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# **Are firms' lobbying strategies universal?**

Comparison of lobbying by French and UK firms

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**Abstract: Lobbying public decision-makers is an increasingly widespread managerial practice, but has so far attracted little research attention in Europe. This article studies how it is put into practice as a strategy by French and UK firms. An empirical study examines 679 lobbying campaigns (also known as “political action”), that are grouped into categories and described using statistical data analysis techniques. The results highlight a pattern in the corporate lobbying phenomenon: five types of lobbying strategy (that can be described and illustrated) exist for French firms, and four for UK firms. The central theme of discussion is to what extent firms' political strategies are universal or country specific. Tentative explanations can be put forward: implementation of lobbying strategies appears to depend on the type of issues addressed (which could be universal), but also on the country's political environment (which could be country specific). The study shows the interdependent influence of human resources, economic structures and the political environment (laws and the role of the state) on firms' lobbying strategies.**

**Keywords:** lobbying, corporate political strategy, societal effects, data analysis, France and the UK

**Introduction**

“The battlefield has now spilt over into the political arena, where firms are fighting to get decisions that might give them a competitive edge.” (Reich, 2008, p.141). Bill Clinton’s former Secretary of State, now a professor of public policy, devotes a whole chapter of the six in his latest book to the importance of lobbying by firms in the US, and also in Europe. The number of lobbyists assigned to the “climate law” in Washington, for example, is estimated at 2,810 (the equivalent of \$90 million and 28 lobbyists for each of the senators central to the battle).<sup>i</sup> The front page headline of the French newspaper *Le Monde* on May 20, 2009 read: “Lobbying firms hope to benefit from the new Parliamentary rights”<sup>ii</sup>.

There are many ways for a firm to influence a public decision through what we shall call political strategies (American-style) or lobbying (the term more often used in Europe). In the US, lobbying is just one of many tactics to influence public decisions by passing on specific information. The term “lobbying” was coined in the US by General Grant; after a fire at the White House, he had moved into a hotel where the lobby was always full of pressure groups. In Europe, the term refers to firms’ overall political strategies.

Lobbying is a central, and rarely-studied (especially in Europe) component of “non-market strategies”(Baron 1995), which together with “product-oriented” strategies form the overall strategy. Lobbyists are growing in number, including in France (a country where representation of private interests is not traditionally perceived positively). This is why both strategy researchers and lobbying practitioners (in-house managers or specialist firms) are interested in a clearer description of practices. The central question in this article is thus: are there recurring types of corporate lobbying strategies (as there are for general strategies, for example)? The objective of this research is to define a typology of lobbying strategies implemented by French or UK firms and then to discuss to what extent firms’ political strategies are universal or country specific. France and the UK offer very different environments for lobbying. Comparison of practices in the two countries serves as a starting point for analysis of firms’ chosen lobbying strategies.

**The first section presents the relevant body of literature:** This is not without its difficulties, as the body of research on “lobbying strategies” is relatively small. For a clearer definition of our object of research in management sciences, it is thus useful to take in more

fundamental studies on interest groups found in the political science, economics and sociology (and societal effects approach) literature.

**The second section presents the method and materials used:** Data analysis (multiple correspondence analysis and classification using SPAD) is applied to a base of 679 lobbying campaigns by UK and French companies. These data are collected from the press and analysed using a grid drawn from the literature.

**The third section presents the results and the knowledge produced:** There are indeed “typical” lobbying strategies (or political strategies) that are used by French and UK firms. Based on the sample observed, a limited number of strategies can be described through several variables: five in France, and four in the UK. Each of these strategies is illustrated by a real-life case drawn from the sample.

**The fourth section discusses the results and concludes:** The strategies characteristic of each type of lobbying depend on the nature of the issue addressed (**which could be universal**). The type of lobbying chosen, however, depends on the firm’s national environment (**which could be country specific**). This study shows the interdependent influence of organizational resources, economic structures and the political environment (laws and the role of the state) on firms’ lobbying strategies.

## **1. Lobbying: a complex corporate strategy**

Analysis of the literature on lobbying presents our first obstacle, as there is very little research on firms’ lobbying strategies (if journalistic-type factual analyses are excluded). Interest groups are studied in more general but fundamental research in other disciplines such as political science, economics and sociology, which will be useful to make a cross country comparison

### **1.1. A cross-disciplinary approach to compare firms’ political strategies across countries**

In political science, Mény and Surel (2001) first distinguish the interest group from other groups in society (such as family, tribe or race) by its interaction - in any form - with State institutions and the parties engaged in the fight to gain and exercise power. They then differentiate between lobbies and interest groups in general. Interest groups do not only act through pressure, and may be part of the State. Lobbies are generally considered as pressure

groups, in contrast to the term's more restrictive original meaning, which simply referred to people in the corridors of US Congress.

Economic theories of lobbying are to be found in the "political market" concept defended primarily by Stigler and Becker. Stigler (1975), for example, developed an economic theory of regulation, also known as the "capture theory" or "positive economics of regulation", which describes how interest groups and political actors make use of State regulatory resources and coercive power to orient laws and rules in directions that are favourable to them. From the open firm angle, Baron (1995) gives a more detailed definition of a "non market environment": this encompasses the social, political and legal forces that are exogenous to the market but interact with private interests. Baron thus highlights the activity of firms that respond to the public sphere's influence on their environment.

For the sociology of organizations, the focus is on explaining how lobbying comes to be organized differently in two different countries, and "to point out the sources of additional variety" (Maurice, Sorge, Warner, 1980, p 80). The societal effects approach could help us in this, since it considers societies as recombination of global and local processes (Sorge, 2005). New micro and macro influences on lobbying strategies should be looked for: the political environment, for instance, but also other factors such as organizational resources, industrial structures or the role of the state.

## 1.2. A more specific literature on organisations' political strategies to build a descriptive grid of lobbying actions

Political lobbying activity by US firms at federal level developed enormously in the 1970s (Vogel, 1996). It was in this context and this period that the field of research known as corporate political strategy emerged, and it is in that field that this article belongs.

Three studies draw up an overview of lobbying activities.

The oldest reference on the subject remains the study by Epstein (1969), who defines five essential features of the organisation and practical implementation of lobbying: the objectives chosen, the body in charge of implementation, the available resources, the management's attitude to lobbying and the chosen tactics for political action. More recently, Hillman and Hitt published an essential article in 1999 in the *Academy of Management Review* presenting corporate political strategy as the result of a series of three decisions, each encompassing two or three modalities: the general approach to political action (measurement of the depth and

continuity of communication between the firm and public decision-makers); the level of participation (often referred to in the literature on political strategy); and the generic strategy. The model is most detailed on this last point, since Hillman and Hitt propose three generic strategies (information, financial incentive, and constituency building) broken down into subsets of tactics that are strongly marked by US practices. Drawing on the existing literature, they propose a range of variables that can affect corporate lobbying strategy. These variables can be grouped into two categories: factors related to the firm (firm size, industry sector, degree of diversification, multinationalisation of activities, nature of resources) and factors of an institutional nature specific to each country (governmental regulation, national preferences for corporatism). In the end, the authors present a decision tree that theoretically leads to twelve political strategies that could be used by a firm, but the article says nothing about operational considerations. Since this pivotal article was published, there have been few new general studies of corporate political strategy. We can however cite the work of Tian and Deng (2007), which essentially makes two new contributions: it concerns Chinese firms that are rarely studied from this angle; and for the first time it proposes a quantitative treatment of a taxonomy of corporate lobbying strategy. However, the six-strategy typology (government involvement strategy, direct participation strategy, institution innovation strategy, prolocutor strategy, government association strategy and financial incentive strategy) is not explored in depth in the article. Above all, the empirical validation of this typology is highly questionable: although the authors apply statistical analysis to 201 questionnaires intended to define corporate political strategy, those questionnaires are administered to MBA students.

The other references in the “political strategies” corpus, whether of US or European origin, focus on precise points in lobbying campaigns. We shall present a brief overview and put them into perspective in the field of management sciences.

For Miles (1978), generally speaking, a firm can act as a “prospector” (implying the need for ex ante surveillance of the environment, and therefore strategic monitoring), a “defender” (through an ordered ex post reaction to a change in the environment), or an “analyst” (hybrid action). A practical analysis of these issues in relation to lobbying is proposed by Demil (1998) in an empirical study of waste processing in the hospital sector, leading to the conclusion that no single strategy is the best. Also, according to Farnel (1993), there are two fundamental strategic options for relations between the firm and the public authorities: “continuous” cooperation or the “ad hoc” approach. He argues that a continuous approach allows the firm to build trusting relationships externally, and generates a learning effect

internally for the parts of the firm concerned by the lobbying. However, this continuous approach would require greater investment of resources by the firm, which must be compared to the benefits derived. Next, the person or entity doing the lobbying may be an external firm (Lamarque, 1996) or an agent internal to the firm, a unit that may be specialised in lobbying (Attarça, 1999) or not. This is a classic problem in organisational theory: in-house management versus outsourcing of lobbying activities. Each option has advantages and disadvantages that must be weighed up. For instance, setting up a specific in-house unit avoids conflicts of interest (or agency problems, to use the terminology of Jensen and Meckling (1976)) and improves knowledge of the interests to defend, combined with resources that are permanent. But it requires considerable size and resources, and involves difficulties in hierarchical organisation. Engaging a lobbying firm, in contrast, gives the firm access to experienced lobbyists at a lower risk, but its interests may receive a less wholehearted defence, and conflicts of interest may arise, or even confidentiality problems regarding strategic corporate information. Lobbying can take the form of individual or collective (structured or unstructured) action. The choice between these two options is up to the firm, and its decision depends on the nature of the issue and the target, but also on its opportunities to join existing groups. In making its decision, the firm will evaluate the cost/benefit ratio. The expected benefits of collective action are of several natures: additional influence in negotiations and greater credibility, economies of scale, efficiency, competitiveness, synergies, greater ability to fight individual opportunist political strategies. But there are also costs to be taken into consideration: the opportunity cost of an individual action that could have been beneficial for the firm but goes against the interests of the group, or occasionally an action contrary to the firm's interests but beneficial to the majority of lobbyists taken together; the cost of controlling the activities of other members. McLaughlin, Jordan and Maloney (1993), for example, demonstrated that the respective size of different members had an influence on these interest groups' capacity for action. Getz (1993) also drew up a typology of forty-eight potential targets by cross-comparing four criteria: the target's origin (governmental or otherwise), its geographical level (international, national, regional, local), its function (executive, legislative, judicial), and the firm's access to this source (internal or external). Attarça (1999) distinguishes between the informational, relational, symbolic, organisational, economic and financial resources dedicated to lobbying. The table developed by Corrado (1984) contrasts certain techniques: direct/indirect communication methods, relational/financial mode of influence. Jacomet (2000) identifies two different types of lobbying strategy: "pressure" and "interaction". The pressure strategy depends on dominating

or even capturing behaviour by the firm towards the public authorities (and other interest groups), whereas the interaction strategy emphasises “*competition with other interest groups and a more balanced relationship with the public authorities, leaving room for trade-offs and compromises where necessary*” (our own translation).

## **2. The method: a quantitative empirical study in France and the UK**

As the first objective of this study is to present a typology of corporate lobbying strategies, we use a quantitative research design. Since collecting data on lobbying proved particularly difficult, we chose an original protocol that uses the press.

### **2.1. The data**

Empirically, we wanted to get away from the US context which is practically the sole reference in lobbying research. This study looks instead at the European situation. We decided to carry out a quantitative study (such that any typical lobbying strategies identified could be generalised). Our study also compares two different countries (France and the UK) for a more potent interpretation of the lobbying strategies implemented by firms.

To identify lobbying campaigns by French and UK firms (the individuals studied), the press was clearly the only source likely to supply data in sufficient numbers for our intended quantitative analysis, because unlike Brussels and Washington, Paris had no register of lobbyists. Besides, this type of register contains no details on how political strategies are formulated. Finally, interviews with four lobbyists before beginning the study confirmed that the press was indeed a reflection, partial but realistic, of corporate lobbying situations. More specifically, the information on the lobbying cases studied was taken from systematic daily consultation of three key business newspapers: *La Tribune* and *Les Echos* in France, and the *Financial Times* in the UK. These publications were selected based on an exploratory study covering several months, carried out by a team of researchers at top French business school HEC (Nioche, 1998 and forthcoming). The information gathered from the press was manually double-coded, verified and complemented using other sources (chiefly websites, telephone interviews, and the Diane databases). We retained only facts describing existing lobbying campaigns, ignoring those describing intentions of lobbying. The analysis covered the year 2000 for UK and French firms (for the latter, it was extended backwards to 1995 due to the



lack of complete data for a single year). 2000 was chosen because it was the key year for development of lobbying in EU and France (particularly high number of actions, laws, etc). The final sample consists of 679 French and UK lobbying campaigns. For the purposes of this study, the “individual” is a lobbying campaign carried out by a firm on a given theme. Some firms may be involved in several lobbying campaigns at different times on different subjects, just as an ad hoc strategy can be adopted for different strategic areas of business.

## 2.2. Data analysis

A grid describing the corporate lobbying campaigns was constructed by comparison with the literature on “political strategies” referred to in 1.2 and an initial qualitative approach to field research. In an exploratory then confirmatory step, we interviewed four lobbyists twice<sup>iii</sup>: two lobbying managers from two large French groups (one working at national level, the other at European level), and two consultants from international lobbying firms. These interviewees are not representative, although they were selected in order to illustrate the diversity of the work of lobbyists represented in France by the *Association Française des Cabinets de Lobbying* (AFCL, since 1991) and the *Association des responsables des Relations avec les Pouvoirs Publics en entreprise*<sup>1</sup> (ARPP, since 1987). The main aim was to gain substantial knowledge of the object studied (direct knowledge of the object, without going through the prism of theory) (Becker, 2002). This empirical approach enabled us to carry out an initial selection from the theoretical materials presented. We grouped the variables that were ultimately used into five themes: the first analyses the firm’s general stance in its political environment, and the other four describe the components of a specific lobbying campaign. Table 1 shows this analysis grid, which was then used to describe the lobbying campaigns observed during our study.

**Table 1.**  
**Analysis grid for lobbying campaigns studied in this article**

Field	Variable	Mode
Firm’s general lobbying policy	<i>General attitude to the public authorities</i>	active, anticipatory, passive
	<i>Frequency of relations with the public authorities</i>	continuous, ad hoc

<sup>1</sup> The names translate respectively as “French Association of Lobbying Firms” and “Association of firms’ managers of relations with the public authorities”.

<b>Cause of lobbying</b>	<i>Interest in the problem</i>	private, public, mixed
	<i>Expected outcome</i>	maximise a gain, minimise a loss
	<i>Selection of the issues to be solved</i>	single issue, multiple issues
<b>Person or entity doing the lobbying</b>	<i>Rationale underlying the campaign</i>	individual, collective and structured, collective and unstructured
	<i>Choice of lobbyist</i>	internal, external
<b>Target of lobbying</b>	<i>Political level of the target</i>	executive, legislative, non-political, mixed
	<i>Geographical level of the target</i>	local, national, European, international
	<i>Decision-making level of the target</i>	general, specific, mixed
<b>Implementation of the lobbying</b>	<i>Duration</i>	long-term, one-off
	<i>Communication method</i>	direct, indirect, mixed
	<i>Mode of influence</i>	relational, financial, legal and relational legal and financial
	<i>Positioning</i>	pressure, interaction, mixed

After establishing frequency tables of data, data analysis techniques (multiple correspondence analysis and classification) were implemented in SPAD to model the political behaviour of the lobbying firms included in the constructed database. These data analysis techniques are appropriate to describe explanatory models with multiple qualitative variables related to exogenous or endogenous factors. By minimising intra-class variance while maximising interclass variance, this statistical process finally led to definition of classes of homogeneous individuals within the sample. Each class represents a particular type of lobbying strategy. Data analysis was carried out separately on lobbying campaigns by UK firms and French firms. Multiple correspondence analysis followed by classification reveals the existence of a limited number of political strategies in either case. Through analysis of the modalities of variables and the individuals associated with each class, each type of lobbying observed can be described. In the end, a “French model” and a “UK model” of lobbying emerge.

### 3. The results: French and UK lobbying strategies

Data analysis brought out the existence of a small number of standard lobbying strategies, evidenced statistically by classes. French firms tend to use five different types of strategies, and UK firms four. The data analysis shows that these lobbying typologies are not determined by the same variables, even though there are some similarities. For example, structuring of lobbying is central in UK firms but not French firms. Description of these lobbying strategies requires names in the same way as names are often given to generic diversification or refocusing strategies. The chosen terminology is as explicit as possible, but should not be allowed to mask the complexity of the variables that lie behind a geographically-oriented vocabulary.

#### 3.1. A “dispersed” French model of lobbying

The French firms studied use five lobbying strategies that are all very different from each other. We have called them “international lobbying” for class 3, “European lobbying” for class 1, “reactive national lobbying” for class 2, “proactive national lobbying” for class 5, and lastly “local lobbying” for class 4. Real-life cases from the sample illustrate each of these strategies.

**Table 2. Model of French firms' lobbying strategies**

Percentages are calculated in relation to the total number of individuals studied

- International lobbying (Class 3) : 17.25%
- European lobbying (Class 1) : 18.82%
- Reactive national lobbying (Class 2) : 42.16%
- Proactive national lobbying (Class 5) : 15.49%
- Local lobbying (Class 4) : 6.27%

Class 3, comprising 88 individuals, covers **international lobbying**: an international, “non-political” target that takes decisions with a specific scope will tend to be contacted directly for a cause of public interest. The public interest aspect is thus more important internationally than at lower geographical levels (private interest no longer seems to come into the equation).

The public decision-maker taking specific decisions will tend to be “non-political” (such as the WTO, for example). It will be more receptive to political action taken directly by firms, maybe because of the existence of ad hoc units in the target international organisations. Such organisations are strongly influenced by American culture, which assigns lobbyists a proactive role.

**A French example of international lobbying:  
Hyparlo's lobbying of the WTO**

*“There must be something to counterbalance globalisation. Especially in agriculture, which must provide a minimum of food safety for everyone and enough information for consumers. At least, that's the position of the Fédération des entreprises du commerce et de la distribution<sup>iv</sup> (FCD), which yesterday presented the issues at stake in the next round of negotiations in international trade, the Millenium Round due to open in Seattle in the US on November 30. (...) These positions will be relayed to the WTO and Millennium Round negotiators by Eurocommerce, the European retailers' lobbying organisation.”*

(Les Echos, November 10, 1999)

Class 1, which comprises 96 individuals, represents “**European lobbying**”: this involves a European target and relates to a cause of both private and public interest, without any precise identification of the person behind the lobbying. There is little information on “European lobbying” except that it is more open to public interests than national and local lobbying due to the supranational dimension of the action. Also, the lack of response concerning the choice of lobbyist may be explained by a certain lack of transparency in action by French firms.

**A French example of European lobbying:  
Europe 1's lobbying of the European Commission**

*“With Kirch having just bought the rights to show the next two football World Cups for 11.2 billion francs, the inflation in TV rights for sports events is worrying public European operators. (...) “We are going to undertake a lobbying campaign so that the general public has access to World Cup matches” declares the EBU [European Broadcasting Union]. It has a weapon to serve its aim: the European Television without frontiers directive.”*

(Les Echos, July 30, 1998)

The lobbying campaigns in classes 2 and 5 essentially take place at national level. In both cases, the target of the lobbying makes decisions for general application. Other variables (initially less significant) must be analysed to differentiate these two styles of political action. Class 2 (215 individuals) represents “**reactive national lobbying**” while class 5 (79 individuals) defines “**proactive national lobbying**”. A wide range of political action is possible at national level, and this is why firms can consider two types of strategy. In

“reactive” lobbying, the company is less involved and must select single issues when it wishes to have its voice heard by influential public decision-makers. In most cases the aim is to gain protection against a general decision (law) so as to minimise the consequences of that decision for the firm. Such relations are a source of antagonism between the target and the lobbyist, who will therefore use pressure to advance his aims. However, lobbying at national level can be a strategy in its own right (“proactive action”) characterised by ongoing contacts with the public authorities. In such cases the firm monitors the regulations (active attitude), and this leads to a desire for cooperation with the target. Lobbying in this context is considered as a comparative advantage in seeking to maximise gains, in a number of fields.

**A French example of reactive national lobbying:**

**Canal Plus’ lobbying of the French government**

*“With his awareness raised by TF1 and M6’s recent criticisms of France Télévision’s commercial policy, the Minister of the Budget and Communication Nicolas Sarkozy is due to announce his position today on the thorny question of France 3’s advertising excesses (...) Meanwhile, the encrypted channel Canal Plus, whose advertising breaks are no longer than three minutes, also made its own contribution to the debate by publishing the results of a survey carried out with the Vidéopost institute.”*

(Les Echos, February 6, 1995)

**A French example of proactive national lobbying:**

**Société Générale’s lobbying of French public decision-makers**

*“With less than a year to go before the introduction of the Euro, Paris Europlace, which is responsible for promoting the Parisian finance markets in other countries and lobbying the authorities to adapt the Paris market to the international competitive environment, has its work cut out. (...) For the chairman of the association’s orientation committee, one of the priorities is fiscal realignment of the Paris market with the other European markets as regards taxation of both operators and establishments.”*

(Les Echos, March 26, 1997)

Class 4 and its 32 individuals defines **“local lobbying”**: with a generally local target of a legislative nature, the firm applies a dynamic (active) general policy for an important cause involving several issues and lobbying is conducted in interaction with public decision-makers. There are many local political actors in France, from the mayor to the county councillor to the regional councillor. Members of the national parliament also play a role at this level, as they are allowed to occupy both a national and local function (or even three functions if one is in a town of less than 3,500 inhabitants). With their close local contacts, they are more in touch

with entrepreneurs, who may have an active lobbying attitude. Firms can thus put forward many issues in interaction with public decisions.

**A French example of local lobbying:  
Sabaté Diosos' lobbying of regional councillors**

*“Who would believe that a cork is a high-tech product and its market is measured in billions of units? In Céret, a village nestling in two hills in French Catalonia between Perpignan and the Spanish border, Augustin Sabaté, chief executive of Sabaté, proves it with the revolutionary new cork Altec. (...) Augustin Sabaté has even set up the "G16", a lobby of 16 firms. "This group means we can put our position to the regional councillors” says one of its members, Christine Coste, manager of Coste fils, which makes packaging and has 30 employees.”*  
(La Tribune, November 15, 1995)

3.2. A UK model of “concentrated” lobbying

As previously, each class derived from the data analysis corresponds to a type of lobbying strategy (illustrated by an example from the sample). International and local lobbying strategies are no longer observed in the case of UK firms. We shall return to this point in the discussion. European lobbying is observed, with similar features to the French model, but strategies at national level are partly divergent, and will be described below.

**Table 3.  
Model of UK firms’ lobbying strategies**

Percentages are calculated in relation to the total number of individuals studied

- European lobbying (Class 1) 48.5%
- Unstructured national lobbying (Class 3) 22.5%
- Reactive structured national lobbying (Class 4) 17.2%
- Proactive structured national lobbying (Class 2) 11.8%

At national level, the first distinction to emerge is between the unstructured lobbying strategies (whether individual or collective) in class 3 and the structured (and therefore collective) strategies in classes 2 and 4.

**Unstructured national lobbying** (class 3) comprises approximately a quarter of all individuals. This corresponds to a proactive, direct one-off action using pressure. It is the only type of lobbying to involve campaigns with a financial mode of influence, emphasising the public interest of a problem and aimed at a non-political target.

**A UK example of unstructured national lobbying**  
**BOC's lobbying of the British government**

*“The government is considering significant concessions on the climate change levy following fierce lobbying by industrial companies that were excluded from a discount deal struck in December. (...) One of the fieriest campaigns is being waged by the industrial gas manufacturers BOC, Air Products and Messer Griesheim, which say the levy will cost them one 12.5 m a year. Much will be passed on to customers. Hugh Mortimer, commercial manager for utilities at BOC Gases said the company was one of the UK's five biggest users of electricity. It wants exemption from the levy, which the government conceded last year, for primary aluminium smelting and chlor-alkali production.”*

(Financial Times, February 18, 2000)

Ultimately, it is possible to separate **structured national lobbying** into two subgroups of relatively comparable size, corresponding to classes 2 and 4. Apart from the logic of action and the geographical level of the target, these strategies have in common the expected result of a maximised gain, frequency of contacts with ad hoc public authorities, a general decision-making target in 100% of cases (explained by the national level of the target) and an issue of private interest. In all other lobbying variables, however, they differ.

**Proactive lobbying** (class 2) appears to be based more on an active attitude, run over a long period and call on external professionals. Also, the focus on a single issue appears to be a factor of efficiency. In contrast, **reactive lobbying** (class 4) takes place in response to a public decision that has already been made (passive attitude) and is organised in-house, sometimes without focusing on a particular objective.

**A UK example of proactive structured national lobbying**  
**Eidos Interactive's lobbying of the UK government**

*“Last year the European Leisure Software Publishers Association's unit carried out nearly 1,000 raids across Britain with the police and trading standards. (...) ELSPA is lobbying the government to follow the example of Sweden by introducing a levy on blank CDs, DVDs, CD writers and DVD writers to reduce the profits of pirates. Under ELSPA's proposals, the funds would be channelled directly to enforcement agencies to help them fight piracy.”*

(Financial Times, November 7, 2000)

**A UK example of reactive structured national lobbying**  
**Corus' lobbying of the UK government**

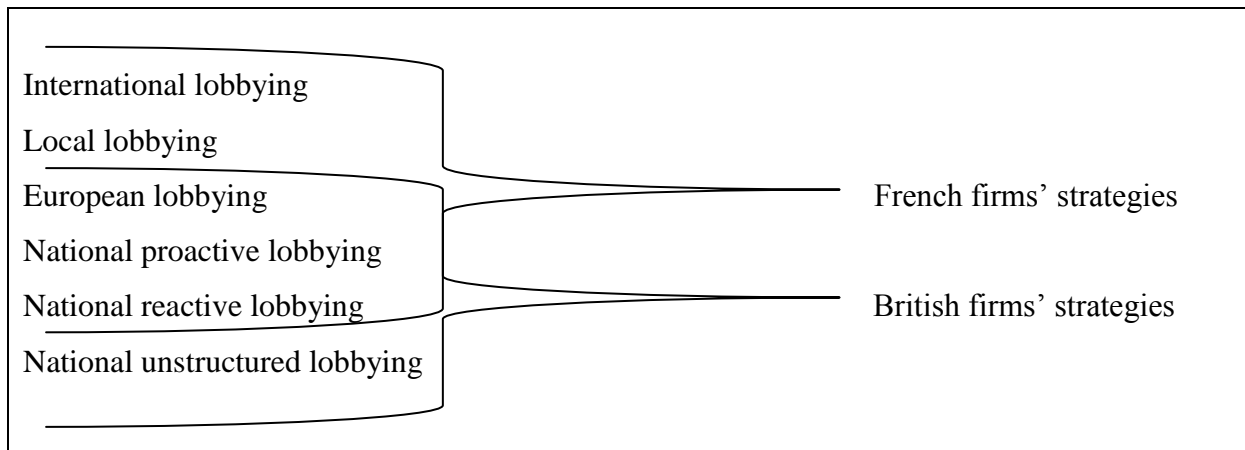
*“The chancellor's proposals to revive inner cities will address a range of small problems but are too limited in scale to provide a significant boost to the construction and house building sectors. That was the initial reaction from companies and organizations in the building and property fields, although they said more information was*

*still needed on questions including how the government would define “disadvantaged areas”. (...) The Construction Products Association said its members faced growing competition in south-east England from continental European suppliers, which were now importing even bulky products such as bricks into the UK.”*  
 (Financial Times, November 11, 2000)

#### 4. Discussion and conclusion

This study draws up a typology of French and UK firms’ lobbying strategies. More light can be thrown on the characterisation of these types of lobbying and comparison of results for France and the UK by a return to the initial theoretical framework of analysis. The results show the interdependent influence of organizational resources, economic structures and the political environment (laws and the role of the state) on firms’ lobbying strategies.

Table 4.  
 French vs. British firms’ lobbying strategies



4.1. The strategies characteristic of each type of lobbying depend on the nature of the issue to be resolved and the extent of organizational resources

Based on real-life cases highlighted in the results, we observe that the firm is not able to use the same political resources in all the different lobbying situations. Consequently, the modalities of the variables of action will vary according to the political problem concerned. Two examples of this global influence on lobbying strategies can be found in our results:

- a. European lobbying exists in France as well as in the UK and it is determined by the complexity and the special rules of European Union.



- b. National reactive and proactive lobbying strategies exist too in both countries and they reflect most of time political resources balance of the firm.
  
- a. At European level, the Commission is responsible under the EC treaty for formulating public policies in the European Union, while the European Parliament appears to be a weaker institution. The European Commission will therefore be the target of first choice for lobbyists concerned with European issues. Similar to international level, the informational, economic and financial resources of a single firm appear to be insufficient due to the supranational scale of the issues covered. This is why Europe 1 used a structured, specialised collective body, the European Broadcasting Union, as an intermediary for its lobbying campaign. Also, the complexity (and the relative recency) of European decision-making processes influences the choice of the firm's political and organisational resources. It generally drives the firm to call on the services of a professional external lobbyist (in more than 90% of cases for UK firms), and also to focus on a single issue (e.g. World Cup football broadcasting rights) over a long period of time. The regulatory framework for EU lobbying is based on the transparency principle (*Transparency in the Community*, Official Journal of the European Community, C166 1993). More directly, the Commission published an important paper on December 2, 1992 entitled "*An open and structured dialogue between the Commission and interest groups*" (Official Journal of the European Community, C 63 5.3.93). While this framework does not give lobbyists a pre-eminent place, it recognises and legitimises their existence. This accordingly broadens their relational and symbolic resources, enabling firms to adopt a general ongoing and anticipatory lobbying policy, which receives a more favourable reception from the European target when it emphasises a public interest aspect (cf Europe 1 and the audience for World Cup football).
  
- b. At national level, formal and informal recognition of lobbying differs from one country to the next. French and British specificities are discussed below. However, modes of corporate action will vary according to the political resources firms are able to mobilise in a given country. In the national context, the "proactive" and "reactive" approaches appear in very general terms to separate lobbyists with extensive political resources from lobbyists with insufficient political resources. In the UK's Eidos Interactive case, for example, the European Leisure Software Publisher Association

covers all operators in the sector, like Paris Europlace in the French Société Générale case. In contrast, the Construction Products Association that represents the UK firm Corus is just one of many representative groups in the sector, with competitors such as the House Builders Association, the Construction Confederation and the Builders Merchants Federation. Likewise, the French firm Canal Plus started up an individual campaign although many other interests were involved (advertisers and public service channels for instance). But not all unstructured campaigns are “reactive”; this study identifies a different “unstructured national” type of lobbying that is more widespread in the UK. It is a deliberately-chosen style of action displaying a proactive general policy by the lobbyist, contrary to the “reactive national” lobbying strategy. A firm acting alone or collectively in an unstructured way will perhaps have smaller organisational, symbolic and relational resources. Lack of organisational resources limits continuous action. When a firm is involved in “unstructured national” lobbying, on the other hand, it may hope to increase its symbolic resources by references to the public interest, and develop its relational resources by putting pressure on its target. In addition, the firms that opt for this type of action are certainly those that also have extensive informational, financial and economic resources (especially large firms, such as BOC in the UK model). They are thus well-placed to apply a proactive policy, and replace the relational mode of influence by a financial mode of influence.

4.2. The type of lobbying chosen depends on the firm’s national environment, i.e. its economic and political environment.

Before this study, in a similar vein, Keim and Hillman (1995) referred to the existence of international differentiation in relations between firms and public decision-makers, comparing the parliamentary systems in France, Japan and Germany with the situation in the US. Here, from a brief overview of the situations in France and the UK, we see that the two national frameworks do not carry the same threats or the same opportunities for lobbying firms. Consequently, French and UK firms will not always use the same types of lobbying strategies. Three examples of this local influence on lobbying strategies can be found in our results:

- a. The choice of British firms concerning European lobbying and unstructured lobbying strategies is linked to the lobbying status in the UK.
- b. The findings of local lobbying for French firms can be explained by the number of local government levels in France.

c. French firms' international lobbying strategies could be triggered by a specific economic environment.

- a. Both formally and informally, the situation for lobbying is more favourable in the UK, where it is recognised by national institutions and considered legitimate in practice, which is not the case in France. The first consequence of this state of affairs can be measured by the annual number of corporate lobbying campaigns in each of the two countries: it is twice as high in the UK as in France (169 in the UK in 2000, compared to an annual average of 85 in France between 1995 and 2000). There is also coherence between the formal and informal frameworks for lobbying in the UK and Europe (institutional recognition and legitimacy). This encourages UK firms to specialise in these two types of lobbying (half of the campaigns are at European level and half at national level). National lobbyists develop skills in the UK that they can then use effectively in respect of European public decision-makers. Furthermore, standardisation of lobbying styles (limited to two levels) reduces the cost of campaigns. French firms, in contrast, do not give priority to European-level lobbying (less than 20% of the total). At national level, the specific situation of UK lobbying again explains why UK firms choose three types of lobbying strategies whereas French firms focus essentially on "reactive national" lobbying. First, unstructured national lobbying is only possible when there is formal or informal recognition of lobbyists (i.e. in the UK). When no regulation exists, only the "strongest" and "most experienced" (collective actors) are likely to achieve their aims. Next, French lobbyists, who have smaller political resources, make more use of "reactive national" lobbying (42% compared to 15% of proactive campaigns), while structured national campaigns by UK firms are evenly distributed between "proactive national" and "reactive national" lobbying.
- b. Unlike the situation in France, the UK environment more generally provides little incentive for firms to take local or international action. At institutional level, the essential difference between the two countries does not lie in the political systems (one semi-presidential and the other parliamentary), since over the period studied the practice of political "cohabitation" in France (when the President and government are from different political parties) reduces executive power and brings the country closer to a parliamentary system. Nonetheless, it is important to note the growing

concentration of local authorities in the UK: their number has been divided by three since 1974 and there are only two levels of local government (County and District). As a result, the small constituencies and local contacts with public decision-makers that are advantages in local lobbying do not exist in the UK. In contrast, the three local government levels to be found in France (municipality, *département* - roughly equivalent to a county, and region) all provide opportunities for firms that might be involved in local lobbying. France has 8,704 municipalities, 95 provinces and 20 regions, compared to just 490 local administration units in the UK. This fragmentation of French territory complicates management of local issues by the State and reinforces the value of local lobbying for French firms. Also, the geographical and therefore cultural proximity often observed (the Sabaté Diosos case concerns the interests of the Catalan region around Perpignan) increases the lobbyist's relational and symbolic resources. This makes lobbying easier: it can be proactive and concern several issues at once, in interaction with public decision-makers.

- c. From an economic standpoint, the French State's involvement in the business world, especially the existence of elite networks (especially from the *haute école* vocational university system), also helps to explain the lower number of lobbying campaigns observed each year in France: the configuration of the French political economy is more auspicious for informal contacts between firms and public decision-makers. As this study only examines lobbying officialised by media coverage, it cannot take this informal type of lobbying into consideration. Looking at the economic context of our sample, in the year 2000 UK firms were less open to international trade (because the pound sterling was very strong at the time), and this could partly explain their lower interest in international issues. France, in contrast, was a net exporter over the period 1995-2000. The French firms concerned thus sought to defend their interests, especially in respect of the World Trade Organisation. International lobbying strategies ultimately accounted for only 17% of campaigns in the French model. At international level, indeed, symbolic and relational resources can be mobilised more easily. The WTO officially recognises lobbying, legitimising it and defining it in official texts. It has, for example, set up a dynamic programme for relations with NGOs representing a range of trade-related interests. When the Marrakech agreement was adopted after the Uruguay round of negotiations, the ministers decided to make express reference to relations between the WTO and non-governmental organizations

(article V-2). On July 18, 1996, the General Council defined the framework for development of these relations, issuing a set of guidelines (WT/L/162) that “*recognize the role NGOs can play to increase the awareness of the public in respect of WTO activities and agree in this regard to improve transparency and develop communication with NGO*”. In our case, the FCD adapted to the NGO framework, adopting a discourse referring to general public interest (consumer health and information). It was thus able to use a direct method of communication with its target.

In conclusion, this article offers an empirical model of the existence of a small number of lobbying styles used by firms in France and the UK and the beginning of an answer about universality or country specificity of those strategies. Our study is based on quantitative information. The results of data analysis (multiple correspondence analysis and classification) highlight patterns in corporate lobbying, showing similarities but also differences between French and UK practices. This suggests that the strategies typical of each type of lobbying depend on the nature of the issue to be resolved. The type of lobbying chosen, however, appears to depend on the firm’s national environment. This shows the interdependent influence of organizational resources, economic structures and the political environment (laws and the role of the state) on firms’ lobbying strategies. Thus, societal effects theory could be applied to firms’ political strategies which are at the same time global and local.

Our results do have limitations. At this stage they remain hypotheses that require subsequent validation, for example by more detailed case studies of certain corporate lobbying campaigns. Our conjectures are essentially based on a rational, efficient approach to lobbying. However, this general theoretical framework can be challenged. Might there not be inadequacies in decision-making (bounded rationality) or in application of lobbying (agency problems) within the firms themselves? Also, at this stage of analysis, the question of the performance of different corporate lobbying strategies is not addressed, although admittedly their performance is difficult to measure.

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<sup>i</sup> Figures provided by the Center for Public Integrity in 2010

<sup>ii</sup> “Les cabinets de lobbying espèrent tirer profit des nouveaux droits du Parlement”

<sup>iii</sup> Semi-directive 1½-hour interviews that were partially transcribed.

<sup>iv</sup> Federation of trade and distribution businesses