Lobbying by firms to influence public decision: is it a legal or an illegal networking? The cases of France and the United Kingdom

Madina Rival

To cite this version:
Madina Rival. Lobbying by firms to influence public decision: is it a legal or an illegal networking? The cases of France and the United Kingdom. 21st EGOS COLLOQUIUM “Unlocking Organizations”, 2005, Berlin, Germany. <halshs-00204089>

HAL Id: halshs-00204089
https://halshs.archives-ouvertes.fr/halshs-00204089
Submitted on 11 Jan 2008

HAL is a multi-disciplinary open access archive for the deposit and dissemination of scientific research documents, whether they are published or not. The documents may come from teaching and research institutions in France or abroad, or from public or private research centers.

L’archive ouverte pluridisciplinaire HAL, est destinée au dépôt et à la diffusion de documents scientifiques de niveau recherche, publiés ou non, émanant des établissements d’enseignement et de recherche français ou étrangers, des laboratoires publics ou privés.
Lobbying by firms to influence public decision: is it a legal or an illegal networking?

The cases of France and the United Kingdom

By Dr Madina RIVAL

Abstract: Lobbying by businesses is a practice that has become increasingly widespread today, but hardly studied in Europe. This paper endeavours to determine whether corporate political operations differ significantly from one country to the other. To address this question in Europe, lobbying by French and UK firms is analysed by creating a database from a number of the biggest financial newspapers in both countries over the last years. Multivariate data analysis techniques are used to model corporate political actions in France and the UK. Our results suggest that there is only a few lobbying practices. Three types of lobbying practices can indeed be found in France as well as in the UK. This could suggest that firms’ reaction to their political environment is less determined by country specific factors, although national specifics exist, than by the particular problem try to address.

Keywords: lobbying, political action, taxonomy, multivariate data analysis, cross-country comparisons.

Author’s presentation: Madina Rival is an Assistant Professor at National Conservatory of Arts and Crafts in Paris. She teaches finance and strategic management. Her research focuses on the non market environment of firms, especially regarding political issues.

Address: Dr Madina Rival
Conservatoire National des Arts et Métiers de Paris
8 av du psdt Kennedy
75016 Paris (France)
Lobbying by firms to influence public decision : is it a legal or an illegal networking ?

*The cases of France and the United kingdom*

The word “lobbying” originally comes from General Grant who had lived for a while in a hotel after the White House had burst into fire. At that time, pressure groups would gather in the lobby of the hotel to pressure him (Décaudin, 1997). In this paper, lobbying is defined as those political actions of firms that are meant to influence public decisions including, *inter alia*, laws, regulations or other things (Farnel, 1994).

Nowadays, a new strategic environment has emerged that has strengthened the need for lobbying: business globalisation, the European construction (Jean, 1992) and the increasing power of local actors. All these factors are conducive to more competition between firms and more regulation from public decision makers.

Against this background, the study of European firms political actions over the last years is of pressing interest. Two countries with opposite traditions regarding lobbying legitimacy, the UK and France, are analysed. In the UK, lobbying is a regular device used by firms and openly resorted to while, in France, it is a fairly new tool whose legitimacy is, so far, not this well established. Indeed, in the UK, the Crown by tradition is supposed to hear the views of all members of the society. That is why, lobbyists are legally heard by the Commons. Forty cabinets of lobbying operate in London and are managed by MPs or journalists. MPs are allowed to be employed by those cabinets. Conversely, the Le Chapelier law of 1791 used to forbid lobbying in France until 1884, when a new law was passed in Parliament. Nowadays, a number of firms specialized in lobbying exist but they are neither well known nor well regarded.

The remainder of the paper is set out as follows:

the first section presents a taxonomy of corporate political actions;

the second section describe the database of political actions in France and Britain that has been created;

the third section identifies two models of corporate political action in France and the UK, compares them and conclude.
The taxonomy of lobbying: a theoretical construct

A taxonomy of firms lobbying operations is first presented which will be used to describe, in the second section, French and British corporate political actions and to model their lobbying behaviour in the third section.

Existing lobbying taxonomies

Taxonomies on corporate political actions have already been outlined in the United States. Oberman (1993) presents them and concludes that they do not define clearly the underlying corporate political strategies.

Some taxonomies classify corporate political actions using as a sole classification criterion the modalities used by the firm to influence its target. Parsons (1969) and McMillan (1978) have worked on such taxonomies. These studies however do not analyse global political strategies.

Conversely, other studies are too global and lack precision to describe fully lobbying actions. For example, Handler & Mulkern (1982) have worked on financial contributions of political action committees in the United States. They partition these actions in two models: “ideological” actions and “pragmatic” actions. Likewise, Yoffie (1987) comes up with five global corporate political strategies: the “free rider”, the “follower”, the “private goods”, the “leader” and the “entrepreneur” strategies. Both studies have a point in common: they use a general strategic vocabulary without investigating the specificity of the political market.

Against this backdrop, this paper tries to build a new taxonomy of corporate political actions based on existing taxonomies. The main reference will be the study of Epstein (1969) that defines five descriptive variables for lobbying: goals, actors, resources, management and tactics. This paper will use these variables but complements them with new elements.

Our taxonomy

General characteristics on the firm
These four characteristics are essentially useful to describe the data sample.

Size. This paper chooses the standard weighing of firms according to their turnover. Other classifications include the number of employees but these figures can differ from one country to the other according to different regulations. This paper breaks down the turnover of firms in ten levels following the INSEE standard.

Legal status. This variable has not exactly the same signification in each country and it is difficult to compare the status of French and UK firms. Nevertheless, it is useful to describe the sample in each country. For example, it can be assumed that a limited liability firm will not have the same type of political action than an unlimited liability company according to the different levels of liability of owners.

Industrial branch. Schmalensee (1985) has shown that the industrial branch can explain a fraction of corporate performance. The analysis of the industrial activity of firms is based on national classification systems in France and the UK. They have common levels and both are in line with the FTSE Global Classification system. This international system provides a clear structure for cross-country sectoral analysis. This paper breaks down this classification in 17 levels plus one specific level for “Holdings”.

Listing of the firm on stock markets. This variable is linked to the legal status of the firm. It is used to investigate whether the type of corporate governance influences lobbying.

General stance of the firm regarding lobbying

General behaviour towards public decision makers. According to Miles et Snow (1978), firms can pay attention to their strategic environment in various ways: they can have a “prospective” behaviour, which means that they act before the evolution of the environment; they can have a “defensive” behaviour which means that they act only after a modification of the environment; they can have a mixed behaviour. Demil (1998) has applied this classification to corporate political actions to investigate whether this impacts results positively. In this paper, we use this classification as well with different names which are more suitable for lobbying: “active”, if lobbying is done to trigger the public decision (according to the “prospective way”); “anticipating” if the public decision is already under way but the firm can still influence it (according to the “mixed way”); “passive” if the public decision has already been taken (according to the “defensive way”).

Frequency of relations with public decision makers. There are two strategies: on based on long run committed cooperation with public decision makers (“continuous” relations) or contacts on a case by case basis when necessary them only when it is necessary (“case by case” relations). The first strategy creates a confidence
climate between lobbyists and public decision makers. Furthermore, lobbyists have time to learn the best practices to influence political action. Nevertheless, continuous relations are more costly (financial, organisational, etc.) than case by case relations.

*The political action studied*

*Causes triggering the lobbying action.* Getz (1993) classifies the goals of lobbying in four categories: social, economic, political and technical issues. This classification is difficult to apply here, but this paper is aware that each firm has different reasons to lobby. Usually, the relevance of the problem is specific to the lobbyist firm or to a group of firms. But, occasionally, the lobbyist may argue that questions of public relevance have to be solved (for example, environmental or employment issues). Furthermore, firms can expect different results from the political action: some want to minimize a loss if the public decision can be opposed to the firm's interest; other firms want to maximize a gain if the public decision can be positive to the firm's interest. Lastly, corporate political strategies can be focused on a single issue or, conversely, on a number of problems simultaneously.

*The lobbyists in practice.* First, the lobbying firm can have partners for its political action or act alone. Collective action has advantages such as a greater weight in negotiations with public decision makers, economies of scale and efficiency. It has more legitimacy if it is a structured organization such as an industrial branch union. Nevertheless, collective action entails costs, namely: lack of autonomy in decisions, costs of controlling the behaviour of other firms in the union, etc. For instance, McLaughlin, Jordan & Maloney (1993) have shown that the size of pressure groups could contribute to explain the results of their lobbying and that there is an optimal size for the pressure group. Moreover, this paper distinguishes whether the lobbyist in practice is internal to the firm (such as the “public affairs” directorate studied in France by Attarca, 1998) or external to the firm (such as specialized consultancies studied by Lamarque, 1996). The current issue is to balance profits and losses of these two solutions. For example, an external lobbyist is more experienced but can originate agency theory-related problems (developed by Jensen & Meckling, 1976).

*The lobbying target.* Public decision makers who are targeted are obviously at the core of the description of corporate political actions. Getz (1993) found 48 types of targets according to four main dimensions: whether public decision makers are elected, the localisation of the target (international, national, regional, local), the political level of the target (executive power, legislative power, judicial power), the links between the target and the firm (insider relationships, outsider relationships). This paper resorts to some of the variables of this study:
the political level of the target (instead of the judicial level, this paper will consider consultative level such as “autorités administratives indépendantes”) and the localisation of the target (this paper will not consider the regional level but adds a European level). Furthermore, this paper will take into account to the type of decisions made by the target: be they regulation decisions which a high level of enforcement, such as laws or mere decisions of control authorities (such as those of “autorités administratives indépendantes”).

The management of lobbying. Corrado (1984) has built a taxonomy thereof along different variables: the communication with the target that can be direct (e.g. a meeting) or not, the modalities used to influence the target (relationships, financial), whether the action is legal or not. This paper will only use the first two variables because it is difficult to obtain information about illegal practices. Turning to the modalities used to influence the target, this paper adds a third one: the legal modality (e.g. a firm can sue a public decision). Moreover, this paper will take account of the length of the corporate political action which can be short or long. Eventually, this paper, based on Jacomet’s classification of corporate political actions (2000) underlines the attitude of the lobbyist firm to the target which can be pressing (if the lobbyist has a real bargaining power) or cooperative (if this is not the case).

Table 1 summarises our taxonomy of corporate political actions.
### Table 1. The taxonomy of corporate political actions

<table>
<thead>
<tr>
<th>Category</th>
<th>Variable</th>
<th>Modalities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>General characteristics of the firm</strong></td>
<td>Size</td>
<td>10 levels of turnover</td>
</tr>
<tr>
<td></td>
<td>Legal status</td>
<td>Particular to each country</td>
</tr>
<tr>
<td></td>
<td>Industrial branch</td>
<td>17 levels</td>
</tr>
<tr>
<td></td>
<td>Listing on stock markets</td>
<td>Yes, No</td>
</tr>
<tr>
<td><strong>General stance of the firm regarding lobbying</strong></td>
<td>General behaviour towards public decision makers</td>
<td>Active, Anticipating, Passive</td>
</tr>
<tr>
<td></td>
<td>Frequency of relations with public decision makers</td>
<td>Continuous, Case by case</td>
</tr>
<tr>
<td><strong>Causes triggering the lobbying action</strong></td>
<td>The relevance of the problem</td>
<td>Private, Public</td>
</tr>
<tr>
<td></td>
<td>The expected result</td>
<td>Maximise a gain, Minimise a loss</td>
</tr>
<tr>
<td></td>
<td>The number of problems to solve</td>
<td>Single, Multiple</td>
</tr>
<tr>
<td><strong>The lobbyists in practice</strong></td>
<td>The type of partnership for the lobbying action</td>
<td>Individual action, Collective and structured action, Collective but non -structured action</td>
</tr>
<tr>
<td></td>
<td>The externalisation choice of the lobbyist</td>
<td>Internal, External</td>
</tr>
<tr>
<td><strong>The lobbying target</strong></td>
<td>The political level of the target</td>
<td>Executive, Legislative, Non political</td>
</tr>
<tr>
<td></td>
<td>The geographical level of the target</td>
<td>Local, National, European, International</td>
</tr>
<tr>
<td></td>
<td>The decision level of the target</td>
<td>General, Particular</td>
</tr>
<tr>
<td><strong>The management of lobbying</strong></td>
<td>The length of the action</td>
<td>Short, Long</td>
</tr>
<tr>
<td></td>
<td>The communication with the target</td>
<td>Direct, Indirect</td>
</tr>
<tr>
<td></td>
<td>The modalities used to influence the target</td>
<td>Relationships, Financial, Legal</td>
</tr>
<tr>
<td></td>
<td>The attitude to the target</td>
<td>Pressing, Cooperative</td>
</tr>
</tbody>
</table>
The lobbying networks studied in France and Britain: description of the data sample

The data sample of corporate political actions related to lobbying has been created by reading the biggest financial newspapers in France and the UK, namely: *La Tribune* and *Les Echos* in France, *the Financial Times* in the UK. In each country, this paper only took into account the lobbying of firms with a French or a British parent company.

It turns out that there is less corporate political actions described per year in newspapers in France than in the UK. For example, in 2000, 169 lobbying actions initiated by British firms were found but only 47 by French firms. To have more comparable data samples in terms of degrees of freedom, this paper studies the case of France from 1995 to 2000 (resulting in 510 corporate political actions) and of the UK only in 2000 (leading to 160 corporate political actions).

**General characteristics**

The French and British samples exhibit roughly similar characteristics.

First, very large companies dominate the samples since about 50 percent of lobbyist firms have a turnover above 100 000 GB Pounds. 40 percent of the remainder companies are still fairly large firms (with a turnover above 1000 GBP).

Second, manufacturing firms dominate with a share of 30 percent of both samples. This branch spans from agricultural-related industries to electronics.

Third, the firms of the sample are not listed on stock markets in most cases. Nevertheless, there is a difference here between the two samples: British companies are quoted more often than French companies (a third for the UK against a quarter for France).

Finally, it is difficult to compare the legal status of French and British firms. In France, 75 percent of the firms have the a status of “Société Anonyme”. “Private” societies dominate the British sample (2 out of 3).
General stance towards lobbying

In the same way, usual corporate strategies are mainly common for French and British samples. More than 50 percent of firms have an “anticipating” behaviour towards public decision makers. The remainder is more or less equally distributed between the active and passive stances.

Furthermore, in both samples continuous relations and case by case relations with public decision makers are equally distributed.

Causes triggering the lobbying action

About 75 percent of firms lobby to solve a private problem in both countries. One could expect such a result since a political action is a costly process. Both in France and the UK, about half of corporate political actions are triggered to reduce a loss and half to maximise a gain. Finally, in most cases, there is a single issue for one political action, while 30 percent of individuals have multiple objectives.

With regard to the lobbyists in practice, the target of lobbying and the management of lobbying, the main results are the following.

In most cases the lobbyists are collective and structured organizations (more than 75 percent in both samples). Nevertheless, notice that individual actions are more developed in the UK (13 percent of the sample) than in France (6.3 percent of the sample). By contrast, the externalisation choice of the lobbyist differs as 80 percent of French corporate political actions are operated inside the firm whereas lobbying is mainly done outside British firms (two-thirds). This could be the consequence of a more transparent attitude towards lobbying in the British legal system.

Regarding the target of lobbying, there are still a number of differences between the two countries. First, the political level of the target is the executive power for more than 90 percent of British firms and amounts to only 61.3 percent for French individuals. A caveat applies to these figures: they do not mean that the legislative power is not targeted by UK firms. It could be even the opposite: for example, formal relationships between British MPs and companies exist and are not reported in the newspapers used to create the database. Second, targets for French actions are mainly national (about 75 percent) and less European (12.4 percent) whereas only 60 percent of British actions are national and 24.9 percent European. Local action does not exist
in the UK. The decision level of the target is partitioned in both samples into 2/3 for the regulation authorities and 1/3 for the control authorities.

Eventually, the management of the lobbying differs between the French firms to the British firms with regard to the length of the action and the attitude to the target but the modalities used to influence the target and the communication with the target are the same. Most British firms operate lengthy actions (2/3) whereas this is the case of less than half of French firms. The attitude to the target is mainly cooperative in the UK and pressing in France. It may be a cultural point. In both samples, the corporate political action is managed mainly indirectly and by relationships.

Table 2. A comparison between the French sample and the UK sample

<table>
<thead>
<tr>
<th>Points in common</th>
<th>Differences</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Size</td>
<td>- Legal status</td>
</tr>
<tr>
<td>- Industrial branch</td>
<td>- Listing on stock markets</td>
</tr>
<tr>
<td>- General stance of the firm regarding lobbying</td>
<td>- The externalisation of the lobbying action</td>
</tr>
<tr>
<td>- Causes triggering the lobbying action</td>
<td>- The political level of the target</td>
</tr>
<tr>
<td>- The type of partnership for the lobbying action</td>
<td>- The geographical level of the target</td>
</tr>
<tr>
<td>- The decision level of the target</td>
<td>- The length of the action</td>
</tr>
<tr>
<td>- The communication with the target</td>
<td>- The attitude to the target</td>
</tr>
<tr>
<td>- The modalities used to influence the target</td>
<td></td>
</tr>
</tbody>
</table>

Lobbying networks in France and the UK: models and comparison

Multivariate data analysis techniques (multiple correspondences analysis and automatic classification) are used to model corporate political actions in the French (510 individuals from 1995 to 2000) and British samples (169 individuals for 2000).

By simultaneously minimising the within-class variance of the data and maximising the between-class variance of the data, one can, by construction, define homogeneous classes in a statistical sense whereby specific types of lobbying can be defined along them.

This paper will take significant variables (according to test statistics which are $\chi^2$ distributed) to describe the lobbying type of each class revealed by the data analysis.
The French lobbying model

Figure 1. The French lobbying model (1995-2000)

Results are calculated over the 510 individuals of the sample

<table>
<thead>
<tr>
<th>Class</th>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class 1</td>
<td>European action</td>
<td>18.82%</td>
</tr>
<tr>
<td>Class 2</td>
<td>Imposed action</td>
<td>42.16%</td>
</tr>
<tr>
<td>Class 3</td>
<td>International action</td>
<td>17.25%</td>
</tr>
<tr>
<td>Class 4</td>
<td>Local action</td>
<td>6.27%</td>
</tr>
<tr>
<td>Class 5</td>
<td>Voluntarist action</td>
<td>15.49%</td>
</tr>
</tbody>
</table>

National action: 57.65%

The data analysis found five classes in the French sample. The average population is 102 individuals for each class but corporate political actions are not equally distributed across the five classes: there is a very large class (class 2) with 42.2 percent of the sample and a small class (class 4) with 6.3 percent of the sample.

Some variables seem particularly discriminating in this respect (the classes differing according to the modalities of these variables): general stance of the firm regarding lobbying, and especially general behaviour towards public decision makers; the target of the lobbying (the three variables are important but the one most significant is the decision level of the target); the lobbyists in practice. By contrast, variables concerning the causes the lobbying action and the management of lobbying are less discriminating. Regarding the general characteristics of the firms, only the branch of industry may to some extent have a little bearing on the French model of lobbying.

Class 3 (Cl 3) with 88 individuals can be called the “international corporate political action type” since 91.5 percent of international targeted actions belong to this class. The target of the lobbying is really significant in this class: it acts mainly at the consultative level as a control authority. The relevance of the lobbying
problem is specific too: 100 percent of the political actions with a public relevant issue belong to this class. The communication with the target is direct for more than 90 percent of the lobbying actions in this class.

“Hyparlo” Case (10/11/1999)

The French supermarkets firm “Hyparlo” is a member of a professional business union (the national Federation of Trade and Distribution firms) that lobbies the World Trade Organization. Its aim is to defend consumers’ food quality standards during the Millennium Round.

Class 1 (Cl 1) with 96 individuals can be called the “European corporate political action type” because of the importance of the European localised target. A specificity has to be underlined here, the relevance of the problem is both private and public. Furthermore, another significant mode is the absence of information on the issue of the externalisation of the lobbying action.

“Europe 1” Case (30/07/1998)

The French communication firm “Europe1” has started to lobby the European Commission to lower broadcasting costs during the Soccer World Cup of 1998. It operates within the European Broadcasting Union to defend at the same time consumers’ and professionals’ rights.

Class 2 and class 5 lobbying actions are both managed at the national level (90 percent of the targets are nationally based in class 2 and 80 percent in class 5). As the target is national it mainly acts through regulation authorities in both cases. To discriminate further these two classes, other (less significant) variables have to be compared. Table 3 shows us the main differences between class 2 and class 5.

Table 3. The French model: a comparison between class 2 and class 5

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mode for class 2</th>
<th>Mode for class 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>General behaviour towards public decision makers</td>
<td>Anticipating and passive</td>
<td>Active</td>
</tr>
<tr>
<td>Frequency of relations with public decision makers</td>
<td>Case by case</td>
<td>Continuous</td>
</tr>
<tr>
<td>The expected result</td>
<td>Minimise a loss</td>
<td>Maximise a gain</td>
</tr>
<tr>
<td>The number of problems to solve</td>
<td>Single</td>
<td>Multiple</td>
</tr>
<tr>
<td>The attitude to the target</td>
<td>Pressing</td>
<td>Cooperative</td>
</tr>
</tbody>
</table>
Finally, regarding those differences, class 2 (Cl 2) with its 215 individuals may be called the “national and imposed corporate political action type”.

**“Canal plus” Case (06/02/1995)**

The French group “Canal Plus” lobbies against the policy of the French Ministry of Communication to minimise a loss, in particular regarding regulations related to TV advertising. Indeed, they are different between private and public channels.

By contrast, class 5 (Cl 5) with its 79 individuals may be called the “national voluntarist corporate political action type”.

**“Société Générale” Case (26/03/1997)**

The French Bank “Société Générale” belongs to the Parisian financial markets organization “Paris Europlace”. This organization promotes Paris in many dimensions as a financial centre, through active political actions on the French government. Members include all categories of players in financial circlese.

Class 4 (Cl 4) with 32 individuals can be called the “local corporate political action type” since 96.9 percent of the targets in this class are local based. It is strongly linked with a rather “dynamic” general stance regarding strategy with an active general behaviour towards public decision makers. The political level of the local target is mainly legislative (81.3 percent of the class 4). Within this class, lobbying firms want in general to solve multiple issues by a cooperative attitude to the public decision makers.

**“Sabaté Diosos” Case (15/11/1995)**

Sabaté Diosos is a small firm located in south of France. It is a member alongside fifteen similar firms of a regional lobby. This regional lobby expects local MPs to take action contributing to their economic development but multiple issues are often discussed.
The British lobbying model

Figure 2. The British lobbying model (2000)

Figures are calculated over the 169 individuals of the sample

<table>
<thead>
<tr>
<th>Type of Action</th>
<th>Class 1</th>
<th>Class 2</th>
<th>Class 3</th>
<th>Class 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>European action</td>
<td>48.5%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National action</td>
<td>51.5%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non structured action individual or collective</td>
<td></td>
<td></td>
<td>22.5%</td>
<td></td>
</tr>
<tr>
<td>Structured action collective</td>
<td></td>
<td></td>
<td></td>
<td>29%</td>
</tr>
<tr>
<td>Imposed action</td>
<td></td>
<td></td>
<td></td>
<td>17.2%</td>
</tr>
<tr>
<td>Voluntarist action</td>
<td></td>
<td>11.8%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The data analysis found four classes in the British sample. The average population is 42.3 individuals for each class but corporate political actions are not equally distributed across the four classes: there is a very large class (class 1) with 48.5 percent of the sample and three smaller classes (from 11.8 percent of the sample for class 2 to 22.5 percent of the sample for class 3).

Some variables seem particularly discriminating in this respect (the classes differing according to the modalities of these variables): general stance of the firm regarding lobbying, and especially general behaviour towards public decision makers; the lobbyists in practice (the type of partnership for the lobbying action as much as the externalisation of the lobbying action); the management of lobbying (and especially the communication with the target).

Class 1 (Cl 1) with 82 individuals can be called the “European corporate political action type” (95.24 percent of the European targeted actions belong to this class). A specificity has to be underlined here regarding the lobbyists in practice: about 100 percent of the lobbying actions in this class are led by collective and structured groups using an external lobbyist. General stance of the firm regarding lobbying is “dynamic” with
an anticipating behaviour and continuous relations with public decision makers. A the target is European it often acts through control authorities. Within this class, lobbying firms want in general to solve a single issue (to minimise a loss) by an indirect and long run action.

**“Vosper Thornycroft” Case (03/11/2000)***

“Vosper Thornycroft” belongs to the Shipbuilders and Shiprepairers Association. Nick Gainger, director of the SSA lobbies the European Commission to reprieve national subsidies. He argues that, given a temporary reprieve (as little as three years), merchant shipyards could become independent of government support.

Class 2, class 3 and class 4 are managed at the national level (100 percent of the targets are nationally based in class 2 and in class 4, about 80 percent in class 3). Nevertheless, structured corporate political actions (individual or collective) define class 3 whereas structured (and collective) corporate political actions define class 2 and 4.

Class 3 (Cl 3) with 38 individuals can be called the “national and non structured corporate political action type” since 86.4 percent of individual actions and 100 percent of non structured and collective actions belong to this class. Finally, about 90 percent of the lobbying actions in this class are non structured actions. This type of partnership is strongly linked with an internal lobbyist. Other specificities have to be underlined: the relevance of the problem can be public, the targets can be control authorities, the modalities used to influence the target can be financial. Furthermore, the short run action is managed directly by pressing the target.

**“BOC” Case (18/02/2000)***

The UK government considers significant concession on the climate change levy following fierce lobbying by big industrial companies that were excluded from a discount deal struck. One of the fiercest campaigns is waged by the industrial gas manufacturers “BOC”, “Air Products” and “Messer Griesheim”. Sir David John, “BOC”’s chairman has written to Tony Blair and Gordon Brown.
Class 2 and class 4 both belong to the “national and structured corporate political action type”. They have other points in common: case by case relations with public decision makers, a private issue that is to maximise a gain, a target acting as a regulation authority. To discriminate further these two classes, other (less significant) variables have to be compared. Table 4 shows us the main differences between class 2 and class 4.

**Table 4.** The British model: a comparison between class 2 and class 4

<table>
<thead>
<tr>
<th>Variable</th>
<th>Mode for class 2</th>
<th>Mode for class 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>General behaviour towards public decision makers</td>
<td>Active</td>
<td>Passive</td>
</tr>
<tr>
<td>The number of problems to solve</td>
<td>Single</td>
<td>Multiple</td>
</tr>
<tr>
<td>The externalisation choice of the lobbyist</td>
<td>External</td>
<td>Internal</td>
</tr>
<tr>
<td>The length of the action</td>
<td>Long</td>
<td>Short</td>
</tr>
<tr>
<td>The communication with the target</td>
<td>Both</td>
<td>Indirect</td>
</tr>
</tbody>
</table>

Finally, regarding those differences, class 2 (Cl 2) with its 20 individuals may be called the “structured and voluntarist corporate political action type” at the national level.

**“Eidos Interactive” Case (07/11/2000)**

The British firm “Eidos Interactive” belongs to the “Entertainment and Leisure Software Publishers Association” (ELPSA). ELSPA lobbies the UK government to introduce a levy on blank CDs, DVDs, CD writers and DVD writers to reduce pirates’ profits. Under ELSPA’s proposals, the funds would be channels directly to enforcement agencies, to help them to fight piracy.

By contrast, class 4 (Cl 4) with its 29 individuals may be called the “structured and imposed corporate political action type” at the national level.


“Corus” is opposed to the UK chancellor’s proposals to revive inner cities, said too limited in scale to provide a significant boost to the construction and house building sectors. This UK firm acts within the Construction Products Association. The organization tries to solve multiple issues, to build a “growing, profitable and sustainable future for the construction products industry”.

16
An attempt to compare the French and British lobbying styles: is it a legal or an illegal networking?

Global comparison of the two models

The geography of corporate political actions of the French and British models differ. On the one hand, national actions stand for more than 50 percent in each case. But, on the other, British lobbying actions are only managed at the European and national levels while French lobbying actions can reach international or local targets too. In Britain, there is absolutely no local action and very few international actions (albeit not enough to make a class). As a consequence, there are more European political actions in the British model (48.5 percent) than in the French model (18.8 percent). Moreover, the variable “type of partnership for the lobbying action” is discriminating enough to be a key characteristic of the British model at the national level (opposing structured actions vs. non-structured actions) but not in the case of the French model. Furthermore, at the national level, a third class can be identified in Britain (and not in France), the “non structured actions”. In French model, non structured actions are allocated in two other classes, namely at the international level (40.7 percent of individual actions and 36.2 percent of non structured collective action) and at the national level (especially in imposed actions: 43.8 percent of individual actions and 53.2 percent of collective and non-structured actions).

Those differences may be explained by the political history of each country. Lobbying is well-established in the UK as well as in the European Union. That is why British firms prefer political action at the European level which is more similar to their political action at the national level than international or local lobbying. Moreover, it is difficult for French firms to lobby without a collective organization since it is more difficult for single firms to resort to lobbying alone, which is less recognised in France than in the UK, than for British firms. As a consequence, there is no choice in France as far as partnership type is concerned when it comes to lobbying.

Finally, in both countries, at the European and national level, three corporate political action style (referred to as “European action”, “voluntarist action” and “imposed action”) stand out. It is worthwhile checking further whether they are exactly the same in France and in Britain (see infra.).

Comparison of the actions at the European level in the two models
For most discriminating variables, European corporate political action styles show common features in France and in the UK: an anticipating general stance towards public decision makers, with both private and public natures of problems, collective and structured actions, indirect communication with the target. We studied the cases of “Europe 1” and “Vosper Thornycroft” to illustrate this kind of lobbying.

These strategic choices are perhaps linked to European institutions. Indeed, the European Commission has more input into decision-making since it prepares laws and regulations that are subsequently passed by the European Parliament and the Council and, as such, is a better target for lobbyists. At the same time, the European Union is opened to lobbyists actions. That is why it is easier for firms to have continuous and active relations with European institutions.

Nevertheless, some (less discriminating) variables differ: the expected result, the externalisation of lobbyist action, the attitude of the firm to the target. For example, French firm do not publicly reveal their choice of the lobbyist whereas British firms openly use outside lobbyists. That may be linked to the lack of legitimacy of lobbying in France.

Comparison of the actions at the national level in the two models

At the national level, a corporate political action of voluntarist type (illustrated by the “Société Générale” and “Eidos Interactive” cases) has been identified for class 5 in France and class 2 in Britain. In both cases, these lobbying styles exhibit an active general behaviour towards public decision makers, to maximise a gain, by a collective and structured action. Firms try to reach regulation authorities by both direct and indirect ways of communication in the long run. Nevertheless, there are three mains differences between French and UK voluntarist lobbying styles. UK corporate political actions are of a case by case nature, led by external lobbyists mainly to solve one single issue. On the contrary, French corporate political actions are continuous, led by internal lobbyists to solve multiples problems. This feature may be accounted for by the fact that British lobbying is more institutionalised than the French one.

Turning to the imposed corporate political action identified for class 2 in France (“Canal Plus” case”) and class 4 in Britain (“Corus” case) a number of points in common can be singled out: a passive (or anticipating) general behaviour towards publics decision makers with only case by case relations, structured and collective actions led internally in most cases, regulation level are targeted and communication is indirect. That
may imply that this kind of lobbying is caused by a lack of firms’ resources but not by differences in national political histories.

Differences exist too. British firms whose lobbying is “imposed” focus on a single issue, to maximise a gain via a short run and cooperative action. French firms whose lobbying is “imposed” address multiple issues, to minimise a loss, by a long-run and, in half of the cases, pressing action.

**Conclusion : is it possible to control lobbying networks ?**

To conclude, this paper has modelled corporate political actions of French (1995-2000) and British firms (2000). Multivariate data analysis over 679 French and British firms shows that a few kinds of lobbying practices exist in each country: five on four geographical levels in France (“international action”, “European action”, “national and imposed action”, “national and voluntarist action”, local action) against four on two geographical levels in the UK (“European action”, “national and non structured action”, “national structured and imposed action”, “national structured and voluntarist action”).

Overall, general patterns of lobbying actions are different for French and UK firms but some types of lobbying are common: “European action”, “national imposed action” and “national voluntarist action”. This may imply that lobbying patterns can be explained by reasons that are more problem-specific than country-specific. Nevertheless, national specifics exist. We expect to investigate them further by studying more detailed cases in the future.

Looking ahead, it would be interesting to investigate whether these lobbying actions have an impact on the profitability of firms which undertake them. Such a study could show whether lobby is rational or not.

**References**


Miles R.E. *Organizational strategy : structure and process*, Hardcover, McGraw Hill College Div., 1978


