regulatory orthodoxy established at Westminster through the Nolan and Neill committees has been largely shaped by political insiders with a vested interest in the status quo. Arguably, evidence about successful regulatory regimes was not accorded due weight. The problem of distinguishing between lobbyists to be covered by a register is solved if all outside interests are regulated. The Standards Committee report in 2000 did not imagine that the 'openness and transparency' of the Scottish Parliament might be secured and enhanced through a register of lobbyists. Instead, the template developed at Westminster was, initially, uncritically replicated at Holyrood.

The report concluded that 'lobbying by professional companies is not as widespread as that by voluntary organisations and charities' (Standards Committee 2000: 8). This is an

astonishing conclusion, given the number of full-time commercial lobbyists in Scotland (and the resources they can draw upon) compared with voluntary sector lobbyists. Based on the membership data of ASPA and the APPC online register, plus information from delegate lists at conferences and seminars I have attended, I estimate that voluntary sector lobbyists are outnumbered by at least a factor of three to one by those acting for private commercial interests. What the members' survey measured was their contacts with outside interests, not the volume of lobbying-related work done by such groups. Several lobbyists have remarked that their work tends to go on behind the scenes. The hand-holding and advocacy that characterised lobbying a decade ago is now passé. The message of the client is simply more credible if the client, rather than the lobbyist, delivers it personally. Lobbyists are now very much focused on research, analysis and gathering political intelligence. Thus, private networks and contacts (especially informal and social relations) are integral to their work. The value of such channels of information should not be underestimated (Draper 1999). As one lobbyist remarked:

> There are rings within rings within Scottish politics, of who's not speaking to who,
> and cliques and little networks that go on which you have got to be sensitive to
> because it can impact on your client quite badly.

Such contacts are vital for lobbyists. Another lobbyist confessed to feeling somewhat compromised when 'told things or offered things because of the people that I know' but recognised this as a feature of Scottish political culture. Furthermore it is plain that the bulk of lobbying targets the Executive rather than the Parliament. Contacts at this level have been totally unscrutinised in Scotland. How such relations can be regulated is a serious issue if the CSG's aspirations for an open and transparent polity are to be meaningful. Undoubtedly, such

practice exposes the limits of self-regulation by lobbying umbrella groups. A year after

Lobbygate I was told of supposedly regulated lobbyists still promising access to ministers.

Bodies like the APPC and ASPA cannot police such practice. Their aversion to bad publicity

reinforces the likelihood that any malpractice will remain private and unpunished. The

question of lobbyists operating outwith the recognised trade associations also merits attention.

A public inquiry? Consulting on lobbying at Holyrood

Some committee members were dissatisfied with the issues paper produced by their clerks

and sought a wider review of lobbying at Holyrood. Thus, the next phase of the inquiry

extended the trawl for evidence to interested bodies and individuals. There was virtually no

publicity for this consultation, despite the fact that the CSG's consultation had established a

strong public interest in the issue. The committee issued a written consultation in October

2000 and then invited oral evidence from selected respondents. The written phase of the

consultation sought to gauge the experiences of lobbyists in their interaction with the

Parliament and test opinion on the issue of regulating lobbying. The respondents to this

consultation were mainly Holyrood insiders, those professionally engaged in lobbying

parliament, who, unsurprisingly, were satisfied with the status quo.

A key issue was the definition of lobbying proposed by the committee. In seeking to capture

the range of lobbyist activity the standards committee initially proposed that lobbying be

defined as 'the representation of organised interests to MSPs by the interested parties

themselves, or the professional representation of organised interests by a third party, with the

intention of influencing the action of MSPs'.[3] The committee were repeatedly criticised for

misunderstanding the nature of contemporary lobbying. Coldwell (2003) asserts that they

operated with an outmoded Americanised notion of lobbying, which centres on direct

interaction with elected representatives. Yet when the Standards Committee expanded their definition to include the provision of information, strategic advice and political intelligence they were criticised for (mis)using the term lobbying to describe such activities.

This of course is part of a wider definitional struggle by the British lobbying industry to disassociate themselves from the negative, sleazy connotations of the term lobbyist. Arguably the Standards Committee were to be congratulated for not giving in to the semantic sensitivities of the lobbying industry. The committee were trying to get clarity and transparency into public debate on lobbying in Scotland, an objective not easily advanced by indulging the labelling concerns of commercial and other lobbyists. That politicians, civil servants, journalists and others in Scottish public life seem to be comfortable with the label 'lobbyist' should perhaps instruct lobbyists that it is time to see themselves as others see them. Whether lobbyists engage in direct advocacy, provide advice or background information isn't really the point. What many lobbyists singularly fail to address, amid their complaints about being misunderstood, is the nature of their political communications with clients. If the ultimate intention is to influence MSPs, then these communications should be understood as lobbying.

Twenty-nine parties responded to the consultation, including all the main trade association representing lobbyists and public relations practitioners engaged in parliamentary affairs. The written evidence to the inquiry from most parties confirmed that lobbyists devote much of their time and effort monitoring political developments, gathering political intelligence and - for commercial lobbyists - providing advice to clients. Most respondents were against the idea of regulation. The Committee quickly came to the view that commercial lobbyists posed the greatest challenge to MSPs in determining who was working on behalf of which interests,

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given their multiplicity of clients. MSPs were confident that they understood the terms of their interactions with in-house lobbyists (from both public and private sectors) but worried that they might be compromised in their dealings with commercial consultants. The wider issue of the transparency of lobbying processes at Holyrood to the Scottish public, who notionally are sovereign under the Parliament's founding principles, did not appear to impinge upon the Committee's deliberations. The idea that the Scottish public, via the media, could find out about those groups seeking to influence the legislature they elected simply did not enter the official discourse.

Before the Standards Committee questioned selected groups on their views on registration two Conservative party members of ASPA invited Lord James Douglas Hamilton (then a senior member of the Standards Committee) to address an ASPA seminar in February 2001 on 'Holyrood and Westminster'. Lord James repeated much of the conventional wisdom about lobbying, such as recommending early entry into policy debate, focusing on the professional interactions of officials, members and lobbyists, repeating the idea that registration had generally failed wherever it had been adopted, and that self-regulation was his preferred policy option. This provided a cue for one attendee to ask his lordship for an 'indication' of the future direction of the Standards Committee consultation, which was politely declined.

When asked by a corporate representative about the dangers of penalising resource-rich lobbies via registration Lord James recommended that such groups should by all means take advice from professional lobbyists, but thereafter represent themselves, as this would make it easier for MSPs to accept such (lobbyist inspired) representations. A significant rider was attached to this remark, which emphasised the importance of civil servants keeping detailed and accurate minutes of meetings between ministers and outside interests. In thanking the

guest speaker, Adam Bruce said he felt ASPA had been reassured by the comments made. Afterwards, in the lounge of the Royal Scots Club, Lord James again declined to elaborate on the forthcoming evidence taking by the Standards Committee.

The consultation process then moved to oral evidence and six groups were invited before the committee.[4] Much of the oral evidence amounted to a repetition of the written submissions of the various bodies. The Stirling Media Research Institute (SMRI) evidence did include some original opinion research among ordinary Scots that detected low levels of trust in politicians, lobbyists and support for registration of lobbyists. This evidence also contained responses to a survey of state officials responsible for maintaining registers of lobbyists in the United States and Canada, which revealed that registration schemes did not impose a barrier to political participation on the part of outside interests, including small and resource-poor groups. This evidence contrasted with the repeated assertions by nearly all those offering their opinions that a register would ultimately deter weak and marginal groups from approaching Parliament. The SMRI recommended that *both* MSPs and *all* lobbyists - commercial consultants, in-house practitioners in the public, private and voluntary sectors - should be regulated in the interests of fairness and in order to secure the openness and transparency of the political process in Scotland in a tangible and meaningful way. This prescription was not supported by any other body giving evidence.

Those groups presenting evidence on behalf of voluntary and public sector organisations all similarly opposed registration because it would, in their opinions, act against the accessibility of Holyrood. However, both the Scottish Civic Forum and the Scottish Trades Union Council were prepared to countenance the regulation of only commercial consultants. Extending this

position to all lobbyists was not seen as necessary or desirable. The disposition of the committee changed perceptibly when those representing political consultants gave evidence.

Both the Association for Scottish Public Affairs (ASPA) and the Association of Professional Political Consultants Scotland (APPCS) were invited to represent the views of commercial lobbying consultants. These organisations, and the Institute of Public Relations (IPR) and the Public Relations Consultants Association (PRCA) in Scotland, had co-ordinated their written and oral responses to the inquiry in order to present a credible and unified industry voice from the very beginning of the process.[5] Bringing their collective PR expertise to bear, ASPA and the APPCS held a joint preparatory question and answer session where lawyers from a public affairs legal firm coached the lobbyists' lobby. These efforts signify a couple of important points: firstly, that the industry collectively took the Committee's inquiry very seriously, and, secondly, that the industry's spokespersons were uncomfortable with the scrutiny and critical publicity that the inquiry represented.

Despite these preparations the evidence sessions went badly for the commercial lobbyists. Neither organisation was able to provide comfort to MSPs concerned about those lobbyists operating outwith voluntary codes of conduct. The Committee were critical of ASPA for failing to regulate Beattie Media (then ASPA members) and thereby allowing the Lobbygate saga to unfold.[6] ASPA were also criticised for overstating their membership numbers, as one MSP drew attention to discrepancies between evidence submitted by the SMRI and ASPA.[7] ASPA's openness was also queried, and the absence of a website providing basic information was frowned upon. When challenged about the raison d'etre for ASPA, Alan Boyd (the organisation's first convenor and a past president of the Law Society of Scotland) denied that the organisation was set up to stymie registration, despite minutes from an early ASPA

meeting recording Boyd's declaration that: 'We can allow the Parliament to regulate our own affairs [or] we can get our act together and write a code which will allow us to regulate on our own'.

Under tough questioning from MSPs, industry unity dissolved as APPCS representatives distanced themselves from ASPA. In his opening remarks George Edwards stated: 'To pre-empt a possible question, I should add that none of those [APPCS] companies is a member of ASPA.[8] Nevertheless, they also struggled to explain aspects of their policy on regulation, particularly the fact that the APPC gave evidence to the Nolan committee endorsing a register for lobbyists - a position they were now arguing against. The shift in policy may be related to the fact that registration was a real possibility at Holyrood, whereas it was a remote improbability during the earlier Westminister inquiry. Before the Standards Committee APPCS gave evidence that experience around the world suggested that registration did not work: 'From looking around the world, we have found that where, for example, statutory regulation is passed, people try to find ways round it. That is not a particularly healthy way of proceeding'. However, immediately afterwards in private, and perhaps relieved at having not being publicly mauled like ASPA, Robbie MacDuff, when challenged that this information was partial and contested, freely admitted: 'I know that but they [the committee] don't'.

In the wake of this round of evidence the issue of registering lobbyists was narrowed by the Committee to include only commercial consultants. MSPs had apparently decided that a register of commercial lobbyists was in the public interest, a significant departure from Westminster custom. The focus solely on commercial consultants has a number of possible explanations: commercial consultants are easy to identify, and they had not convinced the committee in either written or oral evidence. Politically, registering commercial lobbyists was

probably all that would pass a vote in the chamber. There was also an understated wish not to include in-house and voluntary lobbyists who work on behalf of some of the most powerful interests in Scotland. What is clear is that this decision was not taken on the basis of any absolute principle. Essentially the process appears to have been inspired by Lobbygate, but steered by the political concerns of MSPs and their officials.

The third phase of the lobbying inquiry sought stakeholder views on what information a register of commercial lobbyists should hold. Thirty-seven responses were received by the committee, nine of which came from ASPA or their individual members, perhaps in an attempt to repair the damage done during oral evidence. Moreover, this consultation attracted the first expressions of interest by some of the most politically significant organisations in Scottish public life: CBI Scotland, SCDI, and Scottish Financial Enterprise; important trade associations like ICAS, the ABPI Scotland, the Scottish Whisky Association, and SELECT; as well as companies whose commercial interest were directly threatened by registration, including McGrigor Donald Public Policy, Bircham Dyson Bell (both legal lobbyists) and Newsdirect (a company selling monitoring services to commercial clients). This increased participation in the consultation was a clear marker of the raised political stakes attached to the inquiry.

Many lobbyists sought to revisit the earlier debate on the principle of registration, hoping to reverse the Committee's renewed determination to depart from the Westminster model and introduce some form of registration. As the inquiry neared completion, the lobbying industry in Scotland raised the profile of the issue in an attempt to pressurise the Standards Committee into a climb-down over its proposals.[9] Coldwell suggests that the Parliament could be

criticised for 'focusing unduly on regulatory schemes which gave the appearance of trying to restrict ... interaction [with business and other stakeholders]' (2003: 98).

Reviewing the publicity surrounding this inquiry it is most likely that such an impression was created by the lobbying industry: through a public letter writing campaign (Duff 2001; Coldwell 2001; Irvine 2001; Armstrong 2001); media coverage based on briefing by David Whitton (Donald Dewar's former spokesman), the PR consultant retained by the SCDI to publicise their intervention in the debate on registration (Ritchie 2001; Scott 2001; Rafferty 2001; *PR Week* 2001; Lepper 2001; Perry 2001; Mills 2001; *The Herald* 2001; *Business AM* 2001[10]); and behind-the-scenes campaigning efforts of Coldwell (as chair of the IPR in Scotland) and others with a vested interest in the status quo. One key organisation in this process was the Scottish Council for Development and Industry (SCDI), which casts itself as an economic development agency but is also a powerful lobbyist with contacts and influence throughout Scottish public life. Its own public affairs employees recognise their function as lobbyists. As one senior public affairs employee at the SCDI remarked *during the consultation*:

> There must be dozens of definitions of what it is to lobby ... we even used to have an internal argument about whether we were lobbyists or not, but that's not even an internal argument now because it is so clear by current man-in-the-street definitions that we are obviously a lobbying organisation. (interview with author, July 2001)

Unsurprisingly, the SCDI did not admit to this in their late intervention in the Standards Committee inquiry (see also Duff 2001), which attracted considerable publicity and increased the pressure on the Committee to revise its proposals (Schlesinger et al 2002: 65-74). The

convenor of the Standards Committee even spoke at a SCDI influencers dinner, where he was pressed (i.e. lobbied) by SCDI members on their concerns regarding the scope and scale of registration proposed by the committee. Six commercial lobbying firms in Edinburgh are members of the SCDI, and other members [11] such as the Royal Incorporation of Architects of Scotland and ICAS also submitted evidence to this phase of the consultation. From such tight networks are campaigns mounted, and pressure brought to bear, across Scottish public life. These local dynamics are incorporated into the lobbying strategies of TNCs based in Scotland and their interventions in policy debate are usually sensitive to such local circumstances, a marked contrast to the interventions of London-based associations like the IPR and PRCA.

With mounting media criticism, the Committee sought to demonstrate that their plans were not geared toward restricting access to Holyrood, but were intended to make this process more open, in line with the founding principles of the Parliament. Two key lines of attack were apparent in the opposition to the proposed register. The first centred on the human rights of corporations. It was argued that revealing details of a lobbyist's work for clients would violate their right to privacy, as established under the European Convention on Human Rights (ECHR). Such an interpretation of the provisions of the ECHR is certainly disputable, and the Scottish Human Rights Centre suggested that the proposed register could be argued to be in the national interest, which supersedes private commercial interests. Another dimension of the proposed register was that it could include information on the clients of lobbyists and lawyers working in public affairs. This proposal was also strongly resisted, despite the reassurance that the register would not contain data on the content of information exchanged between lobbyist and client (though details on the fees being paid to lobbyists were an option being considered by the committee).

A second feature of the campaign against the register played to a wider criticism of the Parliament, namely that it is an anti-business institution that does not understand the realities of contemporary capitalism. The Scottish Parliament is sensitive to such criticisms, and its official embrace of the Scottish Parliament Business Exchange (SPBE) needs to be understood in this context. A subtext of the anti-business critique of the proposed register was that lobbyists understood registration as bad for their own businesses. In the aftermath of Lobbygate several commercial consultants reported that potential clients were wary of employing lobbyists and that it took some time for business to recover (though others reported that mature clients understood the value of lobbying and were happy to retain their services). Perhaps a concern from clients about publicly registering their relationships with lobbyists best explains the inability of most lobbyists to countenance any potential democratic benefits arising from registration.

When the Committee deliberated on the detail of a register in late 2001 the resolve to create a new framework for interacting with commercial lobbyists weakened considerably. The issues paper that committee clerks produced was rather cautious, and highlighted the potential difficulties and labour involved in securing primary legislative force to underpin a register. As the provisions of the register were whittled down to include only the names of lobbying firms, of lobbyists employed, and who they acted for, one MSP remarked: 'I do not want to be too pejorative, but if the information [on fees, expenditures, contact programmes]... is not registered, the register will become less meaningful than we intended it to be'.[12] The Committee, with notable absentees at the decisive meeting, finally endorsed a minimalist register with the sanction that those who failed to comply would be 'named and shamed'. Commercial lobbyists were very happy to accept this, given the information disclosure regime the Committee originally had in mind. The Committee pledged to monitor the efficacy

of the register, though experience since indicates this was more a token gesture than a credible threat to ensure compliance and probity.

Securing openness in the new politics

Since the Standards Committee agreed to adopt a register of commercial lobbyists little has happened to make this a reality. In the meantime there has been renewed controversy over the role of in-house lobbyists accessing Holyrood through the Scottish Parliament and Business Exchange (SPBE) scheme (discussed in more detail in chapter 9), the precise blind-spot of the intended register identified during the registration inquiry. Nevertheless, in agreeing their work programme for the second Scottish Parliament in 2003 the Committee have chosen to progress other matters. The absence of a register has dismayed and disappointed the two past convenors of the committee.[13]

Coldwell (2003) wonders what messages registration sends out? Given current (non-) developments perhaps it is more appropriate to ask what signals the paralysis of the Committee sends to the wider Scottish public. Coldwell argued that the inquiry 'gives the wrong message to those sceptical about the value of engaging with the parliament'(2003: 97). By this he means that the business community in Scotland would have a reflex hostility to registration. However, one could equally interpret such a statement to mean that public suspicion of the capture of institutional politics by organised interests groups is unlikely to be reversed by a Parliament that fails to take any meaningful initiatives to address this problem. This of course was one of the features of devolution that was heavily promoted by all those backing the project in the late 1990s.

There is little acknowledgement that Holyrood could be well served by looking to international best practice in respect of registration, freedom of information and transparency. Undoubtedly, British political culture is infused with secrecy and the conventions of clubbable gentlemen - yet whether such a system is in the public interest is an issue that the lobbying industry completely ignores. In the context of increasing disengagement, and cynicism with the political process it is perhaps time that lobbyists' face up to their responsibilities to society rather than just to their clients. The recent judgement by the Parliamentary ombudsman that contacts between 10 Downing Street and commercial interests should be a matter of public record[14] indicates that concerns about the probity of public life are unlikely to disappear, and that concrete measures are needed to make decision-taking processes more transparent and legitimate.

Instead of advancing dubious and self-serving arguments that equate lobbyists' representations on behalf of transnational corporations with the rights to petition by private citizens enshrined in British politics since the Magna Carta, the public affairs industry should recognise that they are currently part of the problem. In helping to advance the openness and transparency of the political process by cooperating with registration they might become part of a solution. The reaction of the lobbying industry to registration can be seen as an objection to proposals that would be bad for their own interests in the short run, though potentially positive for democracy (and interest representation) in the long run.

Advocating 'symmetrical two-way communication' (Grunig 1992) as a solution to the current participatory malaise in our democracy is a rather feeble and empty notion, especially given the chronic lack of good faith displayed by parts of the Scottish lobbying industry throughout the Committee's inquiry. The disparities between what many lobbyists said in public versus

private suggests there is little scope for mutual understanding.[8] Finally, Coldwell's (2003)

recommendation that lobbyists more readily acknowledge where they have 'added value' in

the political process is very puzzling, given this was the whole point of a transparent

registration scheme, aimed at opening up decision making and influence to scrutiny.

Lobbyists have repeatedly indicated that they are unwilling to do this on anything but their

own terms (such as in a pitch for new business) and therefore the public will suspect that any

value added by lobbyists is largely on behalf of private interests. This scepticism is likely to

be reinforced when the next lobbying scandal is exposed in the media and elected

representatives are prompted again to try to resolve their relations with outside interests. If

any lessons are to be learned they might be that such efforts are best guided by sound

democratic principles, such as those established by the CSG, rather than pragmatic instincts,

and that solutions should apply to all interests equally.

Conclusion

In the absence of a statutory register the self-regulatory codes operated by the APPC and

ASPA are to be welcomed, but arguably they do not go far enough. The ability of these

organisations to work together must remain in serious doubt, given the collapse of industry

unity before the Standards Committee, when the APPCS saw the opportunity to make

political capital after ASPA gave evidence. The need for an official register remains pressing.

This should include a mandatory code of conduct that draws on best practice from other

regulatory regimes and should record the clients on whose behalf lobbyists act and the fees

and resources devoted to efforts to influence the political process. Crucially, the relations

between lobbyists and the Executive need similar regulation. The research presented in the

following chapters examines contacts between in-house lobbyists and Scotland's political

class. It suggests that precious little information about the scale, scope and success of such

lobbying ever enters the public domain, which raises serious doubts about the transparency and accountability of the Scottish polity. It may be objected that the Parliament has no power in this area, but the example of Westminster where the Neill committee recommended that ministers record all contacts with lobbyists and the recent revelations under the open government code (Evans and Leigh 2004) and Freedom of Information legislation of contacts between Number 10 and commercial interests should serve as a salutory reminder of the possibilities for opening up this murky side of the political process. Such a demand could be replicated in Scotland by the Information Commissioner and extended to cover civil servants. This would make a telling contribution to accountability and transparency in devolved Scotland.

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1 The Independent Committee of Inquiry into Student Funding (1999).
2 Only one corporation, Standard Life, offered evidence to the Standards Committee consultation and did not participate beyond a written submission to the first round of the inquiry.
3 Standards Committee (2000) Lobbying in the Scottish Parliament: Consultation Paper, SP paper 200, October. http://www.scottish.parliament.uk/S1/official_report/cttee/stan-00/st-consult-02.htm#03.
4 These included the author as a member of the Stirling Media Research Institute (SMRI), the Association of Professional Political Consultants Scotland (APPCS), the Association for Scottish Public Affairs (ASPA), the Scottish Civic Forum, the Scottish Council for Voluntary Organisations (SCVO), the Convention of Scottish Local Authorities (COSLA) and the Scottish Trades Union Congress (STUC). This evidence can be viewed at http://www.scottish.parliament.uk/S1/official_report/cttee/stan-01/st01-0301.htm and http://www.scottish.parliament.uk/S1/official_report/cttee/stan-01/st01-0401.htm
5 Ian Coldwell, in his capacity as chair of the IPR in Scotland, participated in a meeting hosted by ASPA in November 2000 to rehearse the industry position on the issues raised in the consultation process. The author was also present.
6 Angela Casey complained bitterly afterwards that her advice at the time 'not to sweep it under the carpet' was ignored by then convenor Alan Boyd, which she had predicted they would come to regret.
7 http://www.scottish.parliament.uk/S1/official_report/cttee/stan-01/st01-0402.htm#Col722
8 http://www.scottish.parliament.uk/S1/official_report/cttee/stan-01/st01-0402.htm#Col722
9 For a complementary account of the PR campaign waged by the lobbying industry in Scotland against the proposed register see Schlesinger, P., Dinan, W. and Miller, D. (2002) 'Closed Scotland? Lobbying at Holyrood' in Hassan, G. and Warhurst, C. (eds) Anatomy of the New Scotland: Power, Influence and Change, Edinburgh: mainstream, pp 65-74.
10 An online poll in Business AM which ran throughout the week beginning 7 May 2001, asked readers: 'How should lobbyists be regulated?' The breakdown of the 503 responses received was as follows: Voluntary code covering all lobbyists – 25.2%; Strict regulation by independent body – 64.6%; No official regulation but more publicity on what lobbyists do – 10.1%.
On the eve of the poll closing the figures (based on 420 responses) indicated 75% in favour of strict regulation, so there appears to have been a late flurry of voting against strict regulation.
11 In its submission to the Standards Committee the SCDI revealed some of its own interests in the registration debate, the limits to its own openness, and the type of common assumptions that underpin public affairs in Scotland: 'SCDI does not publish a list of members as some prefer to remain anonymous and current Data

Protection legislation would prevent publication. SCDI would have to seek the explicit consent of every member in order to release their membership details currently held on its database. Such a process would be bureaucratic and would place a large additional burden on staff resources'.
http://66.102.11.104/search?q=cache:yXDpdyScjzEJ:www.scdi.org.uk/file.php%3Fid%3D1546+scdi+membership+list+2001&hl=en&ie=UTF-8.

12 http://www.scottish.parliament.uk/S1/official_report/cttee/stan-01/st01-1502.htm#Col897
The information that was first proposed for the register included: descriptive information about the company or organization; specific information on the subject matters lobbied, for example, naming the Bill; details of expenditure in relation to individual lobbying projects; details of fees received in relation to individual lobbying projects; details of MSPs contacted; and communication techniques. All such data was dropped from the final proposals of the Committee. For the full issues paper see:
http://www.scottish.parliament.uk/S1/official_report/cttee/stan-01/stp01-15.pdf
13 Hutcheon, P. (2004) 'Lobbying: Members Only' *Holyrood Magazine*, 23 February, p. 44-45.
14 http://politics.guardian.co.uk/foi/story/0,9061,1170196,00.html

Chapter 8

Scottish Devolution and Corporate Lobbying

Introduction

The role of corporate lobbying in Scotland has received scant attention, pre- and post-devolution. One major blind-spot in the public debate about lobbying in Scotland has been the role of in-house corporate lobbyists. While concern is often expressed about the role of money in politics, the actual sources of much of this money - large Transnational Corporations (TNCs) - have escaped serious scrutiny in terms of their political influence in devolved Scotland. This chapter seeks to shed some light on the lobbying and public affairs activities of large corporations on the Scottish scene. This focus on the political role of corporations post-devolution in some ways parallels the efforts of commercial lobbyists to secure political legitimacy, or 'licence to operate'.

The following narrative aims to connect the activities of corporations pursuing their own interests in their own name, with the array of other lobbying vehicles at their disposal. Commercial lobbyists are but one outlet for such activity. Most commercial lobbyists count TNCs, or blue-chip corporations, among their clients.[1] The other routes where corporate interests can find political voice include trade associations, front groups (organisations which claim to represent particular causes but in reality are serving different interests whose sponsorship is usually hidden), peak business organisations (such as the CBI, IoD, Business in the Community, etc.), and membership of institutions

and schemes where business and politics are formally and informally brought together. In terms of the public affairs landscape in contemporary Scotland, the Scottish Council for Development and Industry (SCDI) and the Scottish Parliament Business Exchange (SPBE) are perhaps the best examples of spaces where corporate interests can articulate with political influentials and decision makers. We have already seen the role the SCDI played in the debate on the regulation of lobbying in Scotland, and their place in the Scottish lobbying spectrum will be reconsidered later, as will the SPBE (in chapter 9).

The objective of this analysis is to marry the specific in-house public affairs efforts of corporations with the variety of other avenues they use to pursue their political objectives. This account is based upon interviews, documentary and archival research focusing primarily on BP and BT Scotland, but also, where appropriate, considering other companies such as Scottish Gas and Scottish Power. The selected companies share a number of characteristics that are important in terms of their political profile. They are former nationalised industries that now operate as private companies. Each can be considered a utility, providing important public services. Moreover, they are among the most important employers in Scotland, and their impact on Scottish society is considerable.

Background

The devolution of power to Scotland in 1999 has had an impact on the ways in which corporations interact with politicians and public servants in Scotland. The creation of the Scottish Parliament found a strategic response from larger corporations either

headquartered or operating in Scotland. It is necessary to locate corporate lobbying

within the specific configuration of business-political relations, and to consider the

particularity of the Scottish case in terms of governance, interest representation, access

and influence. To begin with, the Scottish business-political interface is home to a

bewildering array of organisations which can act as lobbying vehicles for wider corporate

interests: 'Scotland's population of business bodies remains formidably dense...there are

more professional and trade associations than you can shake a stick at. Some play

significant parts in economic debate... Many of the groups, and many more of their

corporate members, regard one another as competitors rather than comrades in adversity'

(Aitken 2002: 182). The *Directory of Scotland's Organisations* (Baird and Whittles 1998)

lists some 300 different organisations under the category Professions and Trades and a

further 194 under the heading Business and Finance.

The panoply of organisations in Scotland that count large businesses as members is

considerable. This suggests a complex pattern of networks and interests that shape

aspects of public life in Scotland. The particular contours of this terrain characterise the

local (i.e. Scottish) form of business interest representation. However, corporate agency -

understood as the political expression of corporate strategy - is an increasingly global

phenomenon. Scotland can be seen as a branch of a larger world system, a small,

peripheral outpost of the global economy. The global system is dominated by corporate

conglomerates that seek political advantage and to influence legislation and

(de)regulation at all levels of governance they encounter (Sklair 2001; Mattelart 1990).

Thus, lobbying in Edinburgh does not take place in isolation: political developments in

London, Brussels, and even the WTO, can affect what global TNCs do in Scotland. The public relations and public affairs activities of TNCs are at the vanguard of this enterprise and as such it is important to understand the different regulatory spaces that transnational corporations in Scotland occupy in order to understand their communicative agency and strategy.[2]

The role TNCs play in wealth creation and employment in Scotland is welcomed by many, though its long-term impact is disputed, particularly by trade associations representing indigenous Small and Medium Enterprises (SMEs) who wish to see such resources targeted at Scottish-owned businesses that are less likely to exit the Scottish market in search of cheaper labour and a more favourable regulatory climate (understood principally in terms of fiscal policy, labour and environmental regulation).

Robert Crawford, former chief executive of Scottish Enterprise (the government agency charged with delivering economic development), defended the strategy of seeking to attract and retain transnational capital in Scotland, stating: 'We're still going after foreign direct investment ... economic growth is intimately linked with inward transfers of technology, skills and knowledge by multinational companies ... We are seeking to diminish our dependency on foreign investment, while not abandoning it' (Crawford 2002: 13).[3] So, it is likely that large TNCs will remain an important feature of the business and, indeed, social landscape of Scotland for the foreseeable future.

A *Business AM* survey of the most valuable companies to Scotland (measured in terms of their Scottish wage bill, investment in Scottish communities, sponsorships) found that RBoS was the most valuable corporation, followed by BT Scotland, HBoS, Consignia, Standard Life, BAE Systems, Lloyds TSB Scotland, Safeway, Scottish Power and BP (Scottish Gas, as part of Centrica were 20th in this survey)[4] (Williams 2002:10,11). *Scottish Business Insider* magazine produces an annual ranking of the top 500 Scottish companies, by turnover and pre-tax profit. In 2001 the leading corporations were RBoS, Standard Life and Scottish Power (Northop 2002: 14-22). In 2003 the rankings had changed slightly, with HBoS the third largest corporation (meaning the top three corporations in Scotland all deal in financial services) ahead of Scottish Power in fourth (http://www.insider.co.uk/top500/index.cfm).

Consultation Culture: getting down to business

One of the first public opportunities for business interests to contribute to the shaping of the new parliament came via the important Consultative Steering Group (CSG) set up by the Scottish Office, and chaired by Henry McLeish, to prepare a blueprint for how the legislature should operate. Many organisations were invited to submit their views on the functioning of the Scottish Parliament. Thirty corporations were included in the initial consultation exercise, and seven of these made public responses: BP Scotland, BT Scotland, Scottish Power,[5] Atlantic Telecom, British Energy plc, Caledonian Brewing Company and FirstGroup plc. This relatively low response rate could be read as a signal

of the reluctance of the Scottish business community to engage with New Labour's devolution project.

However, consider the submission by Scottish Power, which provides evidence of the willingness of some corporate actors to participate in shaping the new Parliament. This submission proposed a formalised (corporatist) role for business in policy making. Scottish Power's preferred model for the Scottish Parliament's committee system recommended that business interests be accorded special advisory status when committees are considering legislation that will impact upon companies trading and operating in Scotland. Written by Sue Clark, then Scottish Power's Director of Corporate Affairs, the submission states 'We [Scottish Power] are putting forward proposals which specifically examine how the Scottish Parliament and outside bodies can work together most effectively, to ensure that Scottish Parliament legislation meets the needs of business' (CSG submission No. 169, 1998, Scottish Executive Library: 1). Clark also recommended that sub-committees, populated with business experts could 'play an important role in assisting committees in conducting investigations and could also take proposals from business and other organisations and present them to the committee. In this way, business and other organisations would gain formalised input into the legislative process, which is open and transparent' (ibid: 4). These proposals were not accepted, though as we shall see in chapter 9, business did find other methods of securing preferential access to the Parliament.

The number of business and trade associations who submitted responses suggests that the corporate interest was well represented in these discussions and deliberations. Of the 336 submissions 53 came from business organisations and a further 32 from professional organisations. In line with individual submissions, business associations like CBI Scotland argued for a close relationship between corporate interests and the Scottish Parliament: 'it will be important to involve lay experts in the working of the Parliament and to ensure that MSPs make themselves available to important interest groups - of which CBI Scotland would expect to be one' (CSG submission, 22 may 1998: 1). Moreover, several members of the CSG's various working groups and expert panels were drawn from the corporate sector.[6]

While the CSG consultation process was coming to an end, business was being sounded out as to the likely impact of devolution on economic and social policy. A report, by Professors Alice Brown and David McCrone of the Governance of Scotland Forum at the University of Edinburgh, surveying the attitudes and expectations of the business community regarding the Scottish Parliament was published in 1999. The *Business and the Scottish Parliament Project* was sponsored by the Royal Bank of Scotland and Scottish Power. Both corporations 'took the initiative to make their own positive contribution by commissioning [the] research on business-government relations' (Brown and McCrone 1999: 1). The report examined political-business relations in other polities and presented the views of Scottish captains of industry on the prospects for business relations with Holyrood (this will be examined in more detail in the following chapter).

Pathfinders to the Parliament

'Pathfinders to the Parliament' was launched by Lord MacDonald of Tradeston, Scottish

Business and Industry Minister on 20 January 1999, with the stated aim of providing key

industrial and business sectors with the opportunity to set out their priorities for the new

legislature. The Pathfinders initiative was cast as evidence of the Government's

willingness to engage with business interests and to improve their understanding of the

powers and responsibilities of the Scottish Parliament.[7]

The Pathfinders consultation exercise tapped straight into the milieu described by Moore

and Booth (1989), where a 'negotiated order' between business and political elites shapes

much of the governance of Scotland. The tight networks that comprise this quasi-

corporatist negotiated order have tended to act in ways beneficial to business interests.

How might devolution disrupt this established order? The potential to change these

relations, customs and convention resides particularly in the Scottish Executive, since its

predecessor, the Scottish Office, was usually the centre or focus of such networks.

> The unique political, social, cultural and economic arena which exists in Scotland
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> can often encourage a recognition of shared interests and a form of concerted
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> lobbying which transcends a classic pluralist model and differs significantly from
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> the situation in England. The absence of directly elected, democratically
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> accountable forms of representation in Scotland has also given organized interest
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> groups a greater legitimacy than elsewhere in Britain. (Brown and McCrone 1999:
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> 74)

The first report of the Pathfinders to the Parliament group can be read as a wish-list for Scottish industry in the post-devolution scenario. It contains key demands from thirteen sectors[8] of the Scottish economy. Each Pathfinder Group was chaired by a senior figure from that particular sector, appointed by Lord MacDonald.[9] However, the precise membership of each Pathfinder group and its methods of consultation remained in the gift of the nominated chairs (http://www.scotland.gov.uk/library/documents-w8/pttp-02.htm). Thus, there was a fair degree of discretion on the part of those leading the sectoral reviews. The Pathfinder consultation process ran for approximately 10 weeks and reported back to the Scottish Office in March, whereupon the key findings were published ahead of the first election to the new Scottish Parliament. Lord MacDonald recommended the final report, stating 'the breadth and depth of consultation involved gives significant weight to the ideas generated. They represent the views of Scottish business and must therefore be given very serious weight by the Scottish Parliament and the Scottish Executive' (Scottish Office 1999: 1).

It is clear from reading the various Pathfinder group reports that some were the product of more detailed preparations than others. The electronics sector pathfinder cited a Scottish Office facilitated workshop in September 1998 as providing much of the content of their submission (Scottish Office 1999: http://www.scotland.gov.uk/library/documents-w8/pttp-07.htm), while the tourism sector Pathfinder used the ongoing work of the Scottish Tourism Co-ordinating Group (created in 1998 and chaired by Lord Gordon, who also led the Tourism pathfinder group) as a template for its submission.

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Sectoral Lobbying through Pathfinders

The Pathfinder consultation produced considerable cross-sectoral consensus on some issues, notably prioritizing transport and training as crucial policy arenas. There was also almost total agreement that the new Parliament must not burden business with extra regulation. Significantly, nearly all the groups wanted the Parliament to be receptive to business representation (with some appealing for business input into pre-legislative scrutiny) and to become a champion for Scottish interests at Westminster and Brussels. The manufacturing, engineering and small business pathfinders each called for the commercialization of academic research (a process noticeably underway within Scottish universities). The construction, transport and utilities groups recommended the use of Public Private Partnerships (PPPs) as a mechanism for modernizing the Scottish public sector. PPP is firmly established as a central plank of the Scottish Executive's delivery of public services and has become highly politicized as some SNP councils and trade unions have resisted the policy.

Ironically, the major decisions affecting one of the most important sectors of the Scottish economy, finance, are made outwith Scotland. SFE represents the Scottish corner of a truly globalised sector. Governance and regulatory issues at the EU level are much more important than any powers of the Scottish Parliament. The process creating uniform European regulation of the securities industry, and the actions of European finance ministers through the ECOFIN council, directly affect the markets and regulatory environment within which these corporations trade. Essentially the Scottish Parliament

can only affect issues of a lesser magnitude for the banks, insurance companies,

stockbrokers and investment fund managers in Scotland. Nevertheless, policies on

education, training, business rates (i.e. supply side issues such as skills and costs) are

important and SFE's participation in the Pathfinders project demonstrates the sector's

interest in devolution. As Mike Ross, then SFE chairman, remarked: 'We have

deliberately focused on Scotland during the first years of the Scottish Parliament. We will

keep up our work at home, but we also have to bear in mind that the regulatory regime

under which we work is being shaped in London and Brussels. There is a lot of work to

be done for our members in monitoring and lobbying' (Rogerson 2002: 2). The Pathfinder

consultation process was conducted by SFE and called for a dedicated Minister for

Financial Services, a partnership between the new Parliament, the Executive (a

distinction not always made clearly by all the Pathfinders) and industry, and for the

Parliament to be a voice for the sector in London and Brussels 'ensuring the country

remains an internationally respected financial centre' (Scottish Office 1999:

http://www.scotland.gov.uk/library/documents-w8/pttp-09.htm).

Similar appeals are to be found in most of the other sectoral reports. The utilities

pathfinder, representing another important group, offered to 'seek opportunities with the

Scottish Parliament to make creative use of utility companies resources to support

education, training and community programmes throughout Scotland'. This is consistent

with the strategic efforts of many large privatized utilities to promote their corporate

citizenship credentials, engaging in Corporate Social Responsibility (CSR) which help

extend their 'licence to operate'. Given the involvement of public agencies like the three

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Scottish water companies (amalgamated in April 2002 into Scottish Water), it is unsurprising that this group advocated that the Scottish Parliament 'should take a positive role in developing creative forms of public/private partnerships and work with the utilities industry to generate public/private partnerships, which will benefit Scotland' (http://www.scotland.gov.uk/library/documents-w8/pttp-02.htm).

Moreover, the group suggested that a special Scottish Utilities Forum be created 'with the full participation of the Scottish Parliament' to address key issues for the sector. As one member of the forum revealed, the impetus behind its creation was to bring high level politicians and business leaders together to exchange views under Chatham House rules. The Scottish Utilities Forum was duly created in January 2000 and met several times. Indeed, it has evolved into a forum for briefing and sectoral lobbying, with its current emphasis 'focusing more on communication as the main theme for the future' (Scottish Executive 2002a: 35). Dominic Fry, Scottish Power's director of corporate communication, describes the forum as a space where industry can raise issues with interested parliamentarians:

> It's a good vehicle for raising awareness of what the issues are, and it's a good vehicle for establishing some common ground between the various entities: ourselves, Scottish & Southern, Scottish Water, and what have you. It would never preclude all of us from having our own lobbying programmes...there'll be issues where we're at one with our competitors and others where we don't share the same view at all (interview with author, August 2002).

The opportunity to dialogue with decision-makers is obviously one that public affairs professionals are keen on, though there has to be some outcome at the end of the process. Hamish McPherson, Manager of Corporate Affairs for Scottish Gas, expressed some reservations about the efficacy of the Utilities Forum: 'The problem was it was questionable where this thing was going, what was its remit. Because the parties concerned – as far as companies – Scottish Power, Southern, ourselves, we have access where we wish to these people anyway, for obvious reasons' (interview with author, April 2002).

Some of the participating utilities sought to change the terms of reference of the forum a year after its inception. Scottish Water distanced themselves from this initiative as they felt uncomfortable as a publicly owned corporation being party to a group that might criticise the Scottish Executive. A meeting was convened in Executive offices at Victoria Quay between a senior civil servant and representatives of Scottish & Southern, Scottish Power, Scottish Gas and British Energy. At that meeting the view was expressed that the utilities forum may have served its time, though the companies remained keen to keep some kind of forum going, particularly if it were to address trading issues. A compromise was reached whereby the forum would continue to run, while the companies might more usefully address their other concerns through the Scottish Parliament's cross-party group on oil and gas. It was agreed that this cross-party group should therefore be encouraged to widen its remit to consider the kinds of 'downstream' (i.e. consumer) issues that would be of benefit to Scottish Utilities Forum members.

In April 2002, the Enterprise and Lifelong Learning Department published a Progress Report on the Pathfinders consultation exercise. What is striking about this document is the degree to which the priorities identified by these groups have shaped the policy agenda of the Executive. Of the 90 recommendations made by the Pathfinders and addressed by the Executive only four were rejected outright, and these all relate in one way or another to special pleading by particular interests.[10]

Access, Influence and Relationships: the goals of corporate lobbying

One of the more significant changes that devolution has brought to Scottish public affairs has been to open up access to decision-makers in Edinburgh. Indeed, this was a key reason why the devolution project attracted popular support in the referendum of September 1997. Since the opening of Parliament it is an oft-repeated refrain that the Parliament is extremely open to the voices of organised interests. The STUC enjoyed twice as much access to ministers in the first year of the Parliament than in the previous 18 years of Conservative rule. Similarly, the SCDI was 'heard to boast at its 2001 AGM, that policy submissions were running at one a week' (Aitken 2002; 182). However, it perhaps easy to forget that actors such as large TNCs have always enjoyed easy access to senior officials and ministers. What has perhaps changed is the context for these exchanges.

One corporate lobbyist has suggested that devolution has brought politicians, civil servants and business even closer together, with a learning curve on both sides. From the

corporate viewpoint devolution has 'probably made us much more focused on how politics might affect the company, no doubt about that. It's more immediate and there is a very different agenda here from nationally [UK], and always was, but I think [it] has increasingly become that' (interview with author, April 2002). Indeed, an unremarked change for in-house corporate lobbyists has been the increased effort to explain this divergent political agenda to colleagues and decision makers south of the border.

In their 1999 survey of corporate communications in Scotland, Wood and Higgins express surprise at the lack of preparation by many organisations for the opening of the Scottish Parliament; 'with only a quarter of respondents indicating that they had already expanded their Scottish communication provision ... 14 per cent of responses mentioned formulating plans to deal with the new parliament and conducting negotiations with senior politicians and civil servants ... a few organisations have invested money to expand their Scottish based activity. These are major private sector companies plus three national voluntary agencies' (Wood and Higgins 1999:40). It is not surprising that prominent among those preparing for devolution were the large transnational corporations operating in Scotland. Many of these companies not only provided for the impact of Holyrood in-house, but also retained the services of public affairs consultants to meet the communicative and public affairs challenges that devolution would produce.

There is anecdotal evidence that some corporations might have preferred to keep their preparation for devolution private, quietly building relationships with political influentials behind the scenes in Edinburgh. Nevertheless, there is public evidence of

corporate engagement with the new Parliament. We can gauge some corporate public affairs activity by examining the conference circuit in Edinburgh, and look to specialist publications like *Holyrood* or the *Scottish Business Insider* magazine as a guide to business efforts on lobbying, issues management and relationship building with the new Parliament.

As Aitken (2002: 184) remarks: 'Formal routes to influence, for sure, are not the whole story. The Scottish business community has an enthusiasm for informal "networking" that borders on the mystical. Scarcely an evening passes in Glasgow or Edinburgh's big hotels without a gathering of the communities finest, often to present one another with awards.' While the penchant for such networking may seen rather bizarre and comical to outsiders looking in, conferences and seminars are highly valued in the world of public affairs. They afford opportunities to build and maintain personal relationships (which animate the contacts programmes that large corporations routinely and systematically run), to gather political intelligence, and to monitor the public policy environment from the perspective of lobbying targets, competitors and allies. As one seasoned lobbyist in Scotland remarked: 'you just hope that your network of contacts is such that if you haven't seen something, somebody will say – 'Oh, by the way, did you notice such and such'. So it's important that we keep close to that' (interview with author, April 2002). The fact that such fora are nominally 'public' events (though very often delegate fees are a barrier to participation) is an added attraction, as it offsets the accusation of privileged access to decision makers. Such events are run by a wide variety of organisations and interests. Thus, while the conference networking phenomenon is ubiquitous, its specific form and

content are continually shifting, making it a rather elusive target for investigation and analysis.

In Scotland networking opportunities are often facilitated by business associations like the CBI, and sectoral trade associations. Dominic Fry, Scottish Power's director of corporate communications, maintains membership of all the available peak business organisations in Scotland because:

> They all bring slightly different things and we're the largest industrial company in Scotland by some distance...so we spend a lot of time talking to CBI Scotland, SCDI and all sorts of others, because they bring benefits to us and because we're part of the business fabric of Scotland...we feel that we should be part of these organizations and that we should contribute. So our people are on the various committees and what have you. It's part of discharging our responsibility. I guess, along the way, you pick up a lot of valuable and good information and get the opportunity to put your case. (interview with author, August 2002)

The SCDI also host an important series of events that readily attract sponsorship and participation by corporations. Think-tanks, policy seminars and speaker events such as those organised by bodies like the Scottish Council Foundation, the Governance of Scotland Forum, Business in the Community, ASPA, the IPR in Scotland, the Eglinton Centre, and the Hansard Society also create space for exchanges between public affairs professionals and the political class. Almost all the major corporations based in Scotland

maintain a presence at party conferences, or their fringe events. Hamish McPherson of Scottish Gas, describes what is fairly typical of big business involvement in policy debates in Scotland:

> We go to all the party conference here. We have historically, up until this year, held fringe meetings which we will do in partnership with Help the Aged or Energy Action Scotland, or somebody like that, and we will also do cross-party fringe meetings... it's very good because they are all well attended by the politicians and the activists and so on, and there's no beating about the bush as to why we are there... we chair it and give our viewpoint... and then the politicians will happily lay into us and each other, which is good ... *so we can put our viewpoint*... there may not always be total agreement, but there should be informed discussion rather than uninformed. So that side of affairs is very important and I think *particularly in Scotland...politics permeates everything, you know, it is very high profile and the media and charities and everything, it's very close. So you can't stand aside from that*, so we're heavily involved in... socially responsible subjects such as fuel poverty [that] are closely linked, obviously to politics large and small 'p', and are linked to our business. (interview with author, April 2002, emphasis added)

Scottish Influentials: The SCDI

The SCDI's parliamentary affairs meetings are regarded by lobbyists as more useful than similar events on the somewhat crowded corporate circuit. Since 1998 SCDI have hosted

over 30 MSP member meetings, and numerous political 'influencers' dinners with elected

representative and officials. The influencers dinners have been addressed by Jack

McConnell (currently First Minister, then in his capacity as minister for education), Jim

Wallace (deputy First Minister), Wendy Alexander (then minister for communities),

Sarah Boyack (in capacity as transport minister), Helen Liddell (former Secretary of State

for Scotland, then a minister of state for education), George Foulkes (then minister of

state in the Scotland Office), Brian Wilson (twice, minister of state at the DTI), both Alex

Salmond and John Swinney as leaders of the SNP opposition in Scotland, and John

McKinnion, the Scottish Executive's chief planner. In addition to these exchanges the

SCDI organises trade missions with the active participation of prominent politicians

(including Helen Liddell, Secretary of State for Scotland), receptions, breakfast and lunch

meetings with elected Scottish representatives in Edinburgh, London and Brussels and

senior officials in the Scottish Executive.

The SCDI's annual forum in 2002 examined the theme of Corporate Social

Responsibility, and was addressed by Jack McConnell, First Minister, and Douglas

Alexander, then minister of state at the DTI with responsibility for CSR. In 2004 the

annual forum was again addressed by Jack McConnell. This event also featured

presentations from senior public servants such as Peter Lederer, chair of VisitScotland,

Professor Wilson Sibbett, chair of the Scottish Science Advisory Committee, John

Elvidge, Scotland's most senior civil servant as Permanent Secretary at the Scottish

Executive, and Mairi MacPherson, chair of the influential Scottish Executive strategy

unit (http://www.scdi.org.uk/file.php?id=1718). Jack McConnell was yet again a keynote

speaker at the 2005 SCDI forum, as were other senior political figures like Sir Menzies Campbell and Lord Robertson of Port Ellen.

In addition to all this activity the SCDI states: 'There are, of course, many other SCDI events and meetings at which politicians are guests or participants but these are not listed'.[11] The SCDI instigated a 'Meet the MSP' series of events where up to thirty members can interface with MSPs. Over thirty such meetings have taken place since March 2000. The value of these exchanges is clear to the corporations who sponsor and participate in them, as we shall see below in the case of BT Scotland. The form of these meetings is described by a regular attendee as follows:

> It's a small group of people who go, maybe 20, 25. It's Chatham House rules and it'll be one MSP [or] leaders of a party [or] office holders, and of course they will have their political base they're starting from...They're quite open [sic] because they may well say, 'well, off the record, I don't think we're too bright on X, Y, and Z'. And then there are questions, and some of them are pretty sharp because they're people who have absolutely no political support for whoever's talking that day...they are hardheaded business [questions], but they might be political. (interview with author, April 2002)

Conferences and Consultations

Another site for dialogue and intelligence gathering is the conventional policy conference. The Hansard Society organised a Scottish Parliamentary Programme and

held their first conference in February 2000. Initially among the conference delegates were a healthy representation of corporate[12] and consultant lobbyists, though within two years this annual conference came to be dominated by delegates from the voluntary sector and trade associations. This can partially be explained by the novelty of devolution back in early 2000. Delegates at that conference were pleased to have an efficient way of harvesting knowledge and insights and sharing experiences in what was still a learning curve for those engaged in lobbying the newly created legislature and Executive. Over time, the demand for this type of information has receded as in-house government relations personnel have bedded into their jobs and become familiar with the institutional architecture and political contours of the new Parliament. Since alternative mechanisms exist for corporate lobbyists to monitor and participate in policy discussion their declining participation in open events such as the Hansard programme is unsurprising.

The CBI's parliamentary briefings have changed over time. In 1999 they involved formal presentations by business people or academics, followed by question and answer sessions. In the first year there appeared to be sufficient interest from all sides, but over time participation by MSPs declined. Thus, in 2001 the format was changed to a more conventional series of select gatherings, usually private dinners under Chatham House rules, with up to ten invited MSPs and Ministers plus a similar number of CBI members (Institute of Governance 2003: 20). These events have proved more successful than parliamentary briefings and the CBI intend to host two or three such events per term.

A somewhat crude measure of corporate communications activity in Scotland can be gleaned by examining the specialist publications of the Scottish business community, including the business sections of the broadsheet press in Scotland. One publication dedicated to the public affairs community in Edinburgh is *Holyrood*, the Scottish version of *The House* magazine at Westminster. An examination of the advertising and advertorials in *Holyrood* since its first edition in May 1999 through to May 2002 reveals a lobbying universe populated by numerous trade associations, voluntary sector organisations, single issue campaigns and charities. Prominent Scottish institutions such as universities and professional associations are also evident. Another major category of advertiser is the public affairs service suppliers, mainly comprising political consultancies. Moreover, there is a noticable ebb and flow to the pattern of advertising with substantially increased (and targeted) advertising around the various party conferences, and also as issues proceed through the legislative process (notably the Section 28 and fox hunting debates).

However, constant throughout the sample is the presence of the major corporate actors.[13] Many of these advertisments proclaim the good deeds of these corporations in terms of their environmental and social impact, and draw attention to their positive role in enabling debate and policy formulation (a characteristic shared with the advertising by some trade associations). Others, such as Pfizer, advertise their commitment to devolution by announcing the setting up of their dedicated Edinburgh offices and their sponsorship of policy debates on health issues at party conferences. In some senses, this

index mirrors the policy priorities of the Scottish Executive, with an accent on health, transport and social inclusion.

Another avenue for corporate interest representation is through the official consultation mechanisms managed by the Scottish Executive. Consultation responses can provide an indication of the public policy interests of corporations, although to date the consultations have tended to focus primarily on social issues rather than strictly business ones. Moreover, consultations often provoke a sectoral response under the umbrella of trade associations rather than individual corporate submissions. There has been a massive increase in the number of consultations since the New Labour government was elected in 1997. Of the 1440 consultations catalogued between 1983 and 2002, 590 have been conducted since June 1997.[14] Corporations will certainly respond to specific consultations that directly affect their ability to do business. For example, BT Scotland responded to planning issues consultations using Warren Consultants, a Glasgow-based planning agency, to inform their submissions. These submissions were then woven into the ongoing contact programmes and briefings of politicians and public servants that BT Scotland undertakes.

So, what then is the sum of all this corporate networking, sponsorship, advertising, and engagement with decision-makers and influentials? In participating in all these activities, large corporations are making a structured and systematic investment in political capital, attempting to build and cement relationships with key figures who may be able to directly or indirectly affect the ability of the corporation to operate and profit. As Peter Jackson,

an American consultant specialising in organising corporate contact programmes, pithily

notes, 'Established relationships earn a willing suspension of disbelief' (Jackson 1999).

Thus, such seemingly innocuous corporate public affairs activities can be understood as

the effort to generate political credit. This credit may later be called upon when the

interests of the organisation are under pressure. Another key reason why resource-rich

organisations do public affairs is to try to position themselves in the public policy arena,

to develop early warning systems and anticipate issues long before they become party

political or policy. Some empirical detail regarding these kinds of lobbying efforts will be

examined below by considering the public affairs and PR resources mobilised by two key

TNCs operating in Scotland: BP and BT.

BP in Scotland

BP is a major corporation, not only in Scotland, or the UK, but at a global level. Its

Scottish interests are considerable, as most of its UK assets are managed in Scotland.

These are principally BP's stake of oil and gas reserves in the North Sea and the refining

and petrochemical plant at Grangemouth in central Scotland. According to research

commissioned by BP, and carried out by DTZ Pieda Consulting of Edinburgh, 'almost

50,000 jobs and £1.4 billion of income was generated in Scotland by BP's activities [in

2000]' (DTZ Pieda 2001: 6). The main economic impact is felt in the Aberdeen area,

though there is also a notable effect on the local economy around Grangemouth. BP

employed 3,913 directly, 33,732 jobs were in companies supplying BP, and a further

12,046 jobs were 'induced' by spending directly and indirectly generated by BP (ibid: 7).

BP's presence in Scotland has meant that they have long had public relations and corporate communications capacity in Scotland. The advent of devolution and Holyrood added another dimension to a pre-existing programme of political affairs and community relations. As Harry MacMillan observed of his appointment as Vice President of Government and Public Affairs in Scotland in 1999:

> All the streams of the company are represented in Scotland: we have upstream exploration and production, we have refining and petrochemicals, a very large complex at Grangemouth, and we have the retail business. And so it was felt that we needed better co-ordination of our public [and] government affairs activity across these streams in Scotland. (interview with author, July 2002)

Prior to devolution BP had two corporate communications centres in Scotland: one in Aberdeen, looking after the upstream (extraction) part of the business and another in Grangemouth, handling the downstream (refining) production. Periodically there was a communications post in Edinburgh, and this arrangement became more formalised after BP acquired Britoil (another formerly nationalised company) in 1989. As MacMillan notes, the Edinburgh post has tended to take care of 'the broader swathe of relationships'. Managing these relationships is a lobbying task. An integral aspect of this type of work is research and intelligence gathering. Those in the corporate communications field refer to such activities as issues management and environment scanning. In effect, this means the effort a corporation makes to stay abreast of political and social developments and to anticipate future policy.

BP in Scotland - and indeed globally - expends considerable resources managing issues. As MacMillan remarked of his role in Scotland (that appears to be typical of those working for the larger TNCs in a similar capacity) as Vice President of Government and Public Affairs:

> Issues take up most of my time, issues that impinge on the company, whether they be the issues that come up with the problems of the cyclical environment at Grangemouth, how that's perceived by the politicians, the problems we have with things like taxation currently, the problems that we have as we try, for example, to rationalise our service station network. And I guess, really, trying to get into the minds of legislators and politicians and others the business rationale for the things that we do and the various things that actually impact on that... the whole environment which impacts our ability to do business here and to be successful here.

In Scotland, BP has a variety of tools for this wide-ranging and strategically important job. At one end of the spectrum, BP monitors public opinion and perception about its activities and reputation, retaining the MORI polling organisation to conduct this research. For their report 'The Reputation of BP Amoco in Scotland: 1999 Update', MORI examined the attitudes of the Scottish general public (1019 telephone interviews), local residents near BP operations (406 interviews in Aberdeen, Orkney and Shetland and 406 interviews with Grangemouth residents), and industrial leaders (91 board directors

drawn from Scottish Business Insider 500 survey, plus 9 chief executives of Scottish quangos) (MORI 1999). This sample gives some clues about those BP sees as its stakeholders in Scotland, and whose opinions are worth listening to. Missing from this list are Scottish politicians, although BP has ways of accessing their opinions also.

In conjunction with this type of polling BP utilises more sophisticated methods of gathering opinions that perhaps have more political clout or public affairs value. BP recognise that power is differentially distributed in society and therefore take particular pains to measure the opinions of more powerful actors. Hence the creation of BP's Advisory Board in Scotland. This board was set up after BP bought Britoil. In the ensuing restructuring BP cut a number of jobs in Scotland, specifically Glasgow (Aitken 1992), and the company was accused of lacking commitment to Scotland. To help tackle this perception the Advisory Board in Scotland was formed. It was seen as a useful way for the company's management to take the temperature of the Scottish political class and to draw in advice and expertise from outside the company. The advisory group function as a sounding board for the company as it develops its corporate strategy in Scotland.

This board meets two or three times a year and reviews the company's operations in the context of developments on the Scottish economic, social and political scene. Crucially, these meetings are chaired by a senior figure within the company and are attended by key managers from both Aberdeen and Grangemouth. Public affairs provide a secretarial service to these meetings, noting what is said, and by whom. Membership of this advisory board is drawn from across Scottish public life: from business, politics,

environment and social policy circles.[15] As MacMillan observes:

> It's a broad range of people who know Scotland intimately, because Scotland is a
> very small country, and who can judge pretty accurately things that are occurring
> and situations that are occurring or may occur, and have a view on these. And we
> use that information in terms of some of the things that we ourselves are planning
> to do. Principally...in the social investment area, where we are thinking about how
> we are going to be spending our social investment funds. (interview with author,
> July 2002)

Social spending and social investment are often seen as closely linked to a corporation's
public relations activity. Social spending has traditionally been seen as an easy way of
generating positive headlines and goodwill. While this view of Corporate Social
Responsibility (CSR) actions may be a little simplistic, the communicative dimension of
such programmes is certainly an important calculation. Ken Richardson, Government and
Public Affairs manager at BP Grangemouth, acknowledged that such sounding boards
can furnish useful pointers for corporate decision makers and communication strategists,
'what we're really looking for is their view on things, where BP stands, how we should
be shaping our forward plan. Communications obviously comes into it a lot' (interview
with author, March 2002). BP in Scotland also host an annual forum where they draw
together a wider grouping than those who sit on the Advisory Board, including
community, environmental and political groups. This forum tends to be themed (for
example, a recent forum addressed the topic of sustainable development), and

participants are expected to address the subject theme in their contributions in a fairly focused manner. It provides yet another way for BP to scan the policy environment and assess current thinking and sentiment on issues that relate to its ability to do business in Scotland.

While BP devote resources to measuring opinions and understanding various attitudes and perceptions among their stakeholders, the function of government and public affairs clearly extends to attempting to manage and shape these perceptions. The connection between this research, networking and intelligence gathering and the way a corporation like BP positions itself are often rather subtle and unseen. When studying this type of activity it can be helpful to have a holistic conception of reputation, and indeed politics.[16] Thus an appreciation of BP's public affairs activities in Holyrood needs to be tied to its public affairs activities 'on the ground' at its operating facilities. What follows is an account of the range of lobbying and political work done by BP in Scotland. The spectrum of BP's public affairs in Scotland stretches across their relationships with local communities, local politicians, MSPs, civil servants, ministers, regulators, public agencies, the media, political commentators and others in Scottish public life.

Neighbourhood Watch: BP in Grangemouth

Considering BP's public affairs from the bottom up, we can examine how BP interacts with its local communities or neighbours. BP Grangemouth makes an interesting case study in this regard. The public affairs and public relations personnel within BP recognise that Grangemouth is more than a very large industrial complex – it is a Scottish industrial

icon, and it carries a significant political charge. The Grangemouth complex is unique

within the BP group, in that it has all three major lines of business (oil, chemicals and

exploration) operating on the one site. Grangemouth has its own dedicated PR and

communications personnel. There are around 13 communications and external relations

staff working on the site (McLaren 2001). While much of their work is focused

internally, the government and public affairs manager and press officer both have key

roles to play in external PR. The site also boasts a visitors centre and has an educational

officer who does outreach work with local schools and community groups. The

Grangemouth site has an annual PR budget in excess of three-quarters of a million

pounds (McLaren 2001).

BP's relations with their stakeholders at Grangemouth have deteriorated in the past few

years after a series of health and safety incidents and some 700 redundancies announced

in November 2001. As Bill Moore, press officer at Grangemouth, concedes, 'the

community tolerance of BP Grangemouth's activities is probably the lowest it's ever

been...we felt a definite shift in tolerance, i.e. it almost went to zero tolerance' (interview

with author, 25 March 2002). Dealing with this kind of community 'outrage' is a priority

for BP's public affairs staff. BP created a Community Liaison Group (CLG) in 2000 to

help them manage this problem. This is literally a textbook corporate PR response to

criticism from local communities (see Hart, 1987; Price, 1994; Arenson 1998), though

ideally such community relations programmes should be in place before a crisis occurs

(Hussey 1989:125).

The community liaison group is not simply a forum where the concerns of local stakeholders (to use the term favoured by PR professionals) are communicated to the company, although this is a core function of the group.[17] It is also a mechanism for the company to manage criticism and to defend its reputation. There is evidence that BP have influenced the membership for this group, in particular placing a pro-BP secretariat within the group (McLaren 2001: 41-45), which has on occasion stifled criticism of the company. The Grangemouth CLG is not an elected body and has no formal decision making processes. Its members are drawn from leaders of local organisations, local elected representatives and others with some official standing or status in the community. New members have to apply to join the CLG. Thus, the CLG is not a 'functioning live voice for the community... dialogue may not always be 'open and honest'... and... crucially 'control' ultimately lies with BP. This again points to a disparity between the CSR rhetoric and reality' (ibid: 51, 52). It almost goes without saying that one could never guess at this state of affairs by relying on the official output of BP's public relations. Understanding this type of activity necessitates a consideration of BP's micro-management of reputation and politics at the local level alongside their more publicised macro initiatives.

BP's public affairs division foster relationships with a wide variety of political actors. In terms of the operations in Grangemouth the company has extensive contacts with local elected representatives, including councillors, MSPs and MPs. BP try to bring these politicians into the Grangemouth complex on a regular basis as part of a sustained contacts programme:

Politicians are invited in for a brief at least two or three times a year. Cathy Peattie MSP, Michael Connarty MP, and we've also got the Clackmannan MP, Martin O'Neill. We've got people like Denis Canavan and Eric Joyce on the doorstep as well. So Michael and Cathy tend to form one group, but we also sometimes do a general MPs, briefing and they are basically brought in to meet management... then they get a chance to say what they want. So, very much a rolling programme every year, at least two or three occasions they come in. And, also, if an incident happens or any unplanned event, then they make a request to come in for a briefing, if they do that, we always make time for that. (interview with author, March 2002)

The close connections between BP Grangemouth and the political class in Scotland were well demonstrated when the company announced almost 1000 redundancies at the plant late in 2001. BP made extensive PR provision for this announcement, geared towards minimising damage to its corporate reputation. The communications planning involved detailed work on possible scenarios and likely criticism. The PR team in Grangemouth engaged in what they termed 'peer assists', where they reviewed their communications plans with outside consultants, government and public affairs staff from Aberdeen and head office in London. A political peer assist was conducted in London where the public affairs managers worked through their key messages and how they intended to roll out the announcement of these job losses and the likely reception for these messages among

politicians. Part of this plan involved giving prior notification of the details of the

redundancies to politicians:

> Key people like [the] Scottish Executive Minister, [the] Scottish Office Minister,
>
> local MP, local union guys that we would give advanced notification of the
>
> announcement to. So within the four days leading up to the announcement, we
>
> confidentially gave a heads up to selected people, because we knew they would be
>
> targeted for media comment on the day and we wanted everyone to be aware of
>
> what we were doing and we wanted consistency of messaging. (Bill Moore
>
> interview with author, March 2002)

While part of the objective of this plan was to contain media criticism of BP, there was

also a more subtle political dynamic in play. Public affairs staff recognized the need to

ignore the likely media frenzy and concentrate on the important, longer term political

relationships they have cultivated. As MacMillan remarked, the objective was to keep

talking with decision-makers: 'Don't let [media coverage] get in the way of the

conversations you're having with people who can really make things happen'. This on-

going contact with politicians doesn't necessarily ensure that these representatives will

always take a positive view of BP's actions,[18] but it undoubtedly increases the likelihood

of a more favourable disposition toward the organisation. BP had several meetings with

the Development Department of the Scottish Executive, explaining their rationale for the

Grangemouth retrenchment and what the company was doing to encourage former

employees into new careers. BP's 'state of the art thinking' on these matters is closely

connected to yet another public affairs initiative of BP's in Scotland, the International

Futures Forum (IFF)

Blue Skies and Green Futures: thinking corporate strategy

The International Futures Forum is a project funded by BP, and undertaken in

conjunction with a leading Scottish policy think tank, the Scottish Council Foundation.

The IFF sets itself the modest task of seeking out a 'second [Scottish] enlightenment'.

Where the first enlightenment provided a worldview that helped eighteenth century

society in the transition to the industrial age, the context for a second enlightenment is the

posited 'global shift in traditional social, religious and political ideas as our post-

industrial society enters the third millennium'

(http://www.internationalfuturesforum.com). The IFF has two strands to their current

work on the second enlightenment, a global agenda and a Scottish agenda.

The IFF, like many other think tanks with connections to large corporate organisations

interested in issues like governance, the (new) economy, social values, change and

consciousness, is in the business of blue skies thinking and strategy. They are however

also focused on some more practical and shorter-term issues. A recent policy paper

addresses the voguish topic of 'the enlightened corporation'[19] and its relations with wider

society over the coming decade, a theme which corporate and public affairs strategists are

now rather fond. BP's interest in, and financial support for, the IFF is very much rooted

in practice, and, according to Harry MacMillan, is closely aligned with BP's brand values

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of innovation and progress and their social investment programme in Scotland, which champions education,[20] environment and enterprise.

For MacMillan, BP's involvement with the IFF brings strategic thinking and policy analysis to bear on real world problems. Where 'the rubber meets the road' on this initiative is through IFF members working with education authorities in Dundee, health authorities in Fife, and tackling economic regeneration in Falkirk.

> We're really keen on this kind of innovation, it's one of our brand values, another one is progressive, that we should be progressive, that we should be innovative, that we should try to stimulate new thinking. And so that's one of the things we've been doing in this enterprise arena… it's all about trying to change perceptions and trying to bring new ideas into the real world. (interview with author, July 2002)

The public affairs and political PR value of the IFF's Scottish work is that it gives BP the opportunity to demonstrate its engagement with the broader policy agenda of the Scottish Executive and UK government. BP's long-term aspiration for the IFF is that it may eventually become a resource for Scottish policy making.

> We think that it's good for Scotland to have new visions, new concepts, new types of thinking. They won't translate immediately into a revolution in policy making or something like this, but I think the more you can drop the seeds of ideas that might be transformational into the pot, then the more chances that some of these

seeds will grow. And it's transformational stuff that we're interested in, not incremental stuff. (ibid)

While such ambitions for this project are perhaps a long way off, it is possible to detect some payback for BP in the shorter term. The IFF focus on economic regeneration in Falkirk sits neatly with a looming problem for BP: how to lessen the community's dependence on the company, given BP's wish to make redundancies and the fact that North Sea production is in a mature phase. A year after 700 job losses in Grangemouth were announced, BP co-sponsored the Falkirk Action Plan (in conjunction with Scottish Enterprise and Falkirk Council), which seeks to translate some of the IFF's thinking on economic regeneration into practice around the Grangemouth plant. Thus, BP's involvement with such initiatives follows the 'enlightened self-interest' model of CSR, which posits a business case for corporate citizenship. Again, MacMillan expands:

We're keenly anxious that the community should become more successful and that it should become less dependent on certain sectors of industry. And we think that would be hugely beneficial for us as well as for the community, because if you've got a vibrant, entrepreneurial, confident community around Grangemouth, you would see great benefits to companies like BP... you might see that the service providers were a different breed, that they were highly competitive, highly competent, highly efficient... So, yes, they're [IFF projects] not hugely tangible benefits, except maybe in the case of the Falkirk thing, but they play to a lot of the

brand values that we have and they also play to the whole concept of a vibrant, stimulated, confident community in which to run your operations. (ibid)

So, while the long-term potential influence on public policy is undetermined, the possible short-term PR benefits of 'the second Scottish enlightenment' seem less remote. The political impact of this blue skies thinking and corporate social investment for community regeneration is that it builds goodwill for the corporation, maintains its licence to operate, and eventually helps facilitate corporate exit from the community when the natural resources which have brought them to Scotland in the first place are exhausted. Having such projects in place certainly appears to be judicious public affairs from the corporation's perspective. BP's commitment to local economic regeneration through several schemes[21] including the IFF, and now the Falkirk Action Plan, clearly generates significant political capital, and creates room for the corporation to continue its economic activities. Thus, the reaction of the Scottish Executive in the aftermath of the Grangemouth redundancies (as outlined by Harry MacMillan) can in part be seen as a fairly predictable response to BP's public affairs planning:

> They've said to us – BP, you must do your job here as best as you can and we are not interfering with that, we want to know what you're doing, but you must do that and we will be over here supporting and pushing forward the Falkirk regeneration piece and we'll keep in close communication as that goes forward. That's really where we've been, continuous dialogue.

Bringing such policy resources to bear on their public affairs activities also gives BP the opportunity to maintain dialogue with decision-makers and politicians. BP's extensive interface with elected representatives can of course have multiple uses. For example, the Falkirk MP, Michael Connarty, is chairman of the Westminster Parliamentary group for the Chemical Industries. Connarty also contributed an enthusiastic testimonial to BP's Location Report for Scotland on the company website.[22] Such contacts can become important as other political issues affect the company. In 2002, Treasury policy on North Sea taxation was one not only pre-occupying BP, but all the major players in UK exploration. The all-industry lobbying campaign was led by the industry trade association, the UK Offshore Operators Association (UKOOA), with BP playing a key role, using their parliamentary contacts in Westminster to get the industry message across. Interestingly, this issue highlights some of the complexities that devolution has introduced into the public affairs of large TNCs operating in Scotland. Taxation in this instance is a reserved matter, whereas the employment and job concerns have a clear Scottish dimension.

Oil jobs are a Scottish matter, and so there's very close liaison between myself and my colleagues in London as to how this is being handled, which is alive to the fact that the legislators for this are in London, but the pressures for this are in Scotland, political pressures are in Scotland ... I have quite a lot of dealings with the interested Scottish constituency MPs and there are some interested MSPs also, because we have this cross-party oil and gas group in the Scottish Parliament,

who are very interested in what the industry is doing. (MacMillan interview with author, July 2002)

The complexity of managing issues across different political administrations is not unknown to such large companies, though devolution has added a novel dynamic to UK public affairs.[23] Corporate lobbyists can now interact with the new political system in Scotland through the cross-party groups of the Scottish Parliament. While many of these groups, particularly in the voluntary sector, have been criticised for their poor record of attendance and lack achievement, this has not been BP's experience.

My view of the cross-party oil and gas group would be that it has, from time to time, provided a useful place for an exchange of views between the industry and these interested MSPs. Yes, you can always criticise these things in terms of, do people turn up, are people really interested, all the rest of it. My own view is certainly that that particular cross-party group has, in a relatively short life, had some very interesting discussions and has provided a forum where there can be an exchange of views between the industry on the one side and the MSPs and they're probing and asking their questions and we're trying to give them the answers. I think it has been quite useful. I think it's better to have dialogue than not. (interview with author, July 2002)

Thus, for BP it is clearly good to talk. It would appear that in terms of corporate lobbying and public affairs this maxim holds true across the board.

BT Scotland

BT remains one of the largest corporations operating in Scotland, and its value to the local economy is repeatedly emphasised in the Scottish business press (see Williams 2002). In 2002 BT published research commissioned from DTZ Pieda on their economic impact throughout the UK, including Scotland. The main findings were that BT directly employs 11,700 in Scotland, a quarter of who are contracted staff. BT Scotland's salary and wage bill amounts to some £294 million per annum. According to their consultants BT Scotland spend £387 million and support and induce a total of 19,650 jobs (DTZ Pieda 2002: 65). Given the size and scale of the corporation BT register on the political radar throughout the UK. In Scotland this profile has a direct impact on the corporate communications behaviour of the company. Though privatised in 1986, BT remains a highly visible service provider. As one BT lobbyist in Scotland remarked:

> That type of thing goes back to the days when BT was part of the Post Office, and part of the civil service, so that never actually went away. And interestingly there's still a sort of perception ... that BT is still part of the government establishment, provision of service in rural areas, that sort of thing. There's an expectation there, but it's a private company. (interview with author, March 2002).

The corporation has customers, shareholders and employees spread throughout every political constituency in Britain. As Sandy Walkington, former Head of Corporate Affairs for BT remarked:

> It is now axiomatic that any serious party will major on issues around the information society and its centrality to future economic success. Like it or not, we are part of the political debate. This has advantages, of course. We have a "locus" to speak to virtually everyone on virtually everything, and we can present ourselves as helping to offer solutions to intractable problems...however, we can also be overwhelmed by unrealistic expectations – it is a balancing act.
> (Walkington 1996)

Managing such expectations is a key part of the public affairs remit of those now representing BT in Scotland. BT Scotland's lobbyists' start with the premise that 'perception rules the day'. In practical terms this means that BT government relations staff in Scotland spend considerable time and effort disseminating information. MSPs are a key target as, according to one source who wished to remain anonymous, BT regard them as basically lacking any real knowledge or insight into BT's business.[24] In terms of corporate lobbying and intelligence gathering, BT Scotland is linked into BT's public affairs division in London. BT Scotland take the lead in dealing with the Scottish Parliament, Executive and MSPs. London is responsible for relations with Scottish MPs, though BT Scotland sometimes deal with Scottish MPs as and when requested to by London, 'on a sort of agency basis', and if BT Scotland get involved with a constituency

issue of interest to a Scottish MP they inform their colleagues in London as a matter of course.

BT's preparation for devolution was extensive. When the creation of a Scottish Parliament was seen to be a political certainty after the election of New Labour in 1997, and the devolution referendum in September that year, BT took the strategic decision to create a new entity, BT Scotland. This branding of the corporation's Scottishness was a direct response to the perception that the company was in some way intrinsically 'British'. At this time some commentators were publicly ruminating on the demise of many connotations of Britishness, partly due to privatisations of national industries, but also anticipating a devolved Scotland creating a new idiom for changing social and political circumstances.

No longer could you assert your allegiance to British political institutions by choosing on which airline you flew: British Airways became BA, just another of many privately owned giants. No longer was your gas brought to you courtesy of a kindly gent in Whitehall: the sold-off gas company had to compete in the market like everyone else. And no longer was making a phone call like sending a letter: British Telecom became BT, now about to vanish further into the transnational telecommunications ether... Of course, some of these companies, although now in private hands, continue to extend right across Britain. But an odd thing happened in the Thatcher years and after. 'British' became 'B' or disappeared altogether... Going even further, some of the remaining 'B' companies have started

to market themselves 'B'-less. ... Search in vain for much 'B' in the selling of the BBC's Radio Scotland. Restrain your cynicism in the face of 'Scottish' Gas as its autonomous management drifts away down south. And who, now, would knowingly market British beef? In short, 'British' no longer sells, but 'Scottish' does. That, finally, is the key point about all this. The decline of 'British' as an adjective is not just a marketing device. It marks a real dwindling of the Britain-wide institutions which cemented the Union between Scotland and England for a large part of the 20th century. (Paterson 1996: 4).

For those charged with managing the corporate reputation for organisations like BT, this scenario was certainly plausible. Some of those lobbying for BT felt that the requirement to establish their Scottish credentials was unfair, though realpolitik suggests probably essential. There was a sustained commentary in Scottish public discourse predicting a cultural and political revolution with the creation of the Scottish Parliament. In this milieu BT Scotland was born.

We had at the time about 12,000 staff based in Scotland ... the turnover in Scotland would be probably about 1 billion pounds, a major operation. We serve every community in the land, people are working and living in those communities. So to say that there's not a Scottish involvement is absolutely crazy. But, nevertheless, it that's the perception ... you've got to handle it, and that was one way of doing it, to establish BT Scotland. (interview with author, 5 March 2002)

The grand launch of BT Scotland illustrates how embedded the company is within the upper reaches of Scottish public life. Before an invited audience of 500, in a marquee in the grounds of Holyrood Palace (the Scottish seat of royalty), BT Scotland symbolically demonstrated its affinity with the coming new Parliament.[25] It also created a Scottish board, bringing a 'sharper focus' to its activities in the country. However, this Scottish badging doesn't alter the reality that BT is run from London, where all the major decisions and policies are made. Moreover, decisions affecting the telecommunications industry are increasingly made in Brussels, so Scotland remains peripheral to BT's wider corporate interest, though it is still a lucrative, if small, market.

BT Scotland moved quickly to establish their identity within policy circles. One key strand to this activity was participation in the CSG's Expert Panel on ICTs for the new Parliament. BT of course had a 'locus' for their involvement with this group, and were able to pitch their contribution so as to chime with the policy priorities of the New Labour administration at the time, notably social inclusion and a vogue enthusiasm for all things connected with the new economy and new communication technologies. Thus:

> BT Scotland, amongst others, broadened out this issue of reaching excluded groups and gave various examples of innovative ways in which those cut off from the political process perhaps by apathy or poverty could be encouraged to participate. They regard ICT as being at the heart of the democratic process, but recognise that it has to be used so that those without access to expensive computer technology are able to tap into it. They suggest, therefore, that the distribution of

information via the Internet be complemented by a teletext information service and a Parliamentary call centre to deal with queries from the public. While other groups propose a dedicated digital TV channel showing the proceedings of the Parliament, BT suggest that easily digestible broadcasts, sparking people's interest in the Parliament, are shown in public venues such as shopping centres and sports venues. (CSG 1998, Annex D, section 7.4)

In order to add some substance to these worthy aims BT Scotland engaged in some high profile initiatives designed to establish their credentials as serious players in promoting political participation through ICTs. In August 1999, following a series of fringe meetings at the party conferences where support for the idea of digital democracy was gauged, BT Scotland funded the International Teledemocracy Centre at Napier University to the tune of £40,000 a year. The remit for this centre was to research and apply ICT to support and enhance the democratic process. Privately, BT Scotland's lobbyists admit to a more instrumental rationale behind their investment: publicity. BT Scotland reaped considerable PR dividends from the launch of the centre, and it afforded the opportunity to speak with movers and shakers in Scottish policy circles: 'We were a natural sponsor. We held a series of business breakfasts where we invited along opinion formers to get their views on how it should be structured and then we sponsored' (interview with author, March 2002).[26] BT Scotland continue to benefit from their association with this initiative in terms of PR and public affairs, though it has arguably yet to deliver much in the way of new technology or applications, BT internationally is keen to develop such capacity.

In a submission to the Digital Scotland Task Force consultation BT Scotland remind policy makers of their innovative contribution to Scottish e-governance through the teledemocracy centre, including a testimonial from the then Minister for Children and Education, Sam Galbraith (http://www.scotland.gov.uk/digitalscotland/responses/bt.pdf). Their submission also highlights another high profile (and relatively cheap) initiative that BT Scotland sponsored – the com.com/Holyrood project.

In partnership with the SCVO, BT Scotland installed 200 e-enabled PCs in Community Centres throughout Scotland, at a cost of £130,000. The intention was to get local communities and the voluntary sector on-line, so as to benefit from the new digital age. This project was extended through involvement with SCVO 'to put the whole voluntary sector 'on-line' and introduce the use of e-business across the sector' (http://www.scotland.gov.uk/digitalscotland/responses/bt.pdf). Such initiatives allow BT Scotland to demonstrate their commitment to enabling civic participation in public affairs, though privately senior managers (and indeed senior civil servants) doubt the real impact of these projects:

> I'm not remotely convinced that most punters on a day-to-day basis get engaged with it. Why would they? And my view as someone who has the intellectual and technical capability to do so, when I get home at night I've got better things to do than think 'now what can I talk to my MSP about [online]? I don't think they

[politicians and civil servants] like to talk about that, because, to a certain extent, that negates their raison d'etre. (interview with author, July 2002)

BT Scotland, like other major corporate actors, devotes considerable resources to its public relations and lobbying activity. In common with other corporations eager to downplay their political reach, they tend to euphemise such activity. For example, the DTZ Pieda consultancy report claims that BT Scotland has developed 'strategic alliances that promote economic thinking, stimulate debate and understanding, and through project based activities, ensure that a range of innovative projects are taking place throughout the country' (2002: 68). They report that BT Scotland spent nearly half a million pounds in 2001 on such 'leadership activity'. One strand of this leadership activity includes sponsorship of themed conferences with organisations like the SCDI, CBI Scotland and FSB Scotland. However, while such leadership may 'stimulate debate and understanding' they also serve less altruistic and lofty purposes. BT Scotland has sponsored several SCDI Influencers dinners. In return for their cash one of their lobbyists outlined what they expected in return:

> Well, the benefit is that... we want to speak to people, MPs and MSPs, and if we sponsor it we say, we would like to sit somebody down next to the speaker. So you've got an opportunity to chat to them for an hour [or so], that's what it's all about, making contact and networking. So the opportunity for our senior manager at that event to sit next to a senior politician and discuss whatever the issue might be, albeit on a fairly informal basis, is quite useful. But *that's why we do these*

things, there's no such thing as a free lunch. (interview with author, March 2002. emphasis added)

Monitoring influentials' opinions and perceptions is a key public affairs task for BT. Clearly the face-to-face exchanges like those afforded by SCDI influencers dinners are an excellent way to probe politicians, but other methods are used to scan the policy horizon. BT Scotland retains the lobbying consultancy Grayling Political Strategy (formerly Strategy in Scotland), and the polling agency MORI to take the political temperature on behalf of the company. Grayling's brief includes monitoring, preparing BT staff for meetings with politicians and decision-makers and managing a contact programme to 'improve the flow of information to MSPs'. BT uses the political intelligence they gather from these sources to plan their lobbying and contact programmes. As a government relations executive in BT remarked:

> We're not going to take up a politician's time frivolously. Everything is measured and carefully studied before we take action and we won't waste MSPs' or MPs' time. And what we have to do has to be seen to be relevant and of a proper quality... it's very seldom we don't get through the door to have a word with people. (interview with author, March 2002).

As the table below illustrates BT Scotland spends over £3 million per annum on sponsorships: these include sponsoring public policy debates at conferences, and publication of several books examining the new politics of Scotland.[27]

BT Scotland Community Expenditure, 2000/01	
	£ million
Sponsorship and Delivery	
Marketing the Arts	0.2
Sport	2.0
Strategic Alliances	0.4
Communications Activity	0.5
Community Activity	
BT Scotland Community Spend	0.7
Scotland Share of UK Community Spend	0.9
Estimate Benchmarking Activities: Time, Resources and Line of Business support etc.	1.0
Total	**5.8**
Source: BT Scotland Note: columns may not sum due to rounding	

(DTZ Pieda 2002: 67)

This figure is likely to be an underestimate of BT's political investment in Scotland. It doesn't account for the commercial activities of BT Government, who lobby to win government contracts. Nor does it include training and staff development expenditures. As one BT lobbyist explained, BT Scotland has a large training budget, which has been used to attend seminars and conferences where lobbying training was available, where

contact with politicians and civil servants was on offer, and where BT's lobbying interests could be advanced.

BT Scotland's community expenditure is now much more focused on their core business activities than was the case a few years ago. When BT Scotland was created the inherited sponsorship and community relations expenditure was essentially philanthropic, which delivered quite a lot of publicity and little else. It was felt that the resources devoted to these projects were not returning sufficient value to the newly created entity, and the decision was taken to do fewer projects, but to devote larger budgets to them and clearly link them to BT's Corporate Social Responsibility (CSR) strategy, particularly around the use of technology. Currently there is only one person managing this part of BT Scotland's activities whereas five years ago there were five staff doing this job, as the function has effectively been outsourced. In 2003 BT Scotland employed two press officers, one events manager and a communications manager to oversee these PR functions.

Much of this sponsorship and community activity relates to the external branding of BT Scotland. This 'veneer' (as one insider described it) is important, but BT Scotland has had to quickly focus on getting the various lines of the business working in the Scottish market. One strategically important aspect of BT's business relates to a key customer for their products and services – government. BT's Government Division deals exclusively with their public sector contracts, which includes selling services and solutions rather than bandwidth. The BT Government function in Scotland has been doing good business

since devolution, winning some very large public contracts,[28] and working closely with the public affairs arm of BT in Scotland. While experiencing some success in winning Scottish public sector contracts, BT Scotland would clearly like even more of this business.

The Smart City initiative in Edinburgh is an instructive case in point here. BT won the contract from Edinburgh City Council (ECC) to enter into a ten-year Public Private Partnership to supply e-government and ICT services. This contract was signed at the height of the dot.com bubble in the late 1990s and in the immediate aftermath of devolution, making Edinburgh a high profile experiment in ICT e-government applications. When ECC encountered difficulties in getting BT to deliver certain key applications to support frontline council services (essentially because BT underestimated the complexity of local government in their rush to secure high profile, and supposedly high profit, contracts) it resorted to applying a mixture of public and private pressure. Lawyers reminded BT of their legal obligations, and ECC began to create some negative publicity for BT:

> When BT realised that there was a problem, a very senior manager, the Chief Executive of Syntegra [BT subsidiary], from London came up and said, 'hands up, we have made a complete mess of this, document what this is costing you as an organisation and we'll sort it out'. There was a bit of negotiation around this, but they were clear that BT is such a large organisation – it was one of the reasons we went with BT, because we realised that they couldn't afford to walk away from a

key site like Edinburgh - in the way that we couldn't afford to walk from it. If it was a small organisation I think we would have had a lot more problems. But BT, they can hide that [cost] within the huge amount of money they make off everybody's telephone bill at home at the end of the day. This is a new thing that they are into, but they want to make business out of this...The publicity is the thing which worried them more than anything. Now I am not sure that that would worry some other companies just as much. (Andrew Unsworth, interview with author January 2004)

Broadband is an issue of considerable commercial and political significance for the Scottish Executive and the telecoms industry. While telecommunications policy is a reserved power under the devolution settlement, the Executive are members of the UK Government's Broadband Stakeholder Group, which is charged with developing the UK's broadband strategy. The Scottish Executive's interest in broadband is closely linked with policies on social inclusion, stimulating economic growth in rural and remote areas, and their modernising government agenda. Much political capital has been invested in ICTs delivering these ends.

A key part of the Scottish Executive's broadband strategy has been to aggregate procurement. This means that the purchasing power of the Executive and the wider public sector will be coordinated to lever the necessary investment in infrastructure from telecoms providers, as demand from private sector (particularly SMEs) is weak. The logic of this policy is that telecoms providers need to be incentivised to supply broadband

throughout Scotland, and the public sector will lead the way, hoping that once the infrastructure is available, businesses across Scotland will begin to use it. This attempt to catalyse investment does come with some strings attached. The Executive

> consider that a sub-division [of Scotland] into regions or zones is preferable both to promote competition among companies at the bidding stage and to avoid, with the award of a contract, the creation of a monopoly [broadband] supplier. Some companies have regional strengths and/or may view the volume of a national contract as too large to deliver. We believe a zonal approach is most likely to engender competition and to encourage imaginative and cost-effective options for meeting public sector requirements. (Scottish Executive 2001b: 16 http://www.scotland.gov.uk/digitalscotland/csbc/csbc-09.asp)

For BT Scotland, by far the biggest player in the Scottish market, this policy can be seen as a lobbying reversal. BT Scotland lobbied hard for a Scotland-wide approach to aggregated purchasing, as this would have placed it as the only viable supplier. BT Scotland believes the zonal approach will fail to deliver the broader economic benefits that were envisaged in the Executive's 'Connecting Scotland' strategy, and in an ongoing dialogue with decision makers one public affairs executive continued to 'make my disappointment plain'. In fact, off the record, this lobbyist was scathing about much of the Executive's translation of policy into practice, describing the Digital Scotland Task Force as a waste of time. Despite government spinning about their vision for a Smart Successful Scotland and ICT as a means to achieving this, the task force simply met a

few times and then 'just died'. Nevertheless, BT Scotland remains in the game, despite their 'tortuous' experience of tendering for the pilot pathfinder scheme. One lobbyist expressed frustration at the Scottish Executive's strict adherence to OJEC (Official Journal of the European Community) procurement and tendering regulations. Since the Executive opted to go down the formal tender route dialogue 'has been minimal'. This is in accordance with tendering regulations, but stands in marked contract to the usual level of communication that BT enjoys with decision makers on policy issues, and has been

disappointing from our point of view, and that of others too. It may well be that that's just how the rules work, but if it is, I think we're bloody good at applying them and are we deriving the ultimate benefit that was originally intended? I'll be pleasantly surprised if we do. (interview with author, July 2002)

Nevertheless, BT Scotland were engaged throughout 2002 and into 2003 in bilateral meetings with the Scottish Executive as the selection process for broadband providers for the Pathfinder projects in the Highlands and Islands, and Southern Scotland continued. The Scottish Executive recognised that BT was really the only player in the commercially unattractive, though politically sensitive, Highlands and Islands: 'monopoly provision persists in rural and remote areas' (Scottish Executive 2001b: 11). Undoubtedly, BT Scotland will continue to pursue their commercial interest in broadband through a mix of political lobbing and commercial policy. BT Scotland's objective of getting more 'balance' into the policy debate about providing infrastructure (private sector) and stimulating demand (primarily public sector) has clearly been successful, as subsequent

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Scottish Executive (2002b) strategy documents illustrate. This policy involves very strong commitments by government to shape broadband provision through aggregated purchasing and addressing 'market failure' using the Scottish economic development agency: 'we know that this represents a sensitive market intervention, and Scottish Enterprise will ensure that it is developed with full cognisance of regulatory requirements' (2002b: 6). BT also remain very focused on the Executive's 'Modernising Government' agenda, and continue to participate in the 21st Century Government reference group which will make important decisions on how this policy is realised, including ICT-related matters.

It would appear that BT's numerous and important commercial relationships with government partially explain why those lobbyists in BT Scotland I spoke with insisted that their comments were to be unattributable. It would seem that the Executive also needs BT Scotland, especially in wiring up remote areas for the digital age - thus the universal service provision expectation that is a legacy of BTs public footing prior to privatisation persists in some very tangible ways. Such relations of mutual dependence are likely to afford considerable scope for political lobbying. This section has sought to demonstrate that since devolution BT Scotland has actively pursued these opportunities, marshalling considerable resources and a wide range of lobbying techniques to optimise their ability to do business with Scottish government, Scottish businesses and Scottish consumers.

Conclusion: big business lobbies, so what?

This chapter has sought to map the terrain of corporate political action in devolved Scotland. The account offered here suggests that the lobbying universe in Scotland has adapted very quickly to the creation of new institutions of governance. As some political power transferred from London to Edinburgh, a reciprocal shift in lobbying capacity within TNCs in Scotland is discernible. This is hardly surprising, given that large corporations are very often deeply enmeshed in politics. What is perhaps surprising is the breadth and depth of the corporate / political interface in Scotland, and how little disruption there has been to 'business as usual'.

Devolution was cast as the people's project, a response to the democratic will of the majority of Scots who wished for more accountable, open and responsive governance. Perhaps an unintended consequence of devolution has been to strengthen the close ties between the political administration and business interests in Scotland. Constitutional change has certainly made the political process available to those with the capacity to make a contribution to policy debate and legislation. This requires some degree of expertise and human and financial resources - assets which large and complex corporations can call upon relatively easily and disproportionately to other sectors in society. Moreover, the extensive contacts programmes and variety and scale of other lobbying activities that corporations undertake in Scotland combine to place them in a very advantageous position to influence political decision makers and legislation.

Devolution brought with it high public expectations: there were promises of radical politics and the possibility of social change. Business interests certainly felt threatened by such a prospect, and many of its leaders were openly hostile to New Labour and the devolution project. Since 1999 we have witnessed many corporate interests moving toward the centre of Scottish political debate. Business is no longer an oppositional force - instead it is currently positioned as a key stakeholder, with arguably greater access to decision-makers than ever before. Everybody now seems to enjoy more access to the Scottish administration. The key question would seem to be: who has political influence?

Reviewing the empirical evidence in this chapter it is clear that major TNCs (like BP and BT) retain considerable political power - if only by virtue of their economic contribution to Scottish society. But there is much more to it than this. What this account suggests is that public affairs attracts the demonstrable agency of corporations. The 'so what?' in all of this lies in the tension between popular demands for greater social provision by government - which requires increased spending, no matter how many efficiencies politicians try to squeeze out of public sector workers - and the centrality of private interests to contemporary policy formulation in Scotland (and indeed at the UK and EU levels also). Thus, we are left wondering how Scotland might develop its own distinct solutions to the 'legitimation crisis' of the modern welfare state that Habermas sketched over a quarter of a century ago (Habermas 1976) and that those involved in the Scottish Constitutional Convention saw as arguably the central challenge and opportunity of devolution. If Scottish devolution has produced anything it has created a new legislature

with responsibility for social services and a rather disenchanted electorate. Large business

interests, on the other hand, seem generally comfortable with the new order.

1 For a detailed breakdown of the client list of APPC members see their online register, which is updated every six months. http://www.appc.org.uk/registers/APPC_register_31_05_02.pdf
2 The devolution settlement means that several important powers are reserved to London (particularly in terms of fiscal policy and competition issues), and others still are decided at the supra-national level in Brussels. This complex pattern of regulatory authority will have an impact on the distribution and application of corporate lobbying capacity, and, as we shall see below in the case of lobbying in relation to the North Sea tax, pressure can be exerted on the political system at each level of governance.
3 Crawford's intervention in the debate on the economic development strategy for Scotland was later revealed to be part of a wider lobbying campaign waged by Scottish Enterprise (an officially non-political body) against Conservative calls to scrap the agency. On the same day Scottish Enterprise's director of public affairs, Maureen McAlpine, sent an e-mail to senior staff urging them to ensure that 'all the resources of the network' were used to rebut the Tory attacks. These resources included 'the local and national media, using satisfied customers to speak on our behalf, and using board members to network with key business and political contacts' (leaked e-mail, reprinted in *Business a.m*, 29 August 2002; 2).
4 BT Scotland employs 12,500 in Scotland, has an estimated Scottish payroll of £404m and gives 1.1% of profits to community initiatives. Scottish Power have 5000 employees in Scotland, an estimated Scottish payroll of some £164m, and gave £10.9m to community and corporate social responsibility projects in 2001. BP employ 4000 in Scotland, amounting to a Scottish payroll of £158m, and donated 0.1% of profits to community schemes. Centrica employ 3,700 in Scotland, costing approximately £84m in 2001 and gave 0.95% of profits to community schemes (Williams 2002).
5 Scottish Power's submission was actually stamped 'confidential' in the Scottish Executive's library, though not categorised as such when the CSG report was published
6 Shelagh Mackay, Director of Finance, Shepherd and Wedderburn, and Miller McLean, Group Secretary, Royal Bank of Scotland both sat on the Financial Issues Advisory Group; Alistair Baker, Microsoft Corporation; Robert Beattie MBE, Community Investment Manager, IBM Scotland; Peter Black, Network Service Adviser, Scottish Telecom; Peter Dixon, Oracle Corporation; Dik McFarlane, General Manager, Office of the Director, BT Scotland; Matthew O'Connor, Director of Business Services, Telewest Communications and Ann Weatherstone, Assistant Director of Strategic Planning Clydesdale Bank, Glasgow all sat on the expert panel on information and communication technologies. The media issues expert panel also drew members from the Scottish media scene, some of whom also represented a corporate interest (Schlesinger et al, 2001: 67-69).
7 This is a different emphasis to other initiatives such as the CBI business briefings and much of the programmes of the SPBE, which explicity aim to educate MSPs on business matters rather than address business knowledge of wider public policy issues and legislation.
8 These were: Construction, Defence, Drinks & Hospitality, Electronics, Engineering, Financial Sector, Manufacturing, Retail, Small Business, Textiles, Tourism, Transport and Utilities.
9 Eight of the thirteen chairpersons were senior board members of their respective corporations: Sir Fraser Morrison, Morrison Construction; Sir Bob Easton, GEC; Andrew Dewar-Durie, Allied Distillers; Mike Ross, Scottish Widows; John Ward, Macfarlane Group; Tom Hunter, TBH Trading; Brian Souter, Stagecoach Holdings; and Ian Robertson, Scottish Power. Two chairs were drawn from established trade associations, two more were owners of smaller enterprises, and the tourist sector was represented by Lord Gordon of Strathblane, then chair of the government agency, the Scottish Tourist Board.
10 The electronics pathfinder called for the creation of a liaison board to 'continue dialogue between the new Scottish Executive and industry', though this was seen by government to be duplicating the dialogue that already exists and was not pursued. The recommendation of the utilities group regarding PPPs was not accepted by the Executive, as it was felt that the Utilities Forum was not the best way to address this issue.

The finance sector's call for a designated minister was also rejected and the defence sector's recommendation that companies should ensure the 'proper and adequate' briefing of local MSPs was seen to be a matter for those companies themselves rather than the Executive.

11 This material is no longer available on the SCDI website, but was accessed and saved by the author in July 2002.

12 Corporate public affairs representatives from 15 corporations attended this conference, including KPMG, Clydesdale Bank, Camelot Group, British Airways, Esso UK plc, The Boots Company, Scottish and Newcastle, Arthur Andersen, Pharmacia and Upjohn, Bank of Scotland, Tarmac plc, Enterprise Oil plc and SmithKline Beecham.

13 These include BP, BT Scotland, BAA, BAE Systems, British Energy, GNER, HBOS, Pfizer, Railtrack, ScotRail, Scottish Power and Transco

14 This data was provided by staff from the Scottish Executive library at Saughton House August 2002. The Scottish Executive hold a database of 1440 consultations dating back to 1983. Much of the information in the database is minimal or badly catalogued (ie you cannot list the names of the consultations on the database, but must compare the index system with a rather worn file which contains the titles of the consulations), and the actual submissions are not available electronically (and in some case the original hard copies have been misplaced).

15 BP's Advisory Board in Scotland in 1998 had the following members: Sir Robin Duthie CBE, Vice Chairman, BP Scottish Advisory Board; The Lord Gordon of Strathblane CBE, Chairman, Scottish Radio Holdings plc; Sir Angus Grossart CBE, Chairman and Managing Director, Noble Grossart; Mrs Barbara Kelly CBE, President, Rural Forum Scotland; Mr James Miller CBE, Chairman and Managing Director, Miller Group Limited; Mr Kenneth Munro, Head of Representation in Scotland, European Commission; Baroness Elizabeth Smith, Member of the House of Lords; Mr Alan Bilsland, Works General Manager, BP Chemicals Limited; Mr Alan Jones, Director, BP Scotland; Mr Richard Newton, Regional Director, BP Europe and Algeria; Mr John Williams, General Manager, BP Oil Grangemouth Refinery Limited; and Mr Crawford Gordon, Secretary to BP Scottish Advisory Board.
(http://www.scottishpolicynet.org.uk/scf/publications/paper_8/appendix.shtml).

16 The parallels here with the concept of 360-degree branding can act as a heuristic. The central idea is that the brand is anything and everything associated with the corporation, its products and its services. 360-degree branding therefore demands attention is paid to a wide variety of audiences who can affect brand loyalty and brand perception: customers; shareholders; suppliers; government regulators; analysts; employees; dealers and distributors; competitors. This analogy works up to a point. Branding can often be intangible and rather difficult to pin down precisely, whereas I would argue lobbying and public affairs (though often secretive and behind the scenes) is very real and concrete, and can produce identifiable (policy) outcomes.

17 As Bill Moore, press officer at Grangemouth notes: 'we've had some pretty robust feedback from the last few meetings, some of it pretty critical. And we're taking that and using it to shape our community relations strategy for this year. We get the feeling that a lot of the good work we're doing is not receiving the recognition or attribution it should get, or it's not being told in a way that's connecting' (interview with author, 25 March 2002).

18 Local MSP Cathy Peattie criticized the company in her newsletter to constituents: "BP tend to blame the global markets for their predicament - but they are a major player in those markets and have helped to make them the way they are today. BP is a large, profitable company. They may be realigning their commercial interests, but local workers deserve better than redundancy to suit the whims of BP's strategic changes. The company should negotiate with unions and give better support to affected workers."
http://cathypeattiemsp.org.uk/newsletters/fenews09.htm

19 The Enlightened Corporation: IFF report on the evolving role of business in next decade, http://www.internationalfuturesforum.com

20 BP, along with most other corporations running corporate social responsibility (CSR) programmes, is 'extremely focused' on education. In Scotland BP heavily advertise and promote their spending on education (see *Holyrood* advertising and BP's Report to Scotland 2001 and 2002 for examples). The logic of such spending is not altruistic (a point which applies across all of BP's global social investment programme) but self-interested, in the sense that BP want the best trained and educated recruits. Supporting education over the long term is one way to encourage this. However, there is also the same political

judgement that places education so high on the political agenda at play. The public and policy makers are very concerned about education, so it is a natural area to invest in for those seeking favour with both these groups. If the UK government believe its priorities to be 'education, education, education' then it is unsurprising that corporations (like BP) as a political actors align themselves with these policies.

21 See McLaren 2001 for more details on BP's social investment in Grangemouth and Falkirk, especially the Enterprising Falkirk initiative.

22 http://www.bp.com/location_rep/video_clips.asp#scotland

23 In fact, some law firms and political consultancies in Scotland are positioning themselves precisely in this policy area between London and Edinburgh, acting for clients with interests in both jurisdictions.

24 The noted exception is David Waddell MSP, who is a former employee of the company.

25 BT Scotland was the first company to be given permission to use Holyrood Palace for such an event.

26 BT Scotland's positioning within Scottish public life clearly receives careful attention from those charged with managing the company's public profile. As the Teledemocracy project demonstrates BT Scotland plan such partnerships and alliances in some detail. Soon after the creation of BT Scotland, the company were invited to join the Association of Scottish Public Affairs (ASPA). This overture was politely rejected by the then External Relations manager as at the time 'Whilst understanding the principles and merit of having a set of standards to be adhered to by organisations whose primary role was 'lobbying', BT Scotland does not feel that at this stage its interests would be best served by joining the Association' (e-mail correspondence to ASPA, 8 December 1998). This response is symptomatic of BT Scotland's cautious approach to public affairs, especially their wariness of anything which could generate negative headlines (see also BT and the Scottish Parliament Business Exchange below).

27 See the Hassan and Warhurst edited collections since 1999 in the bibliography. Each of these publications was sponsored by BT Scotland.

28 Some of the higher profile public sector contracts include the Smart City initiative with Edinburgh City Council, NHS 24 and the Scottish Criminal Record System.

Chapter 9

Educating the Political Class? The Scottish Parliament and Business Exchange

Introduction

Reviewing relations between the new Scottish legislature and the world of commercial and in-house lobbying in the first years of devolution it could be argued that the political class remains comfortable about how these relationships are evolving. The outcome of the inquiry into lobbying would appear to support this view. This observation applies across the myriad ways lobbyists seek to influence the perceptions and decisions of parliamentarians and public servants. While the 'Lobbygate' affair encouraged the Standards Committee and some interested MSPs to take a close interest in the growing commercial public affairs industry in Edinburgh, little attention has been paid by Holyrood to the phenomenon of in-house lobbying, in any of its various forms.

The Scottish Parliament and Business Exchange (SPBE) stands as an exemplar of the confused thinking and relaxed attitude that characterises the response of the Scottish political class to the growing role of corporate interests in public life. The Scottish Parliament, a new seat of legislative power, presents an obvious site for corporate public affairs activity. However, the Scottish business community's traditional hostility to devolution had distanced them somewhat from those now in power at Holyrood, and so

the terms under which relations with business are managed post-devolution by the Parliament are clearly an important feature of the new political landscape, or re-negotiated order, of Scotland. Will the culture of (meso-) corporatism (Moore and Booth 1989) in deliberation on Scottish public policy be revived under the new Parliament? Or more precisely, how will devolution change the way interest representation, particularly on the part of business, is accomplished? These are far reaching issues that challenge the new Parliament. So far they have been dealt with unevenly and reactively and in the process revealed significant splits between elected representatives, committees of the Parliament (notably the Standards Committee and the Corporate Body), and more widely in business and policy circles.

The SPBE was created in part as a response to charges that Holyrood and the 1999 intake of new MSPs in particular were untutored in the ways of modern business and therefore ill equipped to legislate for the good of the Scottish economy. The SPBE is a limited private company with charitable status. It is a partnership between the Scottish Parliament, or more precisely, the Corporate Body of the Parliament, and the participating members from outside organisations. The board of the SPBE comprises equal representation of MSPs and outside participants (mainly representatives from TNCs, though the STUC have one place on the board also). The SPBE is convened by the chief executive of the Parliament (i.e., its most senior civil servant), Paul Grice, and the Presiding Officer is the Honorary President. The SPBE's membership comprises some of the leading TNCs in Scotland, such as founding members The Royal Bank of Scotland group and Scottish Power plc. Other leading corporations and trade associations include

BAA Scottish Airports, British Energy, BP, ConocoPhillips, Chevron Texaco, Deutsche Bank AG, Essentiagroup, IBM, Lloyds TSB Scotland, Scottish Council Development and Industry, Scottish Enterprise, Scottish Financial Enterprise, Shell International, Scottish and Southern Energy, Shepherd & Wedderburn W.S., and Pfizer Ltd.

The mission of the SPBE is to educate MSPs as to the realities of business, and help legislators to understand public policy from the perspective of industry and commerce. The SPBE claim that the purpose of the organisation is 'to develop and provide opportunities for promoting mutual understanding between members of the Scottish Parliament and business and related communities in Scotland' (SPBE 2002). Its focus and priorities until now has been overwhelmingly upon corporate interests, with the 'related communities' conspicuous by their absence. To date the SPBE has been beset by difficulties in securing the participation of MSPs and sceptics in the business community, though some members, senior officials of the Parliament, and key corporate affiliates remain committed to promoting the Exchange.

Trusting Industry and Parliament

The Consultative Steering Group (CSG), created by the Scottish Office to develop the blueprint for how the Scottish Parliament would operate, found widespread anxiety among the Scottish public about the potential role of lobbyists and commercial interests in influencing policy. Many of the interested and concerned citizens who submitted their views to the CSG's consultation exercise in 1998 explicitly mentioned the need to guard against the possibility of lobbyists colonizing the new Parliament (Dinan 2002: 16).

Despite many pledges that public life in Scotland would be much different from politics at Westminster, there is a remarkable familiarity about many of the institutions and bodies that now surround Holyrood.

The doubtful attitude of Scottish business in advance of devolution has been a factor in shaping relations between the new Parliament and the business community. While devolution has certainly opened up access to officials and decision makers and made aspects of Scottish governance more transparent, a certain mutual mistrust between legislators and business lingers (Hope 2002). Partly in response to this, CBI Scotland instigated a series of Holyrood briefing seminars 'to bring MSPs up to scratch on business issues...But the relationship soon soured after the CBI published a document calling for the Parliament to be more "unashamedly pro-business"' (Hope 2002: 144). The often strained relationship between CBI Scotland and Holyrood should not be seen as representative of all links between business and the political class. The business community has continued to develop relations with the Parliament and the SPBE is one high profile example of this process.[1]

Although not specifically mentioned in the CSG report (as some supporters of the Exchange imagined and claimed) there was certainly talk pre-devolution of creating an official forum where business and politics could engage. As a source close to the SPBE remembers, the idea 'was in the air at the time', though its status and provenance remain unclear. The informal, non-attributable and non-identifiable circulation of ideas within public affairs networks in Scotland makes it difficult to precisely reconstruct the genesis

of this project. Not much was written down, though some evidence is in the public domain. Many of the sectoral submissions to the Pathfinder process advocated institutionalizing such relations, and the 'political service initiative' of the Industry and Parliament Trust was identified as a likely model for Scotland to follow by Brown and McCrone (1999). In their scoping report on how relations between business and politics in Scotland might evolve they surmise that the International Association of Business and Parliament or the UK organization, Industry and Parliament Trust, provide 'models for consideration' (Brown and McCrone 1999: 77) in institutionalizing liaisons between Holyrood and Scottish business. The Scottish Parliament, in the shape of its first presiding officer and chief executive, were keen to rebut accusations that the Parliament was ignorant of the ways of modern commerce. In order to demonstrate their business friendly credentials the Corporate Body sanctioned a forum bearing the Scottish Parliament's name and identity to bring MSPs and business together.

Details of the creation of the SPBE are rather sketchy. Though repeatedly claiming to be an open, transparent and accessible organisation it has proved extremely difficult to obtain any papers or documents relating to the setting up of the Exchange. Despite several assurances over a period of more than two years to the author from the director, Anne Mearns, that such information would be forthcoming it has yet to be supplied. What follows in an attempt to flesh out the story of the Exchange from gathering what information there is in the public domain and from interviews and conversations with some of those involved in the process.

Building Business Confidence: the foundations of the SPBE

Plans for the Exchange were floated as early as June 1999, before the Parliament was

actually up and running. It is certainly the case that the Exchange was an active entity

long before the official public launch in November 2001. Scottish Power and members of

the University of Edinburgh (Professors Alice Brown and David McCrone) approached

the chief executive of the Parliament, Paul Grice, with a view to creating a Scottish

version of Westminster's Industry and Parliament Trust (IPT) at Holyrood.

A group was convened to examine how such a body might operate in Scotland. Members

of this group included senior parliamentary staff, 4 MSPs, academics (from the

University of Edinburgh), the SCDI, CBI and SCVO. Also involved were representatives

from two of the largest corporations in Scotland, Scottish Power and the Royal Bank of

Scotland (sponsors of the *Business and the Scottish Parliament* research initiative. See

chapter 2). The SPBE working group first met in February 2000 and began discussing the

purpose of the organisation, its operation and how it might be formally constituted.

A draft proposal for a 'Scottish Parliament and Business Group', dated May 2000, by

Scottish Power and the Governance of Scotland Forum (Brown et al 2000),

recommended that this body would fulfil part of the mission of the CSG by creating a

formal forum to foster business-government relations: 'It is felt that a transparent and

independent body such as the SPBG offers a suitable formal and structured vehicle for

promoting appropriate relationships between politicians and business people and operates

in the spirit of best practice and adding value' (ibid: 3). It was suggested that possible

members might include Scottish Power, Royal Bank of Scotland and 'other major businesses in Scotland'. Other organisations such as the CBI, SCDI, Scottish Council Foundation, the Federation of Small Businesses, the STUC, the Governance of Scotland Forum and leading academics were also in the frame. This report recommended that 'decisions regarding the inherent nature of the SPBG should be taken by the SPBG board at the institution of the group' (Brown et al 2000: 4). Start-up costs for the first year were estimated at £80,000.

A part-time project manager was appointed in June 2000, and this post became full-time in October 2001 when Anne Mearns was employed as director of the Exchange. Mearns drafted a Next Steps paper for the organisation, dated 10 May 2000 (Mearns 2000). This drew heavily on the initial work of Brown at al., and was also shaped by the practices and procedures of the IPT at Westminster and plans for a similar body at Stormont. The legal status suggested for the body was a hybrid: a 'company limited by guarantee and not having share capital, with charitable status (thus subscribing members can gain tax benefit)' (Mearns 2000, part 2). The tax incentive to businesses has never since been mentioned in the materials the SPBE has made public (though it reappears in a paper forwarded to the corporate body of the Scottish Parliament). The emphasis was placed on attracting large TNCs to join,[2] and the activities of the trust were to 'reflect the Scottish economy'. How these two aims were to be reconciled, given the prevalence of SMEs in the Scottish economy, was not explained. The board of trustees was to combine parliamentarians, "representative" members (such as the STUC) and "personal" comprising 'senior industrialists who are key "opinion formers"' (ibid; part 2).

Annotations to this paper suggest that the body was to have a 'flexible constitution' and that Scottish Power insisted that 'business shouldn't sign up to a blank cheque'. Recruitment to the organisation would be of the 'dinner table' variety (ibid) favoured by corporate elites in Scotland.

By following the IPT model the SPBE was likely to be attractive to the lobbying interests of participating TNCs. The IPT model expressly provides for ongoing contact between a company and parliamentarians, and companies are encouraged to identify issues that they would value comment on by members. The trust also organises 'reunion' dinners which facilitates ongoing contact between the parties, one of the most prized objectives of government relations contact programmes. These interactions might not involve 'overt' lobbying on specific legislative proposals, but the business of 'perception management' is surely advanced through such exchanges, which can be seen as building up political capital which may be called upon in future. Favourably disposing parliamentarians to a company is a key aspect of the long-term strategy of those corporations centrally involved in the business-politics interface.

During 2000 many of the key decisions about the aims and operation of the SPBE were taken. It was agreed that the SPBE could be promoted as an educational trust and a charity. Unlike the IPT at Westminster the Scottish Parliament itself would be a member and play a key role within the organisation. Initially this involved help in kind to establish the organisation, though the Parliament's investment, both financial and political, has grown considerably in a few short years. This was also the time when the guiding

principles of the Exchange were established. It was agreed that the SPBE would be non-lobbying and non-partisan, transparent and open, flexible and responsive to the needs of MSPs and member organisations. The board of the Exchange would be accountable for the running of the organisation, and the convenor would be accountable to the Scottish Parliament through the Corporate Body for the financial resources committed to the project from the public purse.

An early practical step was to canvas interest in the scheme within the Parliament and business sector. The leaders of the four biggest parties at Holyrood all gave their backing. CBI Scotland and SCDI surveyed their members about participating in an organisation dedicated to 'bringing MSPs and the wider Scottish business and civic communities closer together'. The returns from this survey influenced how the organisation developed, and 30 companies were approached to become founder members, at a cost of some £6,000 in the first couple of years. A sliding scale of membership fees has since been established, starting at £150 per annum with a ceiling of £7,500.[3] It was at this point that the scheme first came to public attention as details of the fee structure were leaked to the press.

In August 2001 the *Sunday Herald* published a story alleging that the SPBE was a means for well-resourced lobbies to gain preferential access to MSPs (Fraser 2001). Predictably, negative publicity was a major concern for those involved, especially in the aftermath of the Lobbygate affair, which set the tone for political communication around issues of lobbying and sleaze in Scotland. Those inside the SPBE were unhappy with the spin put

on the story by Douglas Fraser, despite their briefing him prior to publication. One voice put forward to speak for the Exchange was Conoco (partially because they were also members of the IPT scheme at Westminster), whose public affairs manager complained to the SPBE later that the story ignored his views.

The following week the *Sunday Herald* published a letter from Paul Grice, attempting to rebut the allegations in the Fraser article. Grice insisted that the SPBE was an educational charity open not only to business and industry, but voluntary organisations, public bodies, education, police, trade unions and churches also. Oddly, given the membership profile of the Exchange at the time (and since) Grice suggested that it was 'in no sense an organisation for lobbyists' (Grice 2001). The PR fightback by the SPBE's senior champions within the Parliament also included a letter by the then presiding officer David Steel in *Holyrood* magazine promoting the Exchange (Steel 2001). With such public endorsements by the Parliament's senior official and its highest office bearer the impression was that the Exchange had the blessing of the Parliament and that it was in some way a creature of the Parliament.

The Exchange bears the name of the Parliament and uses some of its facilities, including the official press office. The director of the SPBE uses the 'scottish.parliament.uk' e-mail suffix, and the Parliament's telephone system. The perception that the SPBE was a close relation of Holyrood led to some expectations that similar standards of openness and transparency would apply to this body. Speaking off the record, one source claimed that the SPBE deliberately used the same kind of language as the CSG and the Parliament in

casting its principles, though its understanding of what this meant in practice differed markedly from how the Parliament itself adopted and enshrined the ideals of openness and transparency. For the Parliament to give such political backing to the SPBE one might have supposed it undertook detailed 'due diligence' on the scheme. However, I was only able to uncover one paper (SPCB 2001) submitted to the SPCB by the Exchange outlining its plans (running to all of one-and-a half sides of A4). This paper is a condensed version of the drafts by Brown et al. and Mearns. It states that 'the scheme will be independent, non-partisan, non-lobbying, transparent, honouring commitments made to programmes, *open and respectful of the confidence of sensitive information*, mutually beneficial, educational and informative, focusing on facilitating practical understanding' (SPCB 2001; 1, emphasis added). Thus it appears that the openness of a body badged as of the Scottish Parliament might not meet the benchmark for openness laid down by the CSG.

The SPBE received little attention in the rest of the Scottish media, but remained 'on the radar' for many in the public affairs industry in Edinburgh. In meetings and interviews lobbyists have repeatedly expressed disappointment with their image in the Scottish media and attribute the inability of the industry to achieve public respectability in part to the media's negative and misinformed portrayal of their activities. Politicians are also held partially to blame for lobbyists' presentational difficulties, due to their unwillingness to fully engage with business in general, and public affairs in particular. Moreover, the rest of the political class, according to many lobbyists, fails to properly confront the media on behalf of public affairs and defend relationships between elected

representatives and outside interests.[4] One experienced lobbyist made the following remark, typical of a general gripe that those in government relations in Scotland frequently express:

> The media criticised the Scottish Parliament for being unconnected with business, not understanding how business in Scotland works or how the economy works, not taking any interest in the economy. On the other hand, when something is set up which is going to try to improve the understanding of MSPs of the Scottish economy, Scottish business and all of that sort of stuff, then the media immediately attack it as some kind of covert lobbying deal that the naïve MSPs have signed up for. I think this displays a huge degree of immaturity on the part of the media and it seems to characterise the way they approach the Scottish Parliament. What else can we dig up? It's a bit dispiriting, really... I mean, I think politicians, by the nature of the job, have got to expect that the media will be hot, but I don't think these politicians are robust enough with the Scottish media. I think there could be a few more occasions when they really need to be rather more robust in terms of how they respond to things. (interview with author, July 2002)

This of course is a generalisation and a convenient distortion of how issues around lobbying are reported to the Scottish polity. Lobbyists are not without their allies in the media, as the case of the Exchange and the debate on the regulation of lobbyists at Holyrood clearly demonstrates. Reviewing the media coverage of the SPBE it is evident that the most partisan media were in fact those supporting the initiative, notably *Business*

am[5] and the Scottish political magazine *Holyrood*.[6] It is somewhat ironic that those specializing in managing the media and managing public perception should appear so helpless in dealing with their own presentational challenges.

However, not all lobbyists are blind to criticism of their activities. Some seasoned government relations personnel in Scotland were wary of joining the SPBE and associating with what seemed to be an elitist contradiction of many of Holyrood's founding principles. For some, the costs and resource implications dissuaded them from joining, while for others it was more a matter of negative publicity.

> Well, at the time we did an evaluation of it and we were unsure whether it would be something we would gain some advantage from...but there was a little bit of adverse publicity in the paper when it first started ... it put me off...in fact, there's not been any good publicity to come out of it so far. There's been bad publicity in the media about it, because they said it was buying access and now there's nobody interested in it, there's bad publicity because there's nobody interested. (interview with author, March 2002)

This contrasts with the account sources within the SPBE prefer to give. For them the initiative attracted keen support from the corporate sector despite coverage in the *Sunday Herald*. At the first AGM on 11 September 2001 there was active interest from several companies and their willingness to play a part resulted in an unexpected election for places on the board of the Exchange: ' People just said at the first AGM that they'd like to

be on the board and everybody just voted for them. It was a democratic election without an awful lot of knowledge of a lot of the players at that first time' (interview with author, July 2002). Fifteen companies agreed to membership, though some of these sent their apologies for the first AGM. The Parliament's chief executive became the convener of the SPBE and the Presiding Officer its Honorary President. As with the setting up of ASPA, the SPBE elected those who had done the preparatory work in establishing the organisation to the official posts, and others who expressed interest were selected onto the committee. The Parliament devoted some resources to this launch, reflecting and communicating official support for the initiative:

> Up until recently there has been a person in Paul Grice's office who has helped organize board meetings and things like that and has been a support for major events like the public launch where there is a lot of administration and sending out letters, invitations, and things like that. The Parliament has been very supportive, though, because in organizing the public launch, the resources of the Parliament, the catering services – obviously the Exchange pays for it, but the services have been available – so it has been possible for me to call together a working group, a planning group, from broadcasting, who record it for us, to security staff who usher everybody around, the Parliament are very supportive in that regard. (interview with author, July 2002)

The first board of the SPBE consisted of 5 MSPs, one from each of the main parties at Holyrood[7] and Lewis MacDonald representing the Executive. The Executive's

representation is significant as the SPBE took a strategic decision to orient to the evolving agenda of the Scottish government and to plan programmes in areas directly related to upcoming Executive policy. Business representation on the board included Miller MacLean from RBoS, Alan Wilson from SCDI, Lynda Gauld, parliamentary liaison manager at Pfizer, Alastair Smith from BAA Scottish Airports. Scottish Power was also represented on the board through Dominic Fry. The final board member is Bill Speirs from the STUC, whose membership is persistently promoted as demonstrating the inclusive nature of the initiative. For critics Speirs' participation is viewed as legitimating tokenism.[8] The articles of association, principles, ethos and indicative strategy suggested by the ad hoc working group were formally adopted at the Exchange's first AGM.

Getting down with business

After its formal inception the SPBE set about developing schemes to allow MSPs and industry representatives to interact. The terms upon which these exchanges would be based are enshrined in the SPBE's guiding principles – namely that the body is non-lobbying and non-partisan, open and transparent. These are indeed fine ideals, but they lack substance in terms of defining lobbying, not to mention how openness and transparency might be realised in practice. The absence of further rules and guidance on how the SPBE should operate was not an unfortunate oversight nor simply a matter left on the back burner as other priorities took precedence. Rather it was a conscious policy. As Paul Grice stated at the unofficial launch of the SPBE in April 2001: 'a strong guiding principle... is that we should set the Exchange up with a minimum of rules and regulations' (Scottish Parliament 2001).

Where rules and regulations do exist they seem to concern matters of funding and apparently pay little regard to notions of openness and transparency which supposedly guide the Exchange. For instance, the Parliament's interest in the SPBE is regulated by that somewhat peculiar committee of Holyrood, the Corporate Body, on which both the Presiding Officer and Chief Executive of the Parliament also sit. The Corporate Body meets the cost of MSP participation in SPBE activities (save those overseas, which are met by the Exchange, not the host organisation) from a specific grant amounting to over £18,000 in 2001.[9] By 2003 the Parliament had committed in kind over £10,000 to the Exchange, equivalent to 10 per cent of the running costs (SPBE 2003) and up to £100,000 has been promised to the SPBE's development fund through until 2005 (Scottish Parliament Corporate Body 2003). Moreover, because the SPBE is accountable to the Parliament only through the Corporate Body, a potential conflict of interest exists as leading members of the SPBE occupy such prominent positions on the Corporate Body.

Given the absence of guidance, individual interpretations of what the Exchange's principles mean in practice become important, if not crucial. Take, for instance, the fundamental stricture that the SPBE must be a non-lobbying organization. Anne Mearns, diretor of the SPBE and responsible for arranging and facilitating links between MSPs and member companies, gives the following definition of lobbying:

My definition of lobbying is when somebody, or an organization, or a group of

interest, is trying to ensure that an MSP understands their case and where they are

coming from. (interview with author, July 2002)

How this differs from the SPBE's mission to create mutually beneficial exchanges of

information and experience is a moot point, though this clearly opens up the probability

that the Exchange can indeed facilitate lobbying by the interests involved. In fact,

Mearns' understanding of lobbying is interchangeable with the SPBE's aim to educate

and inform legislators. At another juncture Mearns qualified her understanding of

lobbying as 'receiving a one-to-one presentation from somebody'. This reads like a

dangerously naïve, formal and simplistic understanding of how lobbying gets done. This

confused thinking is shared by other guardians of the Exchange, notably David Davidson

MSP, a board member of the SPBE. Defending the Exchange on *Newsnight Scotland* he

demonstrated little purchase of the practice of lobbying, claiming:

It's not about lobbying. It's about information exchange and understanding ... If you

call the Parliamentary Affairs or Government Affairs person from, say, a drug

company a lobbyist, they are not really... what they do is help companies come to

understand how to interface with the Scottish Parliament... The problem we have is

what is a lobbyist ... is a lobbyist somebody who goes out and gets your message

across for you, or is a lobbyist, as in many cases, somebody who works in public

affairs and comes to the Parliament, helps to give MSPs information openly, and

helps their organisation understand how the parliamentary process works? (Davidson,

BBC Newsnight Scotland, 8 October 2002)

How then does the SPBE work in practice? According to the official line the Exchange is

a non-lobbying, non-partisan way of bringing MSPs and business interests together to

learn from one another. The Exchange is member driven and helps MSPs who wish to

learn about sectors of the Scottish economy or particular aspects of strategy across a

range of businesses to find suitable private sector partners. However, the detail and

routine of how the SPBE actually operates are not quite so neat. It would appear the

MSPs do not always set the agenda for their relations with member companies. As Anne

Mearns describes:

Sometimes companies come forward with their ideas about what they think a

programme is about, and I look at it and say 'No, this doesn't actually match the

learning outcomes that MSPs say they want.' So there is a lot of negotiation can

take place to make sure that company is actually matching what the MSP is

looking for. *That's not to say that I would stop them raising the aspirations of the*

MSP. If it was something that was felt that was raising the aspirations beyond

what the MSP had asked for I would go to them and say, 'Look there is the

opportunity of doing this with the company, are you interested, Yes or No?' But

they don't get to bring in any days that don't appear to relate to the learning that is

actually required. And that's a kind of a way of limiting the potential for

lobbying. (interview with author, July 2002, emphasis added)

This represents an implicit recognition of the possibility of lobbying within Exchange programmes, and an explicit admission that the corporations taking part can and do take the opportunity to influence the content and context of these exchanges. Moreover, prompted by corporate members, the SPBE has developed industry programmes to complement the company programmes that try to match an MSP's interest with opportunities. The industry sector programmes are described by Means as 'about us saying we think that there is something that is worthwhile here, *so we put together a programme that is marketed to MSPs*' (interview with author, July 2002, emphasis added). This account stands in contrast to the public defence of the SPBE made by Paul Grice to the Standards Committee at Holyrood in late 2002 (see below). It is at least recognised that relations between MSPs and outside interests do not take place in a policy vacuum. The director of the SPBE was forthright in claiming it is right and proper that the Exchange should be oriented to political matters:

> It is quite legitimate for [Scottish Parliament] committee work to be a topic that would be looked at by the Exchange, but in such a way that nobody is getting at anybody. There is an exchange of views, and there are counter-views around the table, and *there is a wide range of interests*. MSPs are free and *enabled* to come to their own views on something. (interview with author, August 2001, emphasis added)

How wide the range of views available to MSPs at such meetings is certainly a point of concern. In comparable events in Scottish public life it has been remarked that the conformity of opinion that comes to represent the 'Scottish consensus' is extremely narrow, and constrains policy debate (Hassan 2002: 24). It is publicly documented that the work programme of the SPBE to date has been almost exclusively focused on corporate interests and there is little sense that balancing views from the voluntary sector or other parts of Scottish civil society are part of the learning experience of MSPs on the Exchange. The issue then becomes one of whether Exchange sponsored learning opportunities can have a public affairs or commercial pay-off for the participating corporations? In principle one would have to think that they could and, in practice, the details that emerged into the public domain regarding the oversight and running of the scheme appear to confirm this suspicion.

Fair Exchange? Openness and Confidentiality at the SPBE

In June 2002 the SPBE again became the subject of debate as it was revealed that Margaret Jamieson, MSP and deputy convenor of the Parliament's health committee, had signed a confidentiality agreement with the drug manufacturer Pfizer as part of her participation in an Exchange placement. This story, broken on *Newsnight Scotland*, was picked up by the rest of the media pack in Scotland and rapidly developed into what SPBE insiders considered their biggest PR crisis, and recruitment setback, to date. It was reported that Jamieson's secrecy agreement with Pfizer took precedence over her duties as an MSP and the expectation of openness and transparency upon members of Holyrood. In the ensuing media storm, Grice and Steel were noticeably absent from the public glare.

Instead the focus settled on Jamieson herself, and the media questioned her character, competence and judgment.

When the dust settled on this story some salient and revealing details about the operation of the Exchange emerged. In a letter to the Standards Committee Jamieson complained that she had acted in accordance with guidance from the SPBE, which she wrongly assumed had been properly approved by the relevant Parliamentary authorities and was compliant with the Members' code of conduct. In fact the Standards Committee had not been approached for advice on this matter by the SPBE. This revealed the limited oversight that the Parliament has over the operation of the SPBE, a matter that continues to cause disquiet among some MSPs.[10]

The revelation that confidentiality agreements are a normal and accepted part of the way organizations like the SPBE operate came as more than a mild surprise to many observers. However, one lobbyist working in an SPBE member company didn't think 'openness' could extend to revealing commercially confidential information to MSPs: 'We are pretty open. If there is stuff which is commercially confidential, we probably wouldn't get into that [with the SPBE]' (interview with author, July 2002). At another point this source admitted that the commercial and political sensitivity of issues could shape the operation of the SPBE:

> If there is something going on at the time that is contentious or difficult [for the
> company], then we'd have to be a bit more careful about the definition of what

lobbying in practice might actually look like. But if it's a kind of a safe time then you can be freer, and hopefully the companies can be freer, and the MSPs can ask all sorts of unfettered questions. (ibid)

The unease regarding this revelation of a 'gagging' clause was almost certainly due to the public profiling of the Exchange as an open and transparent body. However, little evidence has yet to emerge to support the Exchange's claims to openness, which is repeatedly made by those defending and promoting the SPBE. It has proved remarkably difficult to obtain source material and information on the creation and conduct of this private company, limited by guarantee. In fact, one has had no option but to rely on the guarantees of those closely involved in the scheme as to its probity and efficacy, since precious little information has emerged into the public domain, save during the Standards Committee inquiry in late 2002.

When asked about the SPBE's culture of openness and practice of transparency Mearns replied that:

I would be very surprised if they [the SPBE] decide not to keep people up-to-date with the thinking, the strategies and developments that are going on.

Q. Almost like an official record of what goes on? On the lines of a committee meeting of the Parliament or something like that?

I would have every expectation that there is an official record, but in the same way as you'll notice the IPT only allows the minutes of its board meetings to be

accessed by members, I think there would need to be some basis in which the privacy element for the purely private stuff ... I can't think what is private that won't go onto the public record, though. I just can't see what is likely to come under that. (interview with author, August 2001)

Note that, at the time, the interviewer was under the impression that the SPBE is on a quasi-official footing and that this misapprehension is not fully corrected or clarified by the respondent. In reality, precious little information about the Exchange has been volunteered by the SPBE. To constantly claim to be an open body without actually doing anything to substantiate this assertion is worrying for those interested in the transparency and probity of public affairs in Scotland. In essence, this feature of the SPBE's communicative repertoire seems to coincide with Burke's description of 'rhetorical tokens' (Mayhew 1998). These are claims that advance some position or cause. Their tokenism is revealed when they are challenged and investigated, as they cannot be substantiated or justified. Mayhew suggests that this is an important feature of the way political communication gets done by spin doctors and professional communicators. Tokens are the stock-in-trade of mediated politics shaped by the 'new public' of advertisers, market researchers and PRs. Redeeming these tokens is the job of critical journalism, independent research and political opposition.

Returning to the PR travails of the Exchange, details about Margaret Jamieson's learning experiences and opportunities with Pfizer were notably under-reported during the furore. The SPBE argument that all the information would be put in the public domain when the

programme finished was accepted by the media.[11] Almost three years later this

information is still not available. The notion that openness requires prompt and timely

answers to important questions, rather than at the convenience of the SPBE, seemed not

to concern the Scottish political press pack. After creating a stir about the fact that a

confidentiality agreement existed, the media were rather incurious about what might or

might not be confidential and what was being kept out of the public domain.

The programme that Pfizer prepared for Jamieson included participation in some

company planning and strategy meetings. It is yet too early to say whether these meetings

were part of the confidentiality agreement that Jamieson was encouraged to sign, as these

details have still to become public at the time of writing. Four days of Jamieson's 25-day

placement programme was devoted to 'gaining an understanding of the impact of political

and legislative processes on a major multi-national organisation' (Scottish Parliament

2002). It would appear that the substance of parts of the programme certainly amount to

privileged access to participating politicians. The SPBE continue to insist that the

Exchange does not offer exceptional access to MSPs, yet the following account of one

part of the Pfizer placement scheme suggests this cannot be the case:

> And she has been involved in sitting in on a strategy meeting, actually
>
> contributing to drawing a strategic map of Scotland in relation to the issues they
>
> are looking at. Contributing to the actual...
>
> *Q: She was contributing to their strategic planning?*

Yes, Yes. So they are actually getting involved in the thinking processes that you

as a member of staff in that organization would be involved with if you were

having a strategy scenario planning type event ... but basically on a map of

Scotland ... it was to do with widening prescribers ... but it was 'What would the

implication be across Scotland if there was to be wider prescribing?' And so she

was contributing her views to this map of impact on Scotland. Now that is a pretty

unique experience for someone to be able to have. (interview with author, July

2002)

It certainly is, especially for those with a strategic and commercial interest in the future of

the health service in Scotland. If the SPBE's claims to be non-lobbying and non-

privileged organisation are correct then this kind of 'unique' learning experience should

be open to all kinds of groups and interests. Of course, this cannot be the case. The basic

logistical difficulties in arranging the MSPs' and senior business people's time, [12] and the

cost of these schemes,[13] are examples of the obstacles to achieving equitable access to

politicians. Apart from the potential compromise that this interaction presents for the

MSP in question (who was deputy convenor of the Parliament's health and community

care committee throughout the first session of Holyrood), this vignette illustrates rather

graphically what the participating companies might hope to learn from their interactions

with MSPs and why they are prepared to pay up to £7,500 per annum for the privilege.

Large corporations are keen to attach themselves to initiatives that advance their public

affairs and PR goals. The SPBE offers the chance to affiliate to a body that can

potentially fulfil these two strategic objectives. Because the SPBE is cast as an educational charity it matches some of the priorities of many corporate lobbyists, who are supportive of education for instrumental reasons. As one corporate lobbyist in Scotland noted, education is a public affairs priority 'because it's such a scarce resource and the competition for it is so important...[our interest] it's not exactly altruistic' (interview with author, August 2002). This consideration does not seem to have dawned upon some of those overseeing the SPBE. One insider expressed delight at the corporate sector's apparent enthusiasm for the Exchange: 'They all want to be part of an organisation that is educational, and open, and transparent and all the rest of it. And I was heartened, and a wee bit surprised as well because I had thought that they have got all their schemes and all their links at the moment' (interview with author, July 2002). What the SPBE offers beyond all these schemes and links is the official endorsement of the Scottish Parliament, representing a legitimation of the public affairs activities of members.

Exchanging Standards: Lines of Accountability and the SPBE

The Standards Committee of the Scottish Parliament remained concerned about the nature of the SPBE scheme from the first public revelations about its existence in August 2001.[14] Following the publicity arising from Margaret Jamieson's confidentiality agreement with Pfizer, the Convenor of the Standards Committee, Mike Rumbles, responded to a letter from Jamieson outlining her concerns about the stewardship of the SPBE by writing to Paul Grice inviting him to come before the committee and explain the 'operation and structure' (Standards Committee 2002:1) of the scheme.

In the lead-up to the committee's evidence taking from Grice[15] BBC Scotland 'broke' a

news story about the first SPBE inward programme into the Parliament. The story,

gleaned from a press release on the Scottish Parliament's website (which had been posted

in April 2002), publicized the fact that of the eight participating SPBE members

shadowing MSPs for a week, six were lobbyists: five working in-house for corporations;

and one for Saltire Public Affairs, the consultancy owned by commercial law firm

Sheppard & Wedderburn. The Saltire representative, Fiona Burns, was in fact a

commercial lobbyist. On *Newsnight Scotland*, Elaine Thomson MSP, a board member of

the Exchange was interviewed and claimed she was unaware of the detail of the inward

programme she had presumably endorsed in her capacity as an SPBE board member,[16]

such as the significant fact that the Saltire 'shadow', with whom she had spent two days,

had no legal qualifications. Moreover, Thomson revealed that she had no idea what

clients the Saltire lobbyist might represent and was thereby unable to judge whether a

possible conflict of interest in the inward programme might exist. Such revelations of

worrying gaps in the oversight and management of the SPBE ensured considerable media

interest in Paul Grice and Anne Mearns' appearance before the Standards Committee.

In evidence, Grice, chair of the SPBE and Chief Executive of the Scottish Parliament,

robustly defended the scheme. He restated much of what was already publicly known

about the SPBE and then accepted questions from MSPs. Tricia Marwick immediately

asked who drew up the Exchange's guiding principles,[17] and whether they had sought

advice from the Standards Committee clerks on the compatibility and compliance of the

SPBE's principles with the code of conduct for MSPs. Grice revealed that he had

personally taken responsibility for ensuring compliance, but that no formal consultation

had taken place between the Exchange and the committee at the early stage when the

principles were agreed. Grice insisted that there has been regular contact between the

director of the Exchange and the clerk of the Standards committee as programmes have

begun, but that 'in the early days the discussion was slightly more philosophical'

(Standards Committee 2002a, Col 1114, October).

When pressed on the less philosophical aspects of the principles of the Exchange, namely

the operational definition of lobbying, Grice asserted that:

> For the purposes of the exchange, I would say that lobbying is where people are
>
> promoting the narrow interests of their company or organisation, as opposed to
>
> enabling a member of the Parliament to gain an understanding of a business or
>
> sector, which I would not regard as lobbying. It is important to put on record the
>
> fact that the programme is very much led by members. In other words, it is less a
>
> matter of a business wanting to tell MSPs things; it is more about members
>
> seeking information and setting the agenda. That is what I would regard as the
>
> main protection. (ibid: Col 1115)

This view of lobbying was not accepted readily, and Marwick reminded the Parliament's

chief executive that the Standards Committee had spent almost three years arriving at a

working definition of lobbying, which had been officially adopted. Grice accepted this

point, and later suggested that 'it is important to draw a distinction between people whose

jobs in companies concern communications or public relations and people who work for commercial lobbying organisations' (ibid: Col 1116).

In fact, the very weakness of the Parliament's definition of lobbying is that it is too narrow and fails to consider those who work in-house as lobbyists. To suggest that corporate communications and public relations are somehow unrelated to the political and policy objectives of organisations (especially large corporations) is a rather strange position to adopt. Corporate PR is concerned with managing reputation and perception among key publics, which clearly includes important decision makers and legislators. The unconvincing distinction that the Standards Committee drew between commercial and in-house lobbyists seems to have been based on a cocktail of political expedience and neglect of the public interest rather than a thorough consideration of the multiplicity of channels through which interest representation and lobbying can be accomplished.

Grice argued that the Exchange was insulated from lobbying by stressing that the organisation is driven by MSPs and their interests. Yet as we have seen with the case of industry programmes the freedom of MSPs to set the agenda of the SPBE is certainly open to question. When asked why so many participants in the first inward programme were lobbyists, Grice contended that he would not allow member companies to veto which MSPs might want to participate in the scheme and therefore could not tell companies whom they should send to shadow MSPs. This account actually glosses over a real dispute within the SPBE regarding the propriety and purpose of such placements:

Well there was a debate on this, as to whether these people should be allowed on the first programme. And the events advisory committee [of the SPBE] did discuss this, and so did the board. Because the feeling was that we were wanting to influence people within organisations who are actually working on policy – they are the ones who should be understanding [the workings of the Parliament]. But there was a very strong case made by the people who were representing their organizations in the Exchange, through the events advisory committee, that's all the members, that for them to be able to explain what the programme was about and sell it to their company that they [lobbyists] ought to come on board, and treat it as a pilot. So they knew what it was we were trying to do, they would be able to test if you like ... also a number of them felt that they had to be pretty well clued in for their job. They of all people should be well clued in to what the Parliament is doing. So some of them that actually came along were not that long in their jobs. Some of them were relatively new to their jobs and that was understandable, but there were others that we did feel really, is this the right choice? (interview with author, July 2002)

The scope for corporate influence on the running of the Exchange is also evident in the SPBE's industry programme, a vehicle created precisely to let business tell MSPs what they considered the issues to be. And as is evident when considering the data in the previous chapter, issues are what corporate lobbying is all about. Moreover, to judge the efficacy of these programmes, the SPBE is quite explicit about the role of companies (rather than unions or voluntary sector associations):

Quite specifically, we have got to develop a form of evaluation which should be able to address the question 'Are we succeeding in having better informed MSPs?' How do we measure that? So there is almost a link between MSPs' contributions to debates later on from what they have actually learned at companies. *So do companies feel that the understanding is reflected in what happens in debates later on?* (interview with author, July 2002, emphasis added)

All this points to the possibility of lobbying, even under a generous reading of the above. It is clearly not simply about MSPs satisfying themselves about the issues facing a business or industrial sector. It is also about that business or industry satisfying themselves about the outcomes of the programmes. Does this give lobbyists a formal say in how they are represented by (participating) MSPs? It is probably too early to judge at this point, given that details about the running of these programmes have yet to become public. The likelihood of such data being released voluntarily is remote at best, given the track record of the SPBE to date.

When quizzed specifically on the accountability of the Exchange to the Parliament whose name it bears, Grice was unwilling to submit the SPBE, a private company that had been set up independently, to oversight by the Standards Committee. He suggested that the transparency and accountability of the project was safeguarded through the role of the Corporate Body,[18] through the participation of MSPs and also Grice's own role as convenor. This guarantee did not satisfy the Standards Committee, and in its report into

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the SPBE it highlighted the unsatisfactory accountability of the SPBE to the Parliament.

Members were concerned about the ability of the SPBE to bring the Parliament into

disrepute (as most members appeared to agree had already happened) when the

committee charged with upholding the reputation of Holyrood were powerless to regulate

how the Exchange operated in the name of the Parliament. The committee concluded that

the SPBE's status as a limited company was 'problematic in securing sufficient

accountability' (Standards Committee 2002b: paragraph 13

http://www.scottish.parliament.uk/official_report/cttee/stan-02/str02-09-01.htm).

The committee also doubted that the Exchange had sufficient safeguards to protect

against lobbying. Challenging the SPBE on this fundamental principle is certainly a

strong and notable criticism, and underlies the following recommendation of the

Standards Committee, which amounts to a de facto cease and desist order from the

parliamentary watchdog:

> The Committee is therefore of the view that there should be a review of the
>
> structure of the Exchange and that the Exchange should be reconstituted as part of
>
> the Parliament with direct and robust lines of accountability to the Parliament.
>
> Following the review, which should be carried out within three months, any new
>
> structure and constitution for the Exchange or new system of arranging exchanges
>
> with business and other sectors should be subject to the approval of the
>
> Parliament so that the Parliament can be satisfied that it complies with Standing

Orders, the Code of Conduct and the principles which underpin the Parliament. (Standards committee 2002b, paragraph 22).

Changing the Exchange?

In the wake of strong criticism of the operation of the SPBE by the Standards Committee, Sir David Steel, presiding officer of the Parliament and honorary president of the Exchange, chose to put the best possible spin on the controversy when speaking to a largely business audience at an SCDI dinner in December 2002:

> I want to assure you, and send out a clear message to business tonight. The Scottish Parliament is open for business. We are accessible and receptive to your views and, our members have a strong desire to engage with you and learn from you... We positively want closer working relations and want to provide every opportunity for you to inject a pro business agenda into the work and direction of the Parliament. (Steel 2002)

Steel went on to stress that two-way communication (a recurring phrase and concept in many PR and lobbying textbooks) was the key to a successful relationship between Parliament and business, and hinted that the Standards Committee of the Parliament were supportive of efforts such as the SPBE, where they are 'transparent, accountable, and beyond reproach'. This of course is the crux of the matter, and the Standards Committee took a view that the SPBE was not open or truly accountable to the Parliament. Nevertheless, Steel felt able to avoid this criticism and promote the Exchange to his

audience. Moreover Steel received official backing for his overtures to the business community a week later when the Corporate Body of the Parliament agreed 'with the recommendation that the Parliament should develop its contacts with the business community by involving businesses in various events to be organised by the Parliament ... and by the Presiding Officer and others attending selected business events outside the Parliament' (Scottish Parliament 2002). The minute of this meeting of the SPCB fails to record where the recommendation for developing closer relations with the business sector might have come from,[19] but we can assume this initiative also enjoyed the support of key decision makers in Holyrood.

In January 2003 the corporate body reiterated their support for The Exchange and its various programmes. The SPCB minute of the meeting (also attended by Brian Adam MSP, Anne Mearns and Lynda Gould of Pfizer) indicates that 'the SPCB were content with the progress made by The Exchange and also noted the number of Members who had participated or had indicated an interest in an Exchange scheme' while noting that the Exchange might begin to involve smaller and community businesses in their activities (http://www.scottish.parliament.uk/spcb/spcb-mops/spcb-mop03-0128.htm). This particular meeting represented half of the SPBE's stakeholder consultation in the wake of the Standards Committee criticism.

The Corporate Body noted that the Exchange was undertaking a review of all its activities in the light of experience in the first year of operation, including criticism by the Standards Committee. This stock-taking exercise was to involve wide consultation

amongst MSPs on views and experience of The Exchange to help them set the future direction of the programme, and the results were to be reported back to the Standards Committee and Corporate Body by March. Like much else associated with the SPBE this review exercise was delayed, with the results lodged in the Parliament's information centre (SPICe) in May 2004 (this report is discussed in the following section).

The Standards Committee's demands for input into the regulation and oversight of the SPBE are likely to be rebuffed. Members of the committee were clearly angered by the Presiding Officer's response to their criticism of the Exchange, which he circulated in a letter to all MSPs. Although the committee agreed to tone down their criticism of Sir David in their written response, it is evident from the official record of the committee meeting that members were outraged. MSPs described the Presiding Officer's and Exchange director's 'spin' on their report, which claimed that the committee supported the initiative and that there were no complaints from participating MSPs that they had been lobbied while on SPBE programmes, as 'misleading', 'a gross misrepresentation', 'astonishing', 'disingenuous', 'dismissive and contemptuous', 'incredible', 'complacent', 'breathtaking' and 'unacceptable' (Standards Committee 2003, Col 1212-1227).

Despite adverse media comment and stinging criticism from the Standards Committee, the SPBE continues to operate within Holyrood. In February 2003, the EU Commissioner for the Internal Market and Taxation, Fritz Bolkestein, visited the Scottish Parliament. Part of Mr. Bolkestein's agenda included a question and answer session with MSPs and business representatives 'on plans to create a single EU wholesale market for all financial services by 2005; an issue of major importance to Scotland's finance industry'

(http://www.scottish.parliament.uk/whats_happening/news-03/pa03-010.htm) organized

under the auspices of the SPBE. The Exchange has been keen to attract members from

the economically and politically important financial services sector (only the Royal Bank

of Scotland and Lloyd's TSB Scotland represent that sector) and this event can certainly

be viewed as a recruiting opportunity for the programme. Nevertheless, a couple of

current members of the SPBE are reconsidering their membership of the organisation

(private conversations with the author), given the bad publicity the initiative has attracted

and what some see as the poor management and stewardship of the organisation.

The Way Forward?

So while the SPBE continues to promote itself using the offices and resources of

Holyrood, the committee charged with protecting the Parliament's reputation must look

on in anger, formally powerless to effect changes to its structure and operation. However,

even it the Standards Committee were granted a role in regulating how the Exchange

functions it is likely that the public interest would not be sufficiently served, given the

narrow definition of lobbying that the committee adopted. The error in excluding in-

house lobbyists from its proposed register can be seen to have come back and impacted

on how the SPBE is conceived, and, therefore, how it should be regulated.

The SPBE's review of operations claimed to be the result of a wide-ranging stakeholder

consultation (SPBE 2003). This would appear to consist of a meeting of the Corporate

Body on 28 January 2003 and the SPBE's events advisory group on 29 January 2003

(ibid: paragraph 13). The Way Forward strategy of the SPBE recognises concerns within

the Parliament regarding the openness and accountability of the SPBE, yet claims that

'there is clear consensus that the Parliament ought to engage more effectively with

business' (ibid: paragraph 20). Non-parliamentary members 'were of the view that the

Parliament should be seen to endorse the Exchange more strongly' (ibid: paragraph 13 b).

Part of this endorsement would be symbolic, the other material. In a paper submitted to

the SPCB outlining the Forward Work Programme for the SPBE (SPCB 2003a) the

Parliament is requested to confirm its commitment to the SPBE quickly, in order to 'assist

in retaining and attracting the support of non-Parliamentary interests' (ibid: 1). This

commitment totalled £50,000 in order to 'give confidence to non-Parliamentary members

who are cautious about contributing in a climate of uncertainty'.

Nevertheless, the notion of bringing the SPBE under the control of the Parliament is

rejected on economic grounds:

> Reconstituting the Exchange as part of the Parliament would require a budget of
>
> some [£96,000] due to savings achieved by no longer operating as a separate
>
> company and through economies of scale. Activities could be directed to priority
>
> interests of MSPs, with external organisations only consulted in the design of
>
> programmes rather than running income-dependent membership drives...leading
>
> to a rise of £96,000 in costs to the Parliament. This additional burden on the
>
> public purse could seem inappropriate when private and public sector interests are
>
> willing to contribute. (SPBE 2003: paragraph 24)

The strategy document concludes that while the status of the SPBE is 'difficult to reconcile' with the Standards Committee's conclusions cited above 'bringing the Exchange within the Parliament, however, *is likely to be unacceptable to business* (and to some MSPs)' (ibid: paragraph 27, emphasis added). Instead the board of the SPBE decided to build on the current structure of the Exchange, add a new (fifth) guiding principle of 'mutual trust' (ibid: annex 3) while also submitting its quarterly report for the SPCB to the Standards Committee, and possibly allowing an MSP board member to present the report in person to that committee. Furthermore, the board considered it 'prudent' to submit its procedures to the scrutiny of the Standards Committee, though how this might formally work in practice is not specified.

The thrust then of the stock-taking by the SPBE was to reject the criticisms of the Standards Committee and to proceed as before, with limited extra reporting to that committee. The SPBE once again committed to seek to include smaller businesses and voluntary sector agencies and to develop the website as a tool for promoting the visibility and openness of the Exchange.

In a separate review of relations between the Scottish Parliament and the business community after Holyrood's first session the Institute of Governance (2003) at the University of Edinburgh published a follow-up to their first report (Brown and McCrone 1999). This report devotes considerable space to defending the SPBE against 'misreporting' in the Scottish press - particularly those publications like the *Sunday*

Herald and *Business AM* who 'one might have thought had a better grasp of business-parliament matters' (Institute of Governance 2003: 33). Bizarrely, it claims that the openness and transparency of the Exchange has facilitated distortion and misrepresentation by the media (ibid: 35). This report is generally despondent about widely available understandings of business-Parliament relations: 'Scotland requires a much more sophisticated and better informed debate about how "interests" are represented in parliament than the one which has hitherto taken place' (ibid: 22).

The report is based upon a 'strategic' methodology, consisting of off-the-record interviews with many of those who participated in the first report (Brown and McCrone 1999), giving the study a longtitudinal element. Indeed, over forty percent of the interviewees for the 2003 report were from organisations who are members of the SPBE.[20] The consensual tone of the findings reported in this study could in part be attributed to the fact that none of the interviewees are known to hold critical views about the SPBE or the wider issue of lobbying at the Scottish Parliament (save perhaps Alex Neil MSP, currently a member of the Standards Committee).

The defence of the SPBE offered in the Institute of Governance (IoG) report is revealing in that it is based on a very charitable interpretation of the organisation's track record to date. For instance, the report claims that the SPBE has attracted over 20 per cent participation rates amongst MSPs, well in excess of similar schemes at Westminster. However, the SPBE's 'Way Forward' strategy paper only claims a 9 per cent uptake by MSPs (SPBE 2003: paragraph 4).

The criticism of the SPBE regarding the inward programme to the Parliament is rejected by the authors of the IoG report, who argue that the definition of lobbying in this context is significant. Using the definition adopted by the Standards Committee they exonerate the SPBE and its members of all blame. However, as has been repeatedly pointed out above, the Parliament's definition of lobbying is deficient, precisely because it cannot cater for the activities of in-house lobbyists who are neither providing advice nor information to third parties, selling information, or representing organised interests for renumeration with the intention of influencing MSPs. The ongoing contacts programmes and intelligence gathering that define the most sophisticated contemporary corporate lobbying programmes are not captured in this view of lobbying. To suggest that 'shadowing MSPs as they go about their business does not seem to offer much scope for "lobbying" as such' (ibid: 35) displays a very limited understanding of the ways in which corporate lobbying operates.

The IoG analysis insists that the SPBE was set up specifically to exclude lobbying, an assertion it makes based on 'minutes from the first working group meeting in February 2000' (2003: 32). Having had such access to the setting up of the organisation we must take this report at face value, though the actual implementation of these principles still warrants examination. The claim that 'a blanket accusation that any contact is tantamount to lobbying...seems facile' (ibid: 36) is also correct. What this chapter has sought to demonstrate is that the detailed practices of the SPBE and its various corporate members are a legitimate cause for concern, given the persistent absence of openness, transparency

and accountability in its activities. Moreover, the lax attitude of officials and MSPs regarding corporate lobbying is a serious worry, given the inadequate definition of lobbying that the Parliament has adopted as its only defence against charges of improper influence.

The enthusiastic support for the SPBE at the higher reaches of Holyrood contrasts with the Parliament's policy toward other organisations charged with bringing politics and civil society closer together, namely the Scottish Civic Forum. One source in that body took some pleasure in the bad publicity that the SPBE was attracting. They nevertheless found it regrettable that the Parliament devoted considerable funds to foster relations with businesses and resource-rich groups, yet could not find resources to support links to voluntary sector organisations when approached by the Civic Forum.

In reviewing the case of the SPBE one is left with the unavoidable conclusion that, in this instance, there is precious little accountability and considerable drift from the ideals that were meant to guide the new Parliament. The persistent and dangerous confusion about what contemporary lobbying looks like is as entrenched as ever within Holyrood, and reinforces the urgent need for rules and principles to apply to all those who seek to influence the legislature and all the means used to pursue such goals. A default position favouring openness and transparency remains the best available safeguard to politicians and the public.

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1 Hope 2002 inaccurately credits the SPBE as being organised by CBI Scoland

2 In the copy of this paper I was supplied with the first annotation in the margin reads 'encouraging larger plcs rather than smaller companies'.

3 The SPBE membership fee structure now ranges from a £150 annual subscription for businesses with a turnover of less than £1 million per annum up to £7,500 for those corporations with a turnover of £2 billion per annum or more.

4 It should be noted that lobbyists very often display a distinct reluctance to defend their own activities in public. On one occasion, on a *Newsnight Scotland* broadcast, Jack Irvine of Media House International privately complained that the rest of the lobbying industry refused to defend the SPBE scheme and lobbying more generally. Irvine, of course, made a robust case for the industry, while slipping in a little dig at his commercial rival Gordon Beattie. Irvine insisted that all the problems of the lobbying industry in Scotland could be traced back to 'Beattie-gate', reminding viewers that Beattie Media were the company associated with the Lobbygate affair.

5 The only criticism that *Business am* printed regarding the SPBE was that not enough MSPs were participating in the scheme, and that the Standards Committee should not interfere in its operation.

6 In fact such is *Holyrood* magazine's support for the Exchange that it has recently expressed an interest in becoming a member of the scheme (Standards Committee 2003 ST/03/01/3).

7 The MSPs in question are Elaine Thompson (Labour) who had also sat on the steering group, Brian Adam (SNP), Keith Raffan (Liberal Democrats) and David Davidson (Conservatives). Paul Grice took the sixth place reserved for the Parliament.

8 Publicity relating to the SPBE often claimed the board of the Exchange 'is made up of MSPs, business representatives and trade *unionists*' (http://news.bbc.co.uk/1/hi/scotland/2188164.stm) though only one trade unionist has ever been associated with the project.

9 This figure does not include help in kind, such as setting up the Exchange website, use of Parliamentary facilities for meetings and publicity through the press office.

10 See for example the Standards Committee report on the SPBE, ninth report 2002, SP paper 694 and the official record of the Standards Committee meetings on 9 October 2002 and 29 January 2003.

11 MSPs on the Standards Committee did not fully accept the SPBE's timetable for informing outsiders about the activities of the Exchange and subsequently called the convenor and manager of the SPBE before the committee in October 2002.

12 One of the emerging criticisms by sources inside the Parliament of the operation of the SPBE scheme to date has been the inability of the Exchange to secure the participation of very senior business leaders.

13 Jamieson's participation in the Pfizer exchange cost £3108.32, which was 'met' by the SPBE. Following the IPT model which recommends 'All financial outgoing on a parliamentarian's programmes should ideally be met by the scheme, and the company and Members reimbursed. This makes it transparent that any costs have been awarded as part for (sic) the programme and is not a company payment in kind' (in Mearns 2000, Annex 5 p. 2). The circularity of the transaction is interesting here. A company pays a membership fee, and then is reimbursed for the costs it incurs hosting a parliamentarian...from the money it has paid into the scheme. See http://www.scottish.parliament.uk/msps/register/jamieson_margaret-roi.htm

14 'The Committee Convener had written to the Convener of the Exchange on 29 August 2001 to express his concern over media reports speculating that the Exchange provided preferential access to MSPs for subscribing organisations in return for a membership fee (see Annex B). In response, the Exchange Convener indicated that the Exchange was committed to being non-lobbying (see Annex C)' (Standards Committee 2002, http://www.scottish.parliament.uk/official_report/cttee/stan-02/str02-09-01.htm).

15 *Newsnight Scotland* ran this story on Monday, 6 October 2002. It followed it up again on Tuesday, and again on Thursday, 9 October, when Grice appeared before the committee.

16 This directly contradicts evidence Paul Grice later gave to the Standards Committee, where he insisted that 'We made sure that the host MSPs were clear about the CVs of the people involved. The MSPs knew exactly whom they were dealing with' (Standards Committee 2002a, Col 1130).

17 The guiding principles of the SPBE are certainly open to revision, as is evident from the fall-out of the Margaret Jamieson affair, where the principle of mutual trust was amended from 'flexibility and inclusiveness' to the following formulation; 'access to learning with respect for highly sensitive information (commercial / political)'. (ST/03/01/3).

18 Reviewing the minutes of the Scottish Parliament's Corporate Body sheds little light on how decisions relating to the SPBE were made. It would appear that the Corporate Body only discussed the Exchange on

six occasions (one of which was in response to the criticism of the SPBE by the Standards Committee): 30 September 2003; 24 June 2003; 28 January 2003; 21 May 2002; 16 April 2002; and 19 June 2001.

19 This recommendation marks a considerable shift in the way the Parliament has sought to deal with its image problems and external communications. A consultancy report, by the SMRI, in the summer of 2001 recommended that the Parliament should target its communications efforts toward improving awareness of its work among the general public. The report did not specifically mention the business community as a key priority for external relations.

20 This figure excludes interviewees from the Scottish Executive and MSPs who have not directly participated in the scheme. If these were included then the proportion related to the SPBE would increase to 74% (see Institute of Governance (2003), pp. 46-47). Rather surprisingly, given the interviewee profile and the media coverage that the study seeks to rebut, the report claims that 'by and large, we found that the scheme had a very low profile, even to the point of invisibility' (2003: 35). This certainly runs counter to my experience of interviewing corporate lobbyists in Edinburgh, all of whom were aware of the SPBE.

Chapter 10

Conclusions

My concluding remarks are divided into three sections and relate to the three main pillars of this thesis. Broadly speaking, my first set of conclusions centre on the importance of studying elites in terms of their political decision making and influence. Following this, I wish to consider some of the theoretical issues raised by my research as they relate to dominant paradigms for studying power, particularly the agency of powerful actors in society. Finally, I will attempt to synthesise these issues in my observations and conclusions about Scottish devolution, the regulation and understanding of lobbying and how this impacts upon participative politics.

Studying Up: A blindspot of the social scientific gaze?

Thirty years ago Stanworth and Giddens observed that the study of elites in British sociology was a remarkably uncharted territory. Giddens correctly pointed out that the study of elites should move away from processes of recruitment and mobility and begin to focus on elite ethos and action (1974: xii). In other words, elite ideology and agency. This is where the study of lobbyists and professional communicators is of direct relevance: these groups are today amongst the most significant agents of economic and

political power. Individual lobbyists may not be members of the elite themselves (depending on how elite is defined and measured) but they certainly act on behalf of powerful economic, political, and social groups, which for simplicity and utility, we can conceive of as elites. In Giddens' terminology, lobbyists can be classified as the administrative stratum of the economic elite (1974: 15). However, it is also worth mentioning that many lobbyists can be considered members of social elites, given their titles (many have been honoured), educational backgrounds, and family connections. That they are also professional and political elites given their connections and lobbying activities only reinforces their special status.

Putnam (1976: 8-12) admits that deciding the cut-off point between elites and masses is an ad hoc judgement. Studies of power are 'ineradicably value dependent' (Lukes 1974: 26) and elite studies are similarly valu-laden. The fusing of the normative and empirical is a key aspect of all elite studies (Moyser and Wagstaffe 1987: 13). One way around this dilemma is to try to do thick description, furnish as much evidence as possible, and let others read into these facts the efficacy of the applied theories of eiltes and power. The accounts of the political communications activities and *intentions* of lobbyists detailed in this thesis are offered in this spirit.

It is curious that social science has neglected the study of elites. Much research effort is directed by elites (especially in terms of funding), and orientated toward elite interests (for example, how else can the ESRC's promotion of 'user engagement' be properly understood, when users are predominantly economic, administrative and political elites?).

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There have been some exceptions to this tendency, notably Useem (1984) and Scott (1991; 1997), but generally social scientists have either been denied or avoided detailed, in-depth examination of private elites. An obvious exception to this remark is the study of government and political leaders, though here too it is striking that much of the research that is available on organised interests and lobbies is not based on observation or first-hand experience, but rather relies on the interview accounts of elite representatives, or secondary analysis of documents by and about elites.

This connects with the important methodological issue of access in studying elites, which is a key constraint on our self-understanding of society (Stanworth and Giddens 1974). Williams (1989) has pointed out that 'studying up' remains a major difficulty for British social science, but insists there are ways and means to study elites, not least when research is sponsored by them. In such situations it is important to consider the interests of elites and recognise elite factions and conflict.

Elites are important because they wield power and are 'those whose opinions and actions count most' (Stanworth and Giddens 1974: xi). 'The significance of studying elites as elites hinges primarily upon their links to the means whereby society moves in one direction rather than another' (Nadal 1956: 9). Conceptualising the place of elites in society involves a strong normative judgement about what kind of democracy and society the analyst favours. One of the key developments in theorising about elites since the 1970s has been the recognition that elite decision makers are somewhat constrained by external factors (e.g. economic climate, public opinion). The imprecise nature of the

concept of elites has arguably retarded the development of critical analyses of contemporary elite orientated politics. As Cohen (2003) powerfully argues in relation to New Labour in the UK, elite circles expend considerable energy pronouncing the decline of the elite and promoting opportunity. Anthony Sampson's review of meritocracy in Britain (2004) draws similar conclusions about the endurance, persistent and increasing influence of elites. Definitions of elites can be so restrictive as to make their discovery, study and analysis an empirical impossiblity or so broad that key characteristics of elites, such as their classwide agency and (relative) decision making autonomy or discretion are obscured.

Sklair's recent (2000; 2002) theoretical development of the concept of capitalist-led globalisation places elite agency at the centre of the analysis. The agency Sklair refers to is that of the Transnational Capitalist Class (TCC), who are identified as key makers of the modern world. This group or class consists of economic, political and cultural elites who share an interest in, and usually directly benefit from, the advance of neo-liberal policies which underpin capitalist-led globalisation. Sklair's framework is sensitive to intra-elite competition and addresses many of the key questions confronting elite theorising including: elite influence across policy areas; the role of elite ideologies and images in shaping power relations; and the identification of key decisions and decision makers (decisional power).

The agency of the Transnational Capitalist Class (TCC) is politically significant. What these groups do when acting as a class is a phenomenon that can be studied. Political

lobbying and decision taking are core TCC activities or Transnational Practices (TNPs). Governing elites can be defined by their transnational lobbying practices. In particular, those lobbyists working in TNCs are explicitly encouraged to adopt best practice in (global) public affairs, which equates to a standardised set of procedures and methods used by corporations to protect and extend their political influence. The dramatic growth in recent years in corporate sponsorship of cultural events, community initiatives, education programmes, social investment and corporate social responsibility all point to the significance of lobbying as a transnational practice. Unsurprisingly, these initiatives tend to have American origins and are exported throughout the globe via TNCs. They are then tailored to local conditions and conventions by those members of the TCC operating 'on the ground'. Thus, in Scotland, lobbyists acting on behalf of TNCs were amongst the early adopters (or adapters to be more precise) of CSR, a mantra which has since been taken up by indigenous corporations in their public affairs programmes. The transnational practices of governing elites is reinforced by the two-way traffic of ideas and personnel between the private sector and government in the name of establishing best practice and efficiency in public governance. The state seeks to learn organisational and cultural lessons from large private sector interests and this further embeds transnational practices across public and private governing elites.

Thus, elites and their agency are a key feature of social and political life. They are reported on by the media, though very poorly if the case of lobbyists is taken as an example. The media are a useful way to begin a study of such powerful sources and they have revealed more about the hidden practices of lobbyists in Britain than either

academics or politicians. This critical publicity has at times forced lobbyists to account for their actions (which then becomes a resource for the analyst), yet to rely entirely on media accounts would be mistaken. In contrast, the study of elite decision makers is an apparent blindspot of academia. This lacuna may be partially explained by the fact that the critical study of elites is unlikely to advance careers, particularly those based on securing research funding from bodies which are themselves part of what may be termed the governing elite. Neither does the critical study of elites and their policies appear to win many new friends, influence governance or add to peer esteem, an important driver of much evaluation of social scientific research.

Despite this, the necessity of studying elites and powerful interest groups remains pressing. The decline in official political participation and public faith in political institutions, the lack of transparency in the British (and Scottish) system of governance, continuing social and political inequality and the spread of democratic deficits across political life are all conditions under which the self-interested agency of lobbies and governing elites can thrive. The one antidote to this situation on the horizon just now is the political activism of NGOs and groups emerging from civil society to challenge elite engineered politics. Thus, the rise in CSR can be explained in terms of a corporate response to environmental and human rights concerns voiced by campaigning groups, and amplified through the media. The role of critical elite analysis in this situation is to explain the interests and stakes that underpin the agency and transnational practices of those engaged in these debates. I would argue that an understanding of these issues must be based on an empirical and analytical grasp of what elite lobbyists do, and why.

Framing Lobbyists: connecting the theory and praxis of lobbying

Theorising the role of lobbying (particularly as a transnational practice) requires an appreciation of the ways in which the modern state, in an increasingly globalised context, shares power and governance decision making with outside interests. Political communication, and the activities of political and corporate PR personnel (including lobbyists), and those of journalists, editors and media proprietors, are all concerned in one way or another with social conditioning, broadly understood. The age of organisation (Galbraith 1983) refers to the fact that power is not solely concentrated in the state. If it were then the organisations that orbit and interact with the state would serve no purpose and cease to exist.

Why such lobbies exist, and what they do are therefore fundamental to any theory that seeks to capture the essence of lobbying and power. The communicative agency of public relations personnel and lobbyists is a useful way of getting a purchase on these questions. According to the dominant paradigms in communications studies organisations must manage their relations with other actors and publics. It is recommended that two-way symmetrical communication between organisations and their publics, mediated by professional communicators, is the best form of communicative agency (Grunig and Hunt 1984; Grunig 1992). Such communication is characterised by openness, mutual trust and responsiveness. However, this theory is in effect an ideal type that has been used as an apologia or legitimation for the (mal)practice of public relations. It conspicuously avoids questions of strategy and interests in the political communication process, beyond the

vacuous assertion that communication in itself is a positive virtue. Interestingly, one

founder member of ASPA based her IPR diploma dissertation (which was awarded a

distinction at Queen Margaret College, Edinburgh) on the creation of ASPA as an

example of symmetrical two-way communication. My analysis shows it was anything but

and that the private interests and strategies behind ASPA's communication programme

were markedly different from the public communications of this group.

Studies in source media relations and political communication have struggled to

overcome an inherent 'media-centricism' (Schlesinger 1990) focusing on the media

strategies of sources rather than attending to their other communicative activities in

different media and fora, many of which are not aimed at the general public. Recently

authors like Schlesinger et al (2001) and Davis (2003) have argued for media studies to

reorient its attention toward the private communicative practices of the powerful. Davis,

however, rejects theories of the public sphere as a useful way of developing this

endeavour. As mentioned above, elite studies are inherently value-laden and have a

strong normative charge. The value of public sphere theory (as developed by Habermas

and his various critics) in this context is that, in Garnham's words, they seek to hold

liberal democracy to account. By combining a strong normative framework with a

recognition of systematic distortion of public communication by powerful actors the

public sphere offers fertile ground on which to build theories of elite communication,

agency and lobbying, and its positioning in terms of countervailing forces emanating

from civil society.

Mitchell (1997) argues that the policy process is tilted in favour of narrow sectional interests, but that these don't triumph always and in perpetuity. He rejects pluralist accounts of contemporary democracy which see political contest as fundamentally open to more or less fair and equal competition among policy actors and dismisses accounts that fail to accept the structural lobbying advantages of business interests in late capitalist polities. Mitchell also challenges 'business dominance theorists' who insist on the complete policy dominance of corporate interests, locating himself in the 'defensible, if somewhat isolated position, grounded in the political constraints on translating economic power into political power, notably policymakers' agendas and the perceived legitimacy of business practices' (1997: 3). It is important to remember a key target of lobbying that often goes unnoticed (particularly by those who over-rely on media accounts) is the reversibility of policy decisions. Corporate lobbyists seek to repeal and replace legislation or regulation that impinges upon their interests. A supple theory of corporate political communication will need to account for such activity and relate this to the communicative practices, resources and policy scan of less organised interests like NGOs, trade unions, and indeed the mass media.

Such a theory will be sensitive to what Mitchell refers to as the three pillars of business power (organisation, resources and the ideological preferences of policy makers in favour of business) and what Lindblom (1977) characterised as the responsiveness of government to business which load the political system in favour of business. Underpinning this in the globalised era is the structural advantage of business, namely the credible threat of exit rather than voice in policy and regulatory debate. Moreover,

research from the US suggests that businesses don't see other businesses as adversaries, but allies in public policy debate (Mitchell 1997: 129). Opposition is identified as labour unions and environmental groups. Firms were four times more likely to agree than disagree with each other on policy issues (Mizruchi 1992). In short, the evidence points to the superior ability of business to mobilise politically.

Transnational Practices (TNPs) can usefully be seen as a way of understanding global processes. 'Globalisation, therefore, is defined as a particular way of organising social life across existing state borders' (Sklair 2002: 8). Whereas borders are becoming (slowly) less important (particularly between developed political economies), what actors do (practices) are increasingly significant. These practices can be distinguished on three levels: 'The transnational corporation (TNC) is the major locus of transnational economic practices; the transnational capitalist class is the major locus of transnational political practices; and the major locus of transnational culture-ideology practices is to be found in the culture-ideology of consumerism' (ibid: 8). The utility of such an approach is sketched a little further by Sklair:

> The concept of transnational practices refers to the effects of what people do when they are acting within specific institutional contexts that cross state borders. Transnational practices create globalising processes. TNPs focus attention on observable phenomena, some of which are measurable ... globalising processes are abstract concepts, but the transnational practices that create them refer directly to what agents and agencies do and derive meaning from the institutional settings in

which they occur, and because of which they have determinate effects. TNPs do not themselves constitute a theory. They do, however, provide a conceptual framework within which such a theory may be constructed. (2002: 84)

Analytically Sklair emphasises the 'discrete' activities of the TCC. TNCs organise production, distribution and marketing. The state faction ensures a suitable political environment for TNC activity, and the culture-ideology faction stimulates demand for consumption. However, *empirically* these distinctions do not always hold, as TNCs get involved in politics, and the culture-ideology of consumerism is promoted by media conglomerates, which are themselves TNCs. On this analysis, because of capitalist globalisation 'a qualitatively new relationship between culture and ideology is being forged' (ibid: 106). This position has sympathy with a political economy analysis of modern media, which posits ownership and control as crucial determinants of ideological production. 'The medium looks like the message because the message, the culture-ideology of consumerism, has engulfed the medium. The problem, therefore, is not *Understanding Media* ... but understanding capitalist globalisation, the system that produces and reproduces both the message and the media that incessantly transmit it' (ibid: 109). This then is the context within which the private practices of corporate lobbyists who seek to dominate the political sphere through their horizontal (intra-elite) communication with decision makers needs to be considered. It echoes and amplifies the goal of corporate communicators to dominate the public sphere through their marketing, PR and advertising aimed at promoting not just corporate goods but also corporate values.

Corporate and Commercial Lobbying at Holyrood: the lessons learned to date

The devolution of power to Scotland was intended to usher in a new era of participative politics, premised on principles of openness and transparency. Prior to the election of the first Scottish Parliament some commentators and activists were actually suggesting that the openness of the new institution would obviate the need for commercial lobbyists and that the role of in-house corporate lobbyists would be much diminished amid a popular clamour to engage with the newly restored seat of political power in Scotland. That such fanciful notions were ever seriously entertained by commentators who ought to have known better is a marker of the huge expectation for the new Parliament at the turn of the millennium. Today, anybody offering such a description would be rightly ridiculed – but in 1999 this naive nonsense was often accepted as wise counsel.

The evidence since the Parliament opened has been something of a shock to many in Scottish civil society who saw Holyrood as their project. As business eschewed devolution for so long it came as something of a surprise to those engaged in public affairs in the voluntary sector that their corporate counterparts suddenly embraced devolution and learned the new political ropes so quickly. However, for anyone interested in the private sector's response to devolution there were early signals that devolution was being factored into their political strategies.

The preparations by commercial lobbyists for the Scottish Parliament are perhaps the clearest example in the data I have assembled of how commercial private interests

interact and articulate with the political system. The detailed 'private' PR by ASPA within the Scottish political class, and the competition between ASPA and the APPC both point to the importance of networks and social contacts as means to set political communications programmes in train. The agency and efficacy of such lobbying depends upon the subterranean contacts and political capital built up by these actors over time, a facet of political activity rarely captured or discussed in the mainstream media, but one that underpins much of the business of politics in Scotland. Another notable feature of the Scottish lobbying sector that is likely to persist is the divergence between the private objectives and strategies of lobbyists and what they say and do in public, particularly when speaking with or before the media.

The Lobbygate affair has been important because it alerted the political class in Scotland to the inherent conflicts of interest related to lobbying within private and personalised networks. The crisis spurred the public inquiry that shed light upon how lobbying is conducted in contemporary Scotland and at least facilitated some public debate and critical scrutiny of the whole issue of relations between political decision makers and outside interests under devolution. What lessons can be drawn from this process?

The main finding to report from this episode, which is an insight generated from both participation in, and analysis of, the process, is the difficulty in effecting political change that challenges a status quo that suits organised and vested interests. The mobilisation of key groups across Scottish public life (and including some elements of the voluntary sector) against the registration of lobbying stands as a rebuke to notions that politics in

devolved Scotland might be more open and transparent. In hindsight it is also obvious

that for any lobbying campaign to succeed it requires the active help and endorsement of

key political decision makers. In part the emasculation of the proposed register of

commercial lobbyists in Scotland can be attributed to the absence at critical moments of

those representatives who actually believed in the principle of regulating outside interests

and were prepared to argue and advocate such a policy.

The influence of independent outsiders and the insertion of research findings into the

official inquiry need to be examined with some critical distance. The research reported

here only had an influence in terms of the policy debate on registering lobbyists to the

extent that it found a willing sponsor who was sympathetic to the arguments being made.

If such a person had not existed this research could have easily been ignored (no matter

how much media attention it attracted). The fact that no other actors in the lobbying

world in Scotland agreed with the prescriptions arising from my research meant that it

could be easily marginalised. The coincidental timing of the release of this research with

the Standards Committee inquiry certainly gave the research a public profile that could

not have been anticipated, yet, in truth, this was a transitory advantage, and once

established groups like the SCDI began to lobby for the status quo the probability of a

significant departure from Westminster orthodoxy on the registration of lobbyists receded

rapidly. Nevertheless, the principle that there should be a register of commercial interests

seeking to influence the Scottish Parliament has been established. Whether this will ever

be enacted remains unclear, though in the (not unlikely) event that another lobbying

scandal revisits Holyrood perhaps legislators can return to the issue with a renewed sense of urgency and legislate for openness and transparency in this matter.

Wilson (1980) points out that regulatory agencies (and for the sake of argument here, inquiries) created on the back of political scandals are more open to capture by the business interests concerned than agencies or initiatives created by interest group conflict where organised interests can keep each other in check (in Mitchell 1997: 31). However, to assume regulatory capture all the time is too simplistic: this needs to be demonstrated. Lobbygate and the subsequent public inquiry certainly appear to be a rather neat non-American example of the tendency noticed by Wilson and suggests the real challenge for resource-poor groups and political outsiders in sustaining political activity at a level that can match the resources and know-how of professional corporate lobbyists.

One of the most telling aspects of the debate on the registration of lobbyists was the perception among most MSPs that the process only needed to be open and transparent to them. The right of the Scottish public to inform themselves about who is seeking to influence the legislature was not considered very important by MSPs on the Standards Committee. Relatedly, the inability of the Parliament to address the routine lobbying targeted at the Executive remains a concern for those interested in opening up governance and decision making in Scotland. Undoubtedly the Executive is the key focus for organised lobbyists in Scotland, yet it would appear that post-devolution nothing has changed in terms of the openness and accountability of these governing interactions. This

also is a sobering censure to the romantics who believed that politics would be different and better under devolution.

Just as lobbying at the Scottish Executive has remained a neglected facet of post-devolution politics, the crucial role of in-house corporate lobbyists and their influence across Scottish public life requires much more critical attention. This research has sought to draw attention to the breadth and depth of the political agency of TNCs located in Scotland and the ways they seek to maintain their political influence and licence to operate. This has undoubtedly been the most difficult aspect of lobbying in contemporary Scotland to research, as access to key individuals and documents was not easy. One of the key problems related to the lobbying activities of these organisations is that it is generally expected, and to a large degree accepted, by the political class. Government actively seeks out partnership with private interests, at supra-national, national, and local levels. However the nature of these partnerships and their impact upon public policy continue to raise concerns about the ability of government to act in the public interest.

The case of the Scottish Parliament Business Exchange (SPBE) is a revealing example of this problematic. The narrow definition of lobbying adopted by the Scottish Parliament through the Standards Committee, which explicitly excluded in-house corporate lobbying, meant that the institution was unable to respond to attempts by such actors to gain privileged access to Holyrood. That a supposedly non-lobbying organisation bearing the name of the Parliament and endorsed by Holyrood's management committee (i.e. the Corporate Body) is dominated by corporate lobbyists with little or no effective oversight

of their activities contradicts the founding ethos of the Scottish Parliament, established through the CSG, that the legislature should adopt new practices, be open and accountable, and guard against the influence of organised interests on its deliberations. Instead, Holyrood has quickly imported many practices from Westminster, the SPBE being but one. Perhaps the truly amazing aspect of this process is how comfortable many MSPs and officials are with such developments. It would appear that most see this as either a benign or even positive development. Essentially insiders take the view that if these large TNCs wanted to lobby they could simply get in touch directly with the Executive and arrange a meeting. While this is true, it is only part of the story.

The reason that corporations invest so heavily in contacts programmes, CSR, and all the other reputational and profile activity, relates to their management of perception and sentiment. When a crisis hits an organisation the lessons of recent corporate history suggest that political capital must already be in place. Hence, the long-term strategy of corporate lobbyists is to develop relationships with decision makers and influentials that can be called upon when needed. To think of corporate lobbying as relations with officials and ministers at times of crisis is to only see the tip of the iceberg. It is the routine, systematic, strategic relations between lobbyists and decision makers that represent the greatest threat to democracy, as these contacts continually insert private interests and concerns into public affairs and seek to make sectional interests indistinguishable from wider public interests, to the benefit of the former.

The key conclusion that can be drawn from this analysis is that Scottish devolution bears all the hallmarks of politics in advanced democracies: it is highly responsive to the needs of business and dominated by organised interests. The aspiration that devolution would usher in a new participative politics has proved woefully misguided (however well intended). The corporate response to devolution has been carefully planned and it is instructive that those very corporations warning about the dire consequences of devolution now seem to happily co-exist with Holyrood. In reality, very little has changed. In part Ley's (2003) analysis of devolution is correct, wherein the limited powers of the Parliament have meant that the autonomy of subsidiary government is severely constrained. Most of the key decisions affecting economic regulation and the business environment are still made in London or Brussels. The Scottish experiment with devolution so far tells us about the tenacity and reach of corporate political agency via lobbyists. The capacity of non-corporate interests in civil society to challenge this mode of politics remains in doubt. In principle the Scottish Parliament is equipped – and even expected – to do politics differently. As yet, though, an alternative vision of post-devolution politics remains at the margins at Holyrood.

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Appendices

Appendix I

Scot the Difference?

ASPA and European Parliament codes of conduct for Lobbyists compared:

ASPA Code	European Parliament Code
The following Code contains a statement of the basic values and principles which form the foundation of the business of members of the Association for Scottish Public Affairs in the Scottish Parliament. Members of the Association are expected to act with integrity and the Association will regulate the essential relationship of trust between the member and the client, between the member and the Scottish Parliament, and between members and their professional colleagues.	Extract from the Rules of Procedure, Rule 9(2). Drawn up by the College of Quaestors of the European Parliament, Article 3: Code of Conduct In the Context of their relations with Parliament, the persons whose names appear in the register provided for in Rule ((2) shall:
Members shall: a) be bound to abide by any rules of the Scottish Parliament designed to regulate their activities and to provide any information required by the Parliament as a condition of their obtaining access to Parliament. b) state the interest or interests they represent when in contact with members of the Scottish Parliament, their staff or officials of Parliament. c) refrain from any action designed to obtain information dishonestly and act at all time in such a way as to put their political integrity beyond question d) neither incorrectly claim nor conceal any formal relationship with the Scottish Parliament in any dealings with third parties e) not circulate for profit to third parties copies of documents obtained from the Scottish Parliament f) not employ any officials of the Scottish	a) comply with the provisions of Rule 9 of this Annex; b) state the interest or interest they represent in contacts with mebers of the parliament, their staff or officials of the Parliament; c) refrain from any action designed to obtain information dishonestly; d) not claim any formal relationship with Parliament in any dealings with third parties; e) not circulate for a profit to third parties copies of documents obtained from Parliament; f) comply strictly with the provisions of Annex I, Article 2, second paragraph; g) satisfy themselves that any assistance provided in accordance with the provisions of Annex I, Article 2 is declared in the appropriate register; h) comply, when recruiting former officials of the institutions, with the provisions of the Staff regulations;

Parliament and shall comply, when recruiting former officials of the Scottish Parliament with any relevant provisions of the Parliament relating hereto

g) not knowingly mislead Members of the Scottish Parliament, their staff or officials of Parliament

h) not knowingly or recklessly disseminate false or misleading information and shall exercise reasonable care to avoid doing so inadvertently

i) avoid any professional conflicts of interest

j) save for reasonable hospitality, as defined by the Scottish Parliament, neither directly nor indirectly offer or give any financial or other inducement to any Member of the Scottish Parliament, any official of the Parliament or their staff. Members shall be willing participants in reminding the MSP if he or she has to declare an interest to the Scottish Parliament.

k) honour confidences given in the course of their professional activity

l) shall take reasonable steps to safeguard any pass issued to them for the purposes of gaining access to the Scottish Parliament and shall not give any such pass to any member of their staff or any third party

m) when required by the appropriate authorities of the Scottish Parliament surrender any pass issued to them

n) not employ or offer any board appointment or pay any retainer or commission to any member of the Scottish Parliament, except that corporate members of the Association which are voluntary, charitable or non-profit-making bodies may offer an unpaid appointment to a Member of the Scottish Parliament provided that:

the offer of such appointment does not contravene any rule, order or regulation of the Scottish Parliament

any conflict of interest of either a pecuniary or non-pecuniary nature is

i) observe any rules laid down by Parliament on the rights and responsibilities of former members;

j) in order to avoid possible conflicts of interest, obtain the prior consent of the Member or Members concerned as regards any contractual relationship with or employment of a member's assistant, and subsequently satisfy themselves that it is declared in the register provided for in Rule 9 (2);

Any breach of this Code of Conduct may lead to the withdrawal of the pass issued to the persons concerned and, if appropriate, their firms.

Adapted from the Official Journal OJ L 49 of 19.2.97

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declared by or on behalf of the member of the Association whenever it arises.	

Appendix II

Research interviews, conferences and meetings attended

Breakdown:
Commercial & Corporate Lobbyists: 34
Voluntary Sector Lobbyists   9
Civil Servants and Elected Representatives   20

Name	Post	Organisation
Alexandra, Elspeth	Parliamentary Officer	Scottish Environmental LINK. (x2)/ Chemical Industry trade association
Atack, Steve	Lobbyist	Publisher, PA Newsletter
Barter, Chris	Lobbyist	Parliamentary Officer, UNISON
Beddie, Lesley	Civil Servant	Head of Information, Scottish Parliament.
XXXX (source requested total anonymity)	Lobbyist	XXXX
Bridges, Lee	Civil Servant	Clerk to Equal Opportunities Committee, Scottish Parliament
Bryce, Isobel,	Lobbyist / Parliamentary Affairs Officer	Volunteer Development Scotland
Callison, Fiona	Lobbyist	Public Affairs Director, August.One (formerly of Shandwick.)
Casey, Angela	Lobbyist	Managing Director, Countrywide Porter Novelli, Edinburgh. ASPA, Convenor 2000
Cassidy, Tom	Lobbyist	Media House
Clancy, Michael	Lawyer	President, Law Society of Scotland
Clarke, Julia	Lobbyist	Holyrood Strategy, ASPA Committee 1999, 2000. PT Journalist
Deighan, John	Lobbyist	Catholic parliamentary liasion office
Devon, Carol	Civil Servant	Scottish Parliament
Dick, Brendan	General Manager	BT Scotland
Diggens, Roland	Public Affairs Manager	SCDI

Drummond, Liz	Civil Servant	Former Director, SOID
Earnshaw, David	Consultant / Lobbyist	Burson Marsteller, Oxfam, GSK
Edwards, George	Lobbyist	Chairman, GPC Market Access, Scotland. APPC committee
Farquharson, Kenny	Journalist	Political Editor, Sunday Times Scotland. Convenor, ASPJ
Farrell, Stephen	Civil Servant	Clerk to Petitions Committee, Scottish Parliament
Fry, Dominic	Group Director Corporate Communications	Scottish Power
Gannon, Ben	EU Affairs Adviser	GSK, Brussels
Gillon, Karen	MSP	Members of Standards Committee 1999 - 2001
Glynn, Vanessa	Civil Servant	Clerk to Standards Committee 1999/2000
Horn, Stephen	Lobbyist	Former Director of Communications, CBI
Hossick, Irene	Consultant	Beattie Media (ex)
Imrie, Stephen	Civil Servant	Clerk to European Committee, Scottish Parliament
Irvine, Jack	Lobbyist	Managing Director, Media House
Jones, Philippa	Lobbyist	Parliamentary Officer, SCVO.
Kennedy, Roddy	Director of Press Office	BP, Britannic House, London
Laptev, Maria	Lobbyist	GPC, Brussels
Low, Jackie	PR	Director, Indigo PR. Former Special Adviser, Scottish Office
Lugton, Michael	Civil Servant	Head of Constitutional Policy, Scottish Executive
Lutton, David	Lobbyist	Media House ASPA committee 2000
MacDuff, Robbie(x3)	Lobbyist	Managing Director, Strategy in Scotland, Secretary APPCS and former ASPA member
MacLeod, Eric	Civil Servant	Information Officer, Scottish

		Parliament
MacNeill, Alastair	Lobbyist	Scottish Landowners Federation. Former Deputy Director, SOID
McEwan, Sam	Lobbyist	Director, McEwan Purvis, formerly GJW Scotland & APPCS
McPherson, Hamish	Corporate Affairs Manager	Scottish Gas, founding ASPA committee member
Marwick, Trish (x3)	MSP	Former Member of Standards Committee
Mearns, Anne (x3)	Director	Scottish Parliament Business Exchange
Moore, Bill	Press Officer	BP Grangemouth
Nash, David	Lobbyist	Director, Saltire Public Affairs
Neil, Alex	MSP	Member, Standards Committee.
Partick, Bruce	Lawyer / Public Affairs specialist	Partner, Maclay Murray Spens
Pringle, Kevin	PR / lobbyist	Former Diretor of Research and Communications, SNP / public affairs consultant, Scottish Gas
Regan, Kirsty	PR / Lobbyist	Managing Director, NewsDirect; Secretary, ASPA 1998 – 2000; Convenor, Government Affairs Scotland
Reid, George	MSP	Presiding Officer, Scottish Parliament 2003-
Richardson, Ken	Government and Public Affairs	BP Grangemouth
Saren, Jane	Lobbyist	Former Managing Director, GPC Market Access, Scotland
Seaton, Janet	Civil Servant	Director of SPICe, Scottish Parliament
Shaw, Bill	PR	Former Director of Communications. Scottish Conservative Party
Slorence, Andrew (x2)	Civil Servant	Former Chief Media Relations Officer, Scottish Parliament, SIO, Scottish Executive
Smart, Alan	Civil Servant Broadcaster	Head of Broadcasting,

		Scottish Parliament
Spence, Tony	Head of Scottish Affairs	BT Scotland
Straughan, Monica	Lobbyist	Director of Public Affairs, SEPA
Tough, Kate	Civil Servant	Scottish Parliament (bureau)
Tougher, Baxter	Civil Servant	Scottish Executive, FoI
Unsworth, Andrew	Civil Servant	Director of IT services, BT Partnerships, Edinburgh City Council
Walker, Peter	Lobbyist	Past President, IPR
Watkins, Simon	Civil Servant	Clerk to Enterprise Committee, Scottish Parliament
Wilkie, Debbie (x2)	Lobbyist	Director, Scottish Civic Forum.2003 -
Wright, Canon K	CSG	Member of CSG, former member of SCC

Public Seminars, Public Affairs and Lobbying Events Attended n = 52

Book Launch , Fruitmarket Gallery, Edinburgh

11/03/1999 Centre for Scottish Public Policy Seminar, Unived Conference Seminar, Edinburgh.

18/03/1999 Preparing for Parliament, ASPA and IPR joint event, Edinburgh.

20/03/1999 Launch of the Scottish Civic Forum, Calton Hill, Edinburgh.

29/03/1999 Centre for Scottish Public Policy Seminar, Scottish Parliament and policy, STUC Conference centre, 333 Woodlands road, Glasgow.

04/05/1999 VLV Conference, University of Glasgow.

20/05/1999 ASPA seminar, Dennis O'Sullivan, Crowne Plaza Hotel, Edinburgh.

08/10/1999 Standards Committee, Scottish Parliament

23/11/1999 ASPA AGM, Crown Plaza Hotel, Edinburgh

24/11/1999 Standards Committee, Scottish Parliament

07/12/1999 Standards Committee, Scottish Parliament

21/02/2000 Hansard Society, Scottish Parliament Programme Conference, Holyrood Hotel, Edinburgh.

23/02/2000 Standards Committee meeting, Scottish Parliament

25/02/2000 Freedom of Information Scotland. Seminar on Scottish Executive consultation exercise. City Chambers, High Street, Edinburgh.

29/02/2000 ASPA seminar, Mike Watson MSP, Royal Scots Club, Abercrombie Place, Edinburgh

05/04/2000 Standards Committee meeting, Scottish Parliament

14/04/2000 Having a Say? SCPP, Edinburgh City Chambers

28/04/2000 ESRC Devolution InitiativeSeminar, University o Edinburgh.

22/05/2000 ASPA Seminar, Ken Collins, SEPA. The Corinthian Club, Inghram Street, Glasgow

31/05/2000 Standards Committee meeting, Scottish Parliament

10/06/2000 Summer Plenary, Scottish Civic Forum, Assembly Rooms, George Street, Edinburgh

05/07/2000 ASPA Summer Reception, Dom Gallery, Edinburgh

02/11/2000 Citizens With Attitude, Scottish Civic Forum, Glasgow City Chambers.

29/01/2001 Hansard Society, Scottish Parliament Programme Conference, Holyrood Hotel, Edinburgh.

12/02/2001 ASPA seminar, Lord James Douglas Hamilton MSP Standards Committee, The Royal Scots Club, Abercrombie Place, Edinburgh

28/02/2001 Standards Committee - lobbying evidence, Scottish Parliament,

07/03/2001 Scottish Civic Forum, Citizenship meeting, Edinburgh

14/03/2001 Standards Committee , Scottish Parliament

21/03/2001 Scottish Civic Forum, Accessing Power and Participation meeting, Edinburgh

30/03/2001 Research and policy Conference, SPICe, Scottish Parliament.

25/04/2001 Standards Committee , Scottish Parliament

09/05/2001 Standards Committee , Scottish Parliament

10/05/2001 Freedom of Information Scotland. Seminar on Scottish Executive consultation exercise, Unison offices, West Campbell St, Glasgow.

15/05/2001 Scottish Civic Forum, Citizenship meeting, Quaker Meeting house, Victoria Terrace, Edinburgh.

14/06/2001 Hansard Society, Scottish Parliament Programme Seminar, Thompson Hall Moray House, Edinburgh

20/06/2001 Government Affairs Network dinner, Calton Hill, Edinburgh

13/10/2001 VLV Scottish Devolution conference, Napier University, Edinburgh.

29/10/2001 ASPA seminar, Alan Cochrane, Hamish McPherson, McGrigor Donald Public Policy (MDPP), Princess Exchange, Edinburgh

21/11/2001 Standards Committee , Scottish Parliament

14/06/2001 Hansard Society, Scottish Parliament Programme Conference, City Chambers, Edinburgh

13,14/02/2002 ECPA Conference, Leuvan, Belguim.

27/02/2002 'Speakability' Public Petition launch, Committee Room 1, Scottish Parliament

11/03/2002 ASPA Seminar, John McTernan, McGrigor Donald Public Policy (MDPP), Princess Exchange, Edinburgh

24/06/2002 ASPA Seminar, Andrew Wilson, McGrigor Donald Public Policy (MDPP), Princess Exchange, Edinburgh

17/07/2002 Sustainability Summit for UK plc, Institute of Directors, London

05/09/2002 CSR in Scotland: Developments in Brussels, Westminster and Holyrood, Jury's Inn, Market Street, Edinburgh.

02/10/2002 Hansard Society, Scottish Parliament Programme Seminar, Law Society of Scotland, Drumsheugh gardens, Edinburgh.

31/10/2002 Agenda Scotland: Conversations on Social Responsibility, Assembly Rooms, Edinburgh

19-21/11/2002 Conference Board Corporate Image Conference, Royal Garden Hotel, London.

26/03/2003 ASPA / RSA joint event, Bob Worcester MORI, New Club, Edinburgh.

24/06/2003 Stirling Assembly, GM debate, Viewforth, Stirling Council.

30/09/2003 ASPA event - website launch & fifth birthday party, McGrigor Donald Public Policy (MDPP), Princess Exchange, Edinburgh

17/09/2003 ASPA Seminar, Patricia Cantos, McGrigor Donald Public Policy (MDPP), Princess Exchange, Edinburgh

02/10/2003 Agenda Seminar, Mark Eckstein, Burness & Co., Lothian Road, Edinburgh.

10/11/2003 Grangemouth Area Forum, Talbot House, Grangemouth.

Private meetings (include ASPA committee meetings) n = 21

24/01/2000 Events planning meeting, ASPA Committee

28/03/2000 ASPA Committee meeting, Royal Scots Club, Abercrombie Place, Edinburgh

15,16/05/2000 SCVO Policy Officers Network AGM, Churches House, Dunblane.

22/05/2000 ASPA Committee meeting, The Corinthian Club, Glasgow.

12/06/2000 ASPA Committee meeting, venue?

25/09/2000 ASPA committee meeting, Countrywide Porter Novelli (CPN) Offices, Hanover St, Edinburgh

06/11/2000 APSA Round table discussion, Response to Standards Committee Consultation Exercise, The Royal Scots Club, Abercrombie Place, Edinburgh

04/12/2000 SCVO Policy Officers Network Meeting, Scottish Churches Parliamentary Office, Edinburgh

04/12/2000 ASPA AGM, The Royal Scots Club, Abercrombie Place, Edinburgh

20/01/2001 ASPA Committee meeting, CPN, Hanover St, Edinburgh

02/02/2001 SCVO, Policy Officers Network Meeting, Scottish Churches Housing Agency, Edinburgh.

19/02/2001 Scottish Civic Forum, Standards Committee evidence planning meeting, Queen Street, Edinburgh.

12/03/2001 ASPA Committee meeting - planning for Standards Committee evidence session, CPN, Hanover St, Edinburgh.

07/08/2001 ASPA Committee meeting, McGrigor Donald Public Policy (MDPP), Princess Exchange, Edinburgh

03/12/2001 ASPA AGM, Saltire Public Affairs, Castle Terrace, Edinburgh.

21/01/2002 ASPA Committee meeting, McGrigor Donald Public Policy (MDPP), Princess Exchange, Edinburgh

02/12/2002 ASPA AGM, McGrigor Donald Public Policy (MDPP), Princess Exchange, Edinburgh.

27/01/2003 ASPA Committee meeting, McGrigor Donald Public Policy (MDPP), Princess Exchange, Edinburgh.

26/03/2003 ASPA Committee meeting - website, Ramsay Room, New Club, Edinburgh.

13/10/2003 ASPA Committee meeting, McGrigor Donald Public Policy (MDPP), Princess Exchange, Edinburgh

01/12/2003 ASPA AGM, McGrigor Donald Public Policy (MDPP), Princess Exchange, Edinburgh.