

***Global Spin and the public interest:
An agenda for research in a globalised Scotland***

Faculty of Arts and Social Sciences Lecture

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*Global Spin and the public interest:
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Spin. The term has come to symbolise much of what is wrong in contemporary politics. Spin is everywhere. The subtle blend of misinformation, evasion, half-truth and glitzy presentation used by the New Labour government are familiar to all. They are undoubtedly fuelling disengagement from the formal political process - a disengagement we cannot help be conscious of this evening, of all evenings, when the predicted turnout for the Euro elections is projected to break records. Spin is best known for its role in politics and especially in relation to the rise of New Labour. But spin has a long history and a wide reach

Spin connects economics, politics and culture. It is the binding that harnesses structure to agency in the pursuit of interests. Studying spin more or less dissolves the structure agency debate in sociology. Following spin wherever it goes takes us with the most powerful political and economic actors on the planet from the Whitehouse and 10 Downing Street to the spread of the Trans National Corporation across the globe. Spin spreads with the spread of Transnational business practices. Spin is in fact itself one of the quintessential transnational business practices. It is particularly associated with the Anglo Saxon model of capitalism practised in the US and UK and with financial capital and its increased mobility. Spin is in other words a phenomenon, which exists in space and place as well as in society and history.

Tonight I want to delve a bit into the murky world of spin and to suggest that it is much more extensive than we often think. It is a global – indeed a globalised – phenomena. This has marked and detrimental effect on democracy and the public interest. The cardinal principle of spin is to attempt to align private and vested interests with public interests – to pretend that they are the same. This project animates spin all around the world – including in Scotland. I will suggest that the consequences of these processes of globalisation and the rise of spin also have consequences for academic disciplines and for a research agenda in a globalised Scotland adequate to understanding how the global and the local are intrinsically intertwined.

The Rise of spin

The term spin doctor was not coined until the 1980s (in the US of course) but the phenomenon to which it refers has a long history. We can go back to Vance Packard's 1957 best-seller *The Hidden Persuaders*, which revealed the new techniques derived by corporations from the social sciences and the military to manage and manipulate consumer choices. But the origins of spin lie further back in the rise of universal suffrage and the response to it by political and economic elites. Alex Carey has put this the most succinctly in his stunning account of the rise of propaganda, *Taking the Risk out of Democracy* (1995, p. 18).

The twentieth century has been characterised by three developments of great political importance: the growth of democracy, the growth of corporate power, and the growth of corporate propaganda as a means of protecting corporate power against democracy

The 'risk' was to the interests of the elites. And this threat led directly to the rise of the professions of propaganda and public relations. It is important to remind ourselves of the founding mission of the early PR and spin specialists was to act on behalf of their clients to secure the 'consent' of the governed. As one of the leading theorists and practitioners Edward Bernays put it in 1928: 'The conscious and intelligent manipulation of the organised habits and opinions of the masses is an important element in democratic society. Those who manipulate this unseen mechanism of society constitute an invisible government which is the true ruling power of the country. [...] Ours must be a leadership democracy administered by the intelligent minority who know how to regiment and guide the masses.'" ¹

Or, as Walter Lippmann, put it in 1922: 'The public must be put in its place... so that each of us may live free of the trampling and the roar of a bewildered herd.'²

As we shall see later this is a sentiment that has returned with a vengeance in the current climate and embodies both a disdain for democracy and concerns about how to ensure legitimacy or, as Bernays put it, the 'engineering of consent'.

Understanding the doctrine behind spin helps to dispel the notion that spin is just about the surface features of consumerist societies – about air kissing, insincerity, Absolutely Fabulous, here today (or for part of today) gone tomorrow celebrities and style over substance – although these certainly are part of the spin behemoth³.

Spin Today

Spin is now a central part of the fabric of economic, political and cultural life. But this is no cultural trend, but a necessary precondition and simultaneous effect of globalisation and neo-liberalism. In every sphere of political, economic and cultural life promotional professionals are in the background selling, marketing, managing issues and debates attempting to silence critics. The PR industry is an increasingly global phenomenon and

¹ Edward Bernays *Propaganda*, 1928

² Walter Lippmann, *The Phantom Public*, 1922.

³ On this see Ewen, S. (1988) *All Consuming Images*, Basic Books.; Ewen, S. (2001) *Captains of Consciousness*, Rev Ed. Basic Books. Thomas Frank (1998) *The Conquest of Cool : Business Culture, Counterculture, and the Rise of Hip Consumerism*, University of Chicago Press.; Thomas Frank *The Rise of Market Populism: America's New Secular Religion*, *The Nation*, October 30, 2000
<http://www.thenation.com/doc.mhtml?i=20001030&s=frank.>; Frank, T. (2001) *One Market under God*, Anchor Books.

has strong roots in the US which has the biggest market for PR services. Perhaps surprisingly the UK has the world's second biggest PR market surpassing that in Japan and roughly twice the size of that in France and Germany.⁴ The 1980s were a key decade for the growth of PR and lobbying in the UK and this was linked to key changes in governance. In particular the return to the market ushered in by successive Thatcher governments were strongly implicated in the eleven fold (real terms) increase in the PR consultancy sector in the period between 1979 and 1998.⁵ The growth pattern suggests that PR is becoming more important, not simply as a result of the increasing complexity of advanced societies, but in consort with and as a consequence of the significant increase in inequality in the UK in the 1980s.

The globalisation of spin

PR has globalised along with corporations. Wherever TNCs alight in the world in any significant numbers they appoint PR staff. Amongst the earliest to expand in this way was the oil and gas industries, which globalised in pursuit of new oil reserves. In Singapore the oil industry brought PR people with it when the city state was still a British colony. Nigeria has the biggest PR industry in Africa largely as a result of Oil and the Middle East swarms with PR people; many based in the PR hub of Dubai. The two greatest centres for lobbying power in the world are Brussels and Washington, DC. PR is more dispersed but wherever there is global capital there is global PR (or its subsidiaries and affiliates). Thus PR centres include New York, Los Angeles, London, Brussels, Tokyo, Hong Kong, and increasingly (since China's accession to the WTO) Beijing. In Brussels, according to our conservative estimates, there are now 5 corporate lobbyists for every EU official.⁶

PR consultancies have also globalised. In recent years significant earnings have come from outside the US and UK for the first time. The biggest global PR firms are hardly household names, but their parent companies are even less well known. These are huge communication conglomerates. In 2001 the big three were numbered amongst the Fortune 500 biggest global corporations with market values of between \$10-20 billion. For example WPP, parent of the best known PR agencies Hill and Knowlton and Burson Marsteller, numbers over 300 of the Fortune 500 amongst its clients and over half of the NASDAQ index of tech stocks.⁷ In the last decade there has been an unprecedented surge of concentration and conglomeration so that in 2001, for the first time, the biggest

⁴ Miller, D Promotion and Power. In A. Briggs and P. Cobley (Eds.), Introduction to Media (2002, pp. 70-88). London: Longman.

⁵ Miller, D. and Dinan, W. (2000). The rise of the PR industry in Britain, 1979-98. *European Journal of Communication*. Vol 15 (1), 5-35.

⁶ Corporate Europe Observatory 'Academia: a partner for advancing the corporate agenda?' *Corporate Europe Observer* - Issue 12

<http://www.corporateeurope.org/observer12/greenwood.html>

⁷ WPP (2001). Annual Report. Retrieved 11 March 2003.

http://www.wppinvestor.com/annual_reports/pdf/2001_ar_whole.pdf

four accounted for over half (54%) of the global advertising, marketing, PR and lobbying market.⁸

Spin in politics

In the political world too PR and marketing techniques have become much more important. The obsession with controlling image and perception evident in the British Labour party under Blair led to the jettisoning of Labour's distinctive policy platform, to be replaced by spin and presentation.⁹ The accounts of this period which have appeared make it clear that a small group of modernisers around Blair (especially pollster Philip Gould and spin doctor Peter Mandelson) conspired to reshape the party in a new market friendly guise.¹⁰

But this transformation wrongly described as 'professionalisation' by political communication scholars is part of a world wide (if unevenly developing) trend – the globalisation of political consulting. As Gerry Sussman has noted 'The American-style election has become a global *tour de force*, full of spectacle and a carefully crafted political star system . . . Having already established beachheads in much of the world, a transnationalization of politics is occurring with the export of U.S. political expertise, communications technologies, and electronic data and image management'. As Sussman notes, this is not a process of Americanisation, but rather the globalisation of market democracy.¹¹

Spin in government

In government after 1997, Labour's biggest change to the civil service was the mass cull of almost all heads of information in Whitehall.¹² It has been widely alleged that centralised and politicised information control by the Prime ministers press secretary Alastair Campbell, surpasses that experienced under the Thatcher administration.¹³

The neo-liberal revolution ushered in by globalisation has had a strong impact on the machinery of government. Leys notes three main aims of the transformation 'to make the

⁸ Endicott, C. (2002, April 22). *Advertising Age*, p. 1

⁹ P. Heffernan and M. Marqusee 1992 *Defeat from the Jaws of Victory*, London: Verso.

¹⁰ P. Gould (1998) ; Macintyre, D. (2000) *Mandelson and the Making of New Labour*, London: Harper Collins.; Routledge, P. (1999) *Mandy, The Unauthorised Biography of Peter Mandelson*, London: Pocket Books.

¹¹ Gerry Sussman and Lawrence Galizio 'The Global Reproduction of American Politics' *Political Communication*, Vol. 20, No. 3 (Summer 2003).

¹² Franklin, B. (1999) *Tough on soundbites, tough on the causes of soundbites*, London: Catalyst Trust.; Osborne, P. (1999) *Alistair Campbell, New Labour and the Rise of the Media Class* London: Aurum.

¹³ Jones, N. (1999) *Sultans of Spin, the media and the new Labour government*, London: Victor Gollancz.

state serve business interests, to remodel its internal operations on business lines and to reduce the government's exposure to political pressures from the electorate.' (p3) This was set in train by the reforms of the civil service in the 1980s. As is well known the incoming New Labour government accepted these 'changes and the logic behind them'. With one or two caveats, the Scottish Executive in Edinburgh also accepted them.

As Jack McConnell put it in March 2004: 'By being the party of public services, Labour has not always been the party of enterprise and growth. For too long Scottish politics has been dominated by a consensus that public services came before enterprise and growth. That enterprise was even something to be ashamed of or embarrassed about. Scottish Labour must embrace enterprise. We must be the party of enterprise because a dynamic economy means opportunities for Scots and resources for schools and hospitals.'¹⁴

Furthermore, there is constant pressure from the corporate world to 'break out of the boundaries set by state regulation, including the boundaries that close non-market spheres to commodification and profit-making'.¹⁵ This pressure is felt in relation to government spin as well as in the form of lobbying for PFI and PPP projects. The Government Information Service a typically British public service institution, in retrospect provided a bulwark against the adoption of spin techniques. The PR industry lobbied since at least 1974 to be allowed to bid for government contracts, but it was only with the privatisations of the 1980s that they got a foot in the door. The revolution in spin started by Mandelson and Campbell in 1997/98, and completed by the Phillis report of 2003, has thrown the door wide open.¹⁶

The report of the Phillis committee sounds the death knell government information as a public service. Its main recommendation is the abolition of the Government Information and Communication Service and its replacement with a permanent secretary in charge of information and strengthened communications structures within departments. In particular this will ensure that the increasingly flimsy restraints on propriety will be undermined as information staff will be required to identify openly with the views of the minister in preference to issuing information which is not tendentious. Or, as the report puts it, each department's communicative activity 'must clearly contribute to the achievement of the department's overall policy aims and objectives'. The first government department to contract out its PR activities was the Scottish Executive which advertised an advertising, web design and PR contract for itself, ten agencies, 23 health bodies, 35 quangos and several government bodies. These potentially include the PR activities of the Scottish Parliament - an obvious structural conflict of interest.¹⁷

¹⁴ cited in Alf Young 'Now here's something you don't hear every day', *Sunday Herald*, 7 March 2004 <http://www.sundayherald.com/40360>

¹⁵ Colin Leys, *Ibid.* p 4.

¹⁶ An Independent Review of Government Communications, Chairman Bob Phillis, Presented to the Minister for the Cabinet Office, January, 2004 <http://gcreview.gov.uk>.

¹⁷ See V. Rodrick and M. Aitken, 'Outrage as McConnell spends £100 million on spin', *Mail on Sunday*, 29 February 2004, p13; Sharon Ward, 'Firms to fight for share of £100m

The Scottish Executive had already loosened the constraints on public service information provision after 1997. In its media training programme offered to all ministers and senior civil servants participants are advised to try 'resetting the agenda' if 'inappropriate' questions are asked or 'you can try and change or remove questions'. Tactics to achieve this are given: 'e.g. "that's an interesting question, but our view is (key message)'"

Civil servants are advised to take advantage of multiple questions by answering only 'the bit you want'. Course documentation made no mention of the importance of public servants being open and truthful.¹⁸ This kind of spin is now common place across government.

The practice of faking it

Across the world much of what we think of as news or as public debate is subject to spin and in recent years and accelerating cycle of what we can call faking it. Here are a few examples

In Johannesburg in 2002, the third world farmers demonstrating at the UN Summit on Sustainable Development in favour of GM foods were 'fake'. Bussed in, marshalled, press released and given T shirts with English slogans, a language they didn't speak.¹⁹ On the internet, GM interests have created 'fake persuaders' to manipulate debate on scientific discussion groups and marginalise their critics.²⁰

In the US, the Bush administration pays actors to produce fake news reports in favour of its policy on Medicare.²¹ In Turkey, BP's consultation on the Baku, Tbilisi Ceyhan pipeline included a telephone survey of a Turkish village of Hacibayram that, 'had been deserted for many years, its houses having fallen into ruins. There were neither telephones nor anyone to answer them.'²² On Thanksgiving last December George Bush

advertising and PR contract' *The Scotsman*, Sat 6 Mar 2004,

<http://business.scotsman.com/index.cfm?id=261462004>

¹⁸ Philip Schlesinger, David Miller and William Dinan *Open Scotland?*, Polygon, 2001..

¹⁹ Jonathan Matthews 'The Fake Parade' *Freezerbox*, 12.3.2002

<http://www.freezerbox.com/archive/article.asp?id=254>

²⁰ George Monbiot 'The fake persuaders Corporations are inventing people to rubbish their opponents on the internet' *The Guardian* Tuesday May 14, 2002

<http://www.guardian.co.uk/internetnews/story/0,7369,715159,00.html>

²¹ Robert Pear 'U.S. Videos, for TV News, Come Under Scrutiny', *New York Times* March 15, 2004 <http://www.nytimes.com/2004/03/15/politics/15VIDE.html?th>

²² International Fact-Finding Mission, Preliminary Report Azerbaijan, Georgia, Turkey Pipeline Project, Turkey Section Campagna per la Riforma della Banca Mondiale, Kurdish Human Rights Project, The Corner House, Ilisu Dam Campaign, PLATFORM, August 2002 <http://www.bakuceyhan.org.uk/publications/pipelines-factfinding-turkey.pdf>

flew into Iraq for 2.5 hours to visit the troops. The footage of Bush with the Thanksgiving Turkey sent out just the right message. Except the Turkey was just a decoration and the soldiers ate from steam trays as normal.²³

In April this year it was revealed that a PR firm, Potomac communications was engaged in writing opinion pieces for newspapers across the US on behalf of the nuclear industry. The twist was that the columns – often near identical to each other – were published with the name of an apparently independent academic attached to them.²⁴

The most interesting thing about such fake persuaders is that the spinners in the PR industry cannot see anything wrong with what they do. The turkey was effective said a former Bush official because:

‘it captured something about the president that people know is true, that he really cares about the soldiers and gets emotional when he sees them... You have to figure out how to capture the Bush we know, even if it doesn't come through in a speech situation or a press conference. He regularly rejects anything that is not him.’

A ‘speech situation’ evidently doesn’t always play well. In the case of the fake authors, a partner at the PR company concerned argued: "I doubt that there is a public affairs campaign by any advocacy group in the country that doesn't have some version of this," he said. "The op-ed pages are one of the ways people express their views in these debates." But, I argued, these professors are not just expressing their views; rather they express and adopt as their own those of the nuclear lobby. Said Perkins: "This is fairly conventional. It does sound as if you've got a fairly strong opinion on this for a reporter."²⁵

Such techniques have spread from the private sector to government. But the most well known and most extensive programme of faking it in the past three years is the propaganda campaign to construct rationale to invade Iraq. The details of this are reasonably well known, but it is worth being clear that this was a calculated attempt to construct a rationale for a policy which had already been decided on. As Paul Wolfowitz famously stated — it was for reasons of 'bureaucracy [that] we settled on the one issue that everyone could agree on'. The alleged connections between Iraq and al Qaeda or 9/11 were emphasised more in the US than in the UK, but this was also part of Blair’s strategy.

²³ Mike Allen ‘The Bird Was Perfect But Not For Dinner In Iraq Picture, Bush Is Holding the Centerpiece’ *Washington Post* Thursday, December 4, 2003; Page A33

<http://www.washingtonpost.com/ac2/wp-dyn/A33090-2003Dec3>

²⁴ William M. Adler ‘How Original . . . These Scholars Shared a Ghost. Who Knew?’ *Washington Post* Sunday, April 25, 2004; Page B01

<http://www.washingtonpost.com/ac2/wp-dyn/A38708-2004Apr24?language=printer>

²⁵ Ibid

As one example of the twists and turns of language that promoting this lie required we can examine the Prime Minister's statement in the House of Commons on 24 September 2002. '*At some point in a future not too distant, the threat will turn into reality.* The threat therefore is not imagined. The history of Saddam and weapons of mass destruction is not American or British propaganda. The history and the present threat are real'. Note the dishonesty of the language here as Blair appears to say the threat is both 'real' and 'present' while at the same time a potential threat in the 'not too distant' future which will 'turn into' reality.

Much has been said about the 45-minute claim and it is now comprehensively exposed as false. But government spin still attempts to muddy the waters by raising the issue of whether Blair was 'misled' by the spooks. Such claims rely on a lack of clarity in mainstream reporting. One of the key claims - mentioned four separate times in the September 2002 dossier *Iraq's Weapons of Mass Destruction: The Assessment of the British Government* - was that WMD could be 'ready within 45 minutes of an order to use them'. This was not the only false claim made by the US and UK governments but it illustrates the key point. The dossier claimed the 'much information about Iraqi weapons of mass destruction is already in the public domain from UN reports and from Iraqi defectors. This points clearly to Iraq's continuing possession, after 1991, of chemical and biological agents' (p. 5) and Iraq has 'continued to produce chemical and biological agents'. The problem with these statements is not just that they are false but that they are fundamental misrepresentations of the sources cited by the government, notably UN reports and evidence from the key defector, Hussein Kamel, Saddam Hussein's son in law. Briefly these sources indicate that the Iraqi government had destroyed 90-95 per cent of their chemical and biological agent and that any that remained (with the single exception of mustard gas) was in a form which would have degraded to uselessness within 10 years. In the case of the mustard gas, if any actually remained, the quantity was so small that it would only effectively poison an area of some 5.2 square kilometres. The sources also indicate a complete lack of evidence that new production had occurred.

So the notion that there was any significant threat from Iraq from chemical and biological attack was wrong and they knew it was wrong. On the possibility of using the weapons the dossier noted that Iraq 'can deliver chemical and biological agents using an extensive range of artillery shells, free-fall bombs, sprayers and ballistic missiles The Iraq military are able to deploy these weapons within 45minutes of a decision to do so' (p. 17). This neatly conflates the alleged 'intelligence' on 45 minutes with long-range ballistic missiles. In fact, Iraq did not have any such missiles and the original intelligence assessment was only, according to John Scarlett of the Joint Intelligence committee, that 'battlefield mortar shells or small calibre weaponry' could be deployed in 45 minutes. Again, both Blair and Campbell were in a position to know this since it was their own intelligence. (Blair, as Prime Minister sees all intelligence reports). In other words, the 45 minute claim involved at least three separate deceptions: on the existence of the agent in weaponised form; on the existence of the delivery mechanism; and on the application of the 45 minute claim to long range delivery systems. Weaving these various deceptions into a wholly false picture of a 'current' Iraqi threat required deliberate deception, but deception with a purpose; the purpose was to present the deception in such a way as to

encourage the media to draw the obvious conclusion. That it did so is more than evident in the headline in the London Evening Standard that day '45 minutes from Attack' (24 September 2002) or in the Daily Express the next day 'Saddam can strike in 45 minutes' (25 September 2002).

At root the fakery and the misinformation are the necessary bi-product of neo-liberal politics. In the post war period in conditions approaching social democracy, popular demands had some impact on the governmental apparatus whether Labour or Tory. The historic compromise between capital and labour which led to the introduction of the welfare state, the NHS and the nationalisation of key industries meant there was some link – however tenuous – between popular demands and political and economic decision-making. Under neo-liberalism the main parties are indistinguishable and their policies have no popular basis. They must be imposed by manipulation, fakery and deception.

The pursuit of sectional interests is what unites all of these instances of fakery. It is well known that this is what spin is about. However, in understanding the contemporary 'engineering of consent' it is important to understand that these hidden persuaders are only the most visible parts of an operation which has many other avenues of influence. The systematic attempts to manipulate the media and public debate are the well-known face of public relations and spin.

Traditional arguments about the role of PR and spin assume that the main avenues of influence for sectional interests are via these traditional routes. But there is also a wide range of direct routes to power which vested interests are able to make use of. We might call these aspects of spin 'private relations'.

Two key examples are the subterranean world of lobbying and the corporate strategy known as Corporate Social Responsibility. Both are about pursuing the interests of corporations and both about aligning private interests with public interests.

Public and private relations

The very term public relations suggests that there is a connection between PR and the public and public opinion. But the public is not always the target. For example it is quite possible for social institutions such as corporations or governments to pursue their interests in private communications and decision making processes, entirely bypassing the public. In societies such as the UK, much decision making takes place in virtual isolation from open public debate.

In recent years the power of the legislature in the UK and US has declined while lobbying and other direct means of influencing policy have massively expanded (Drew 2000; Hollingsworth 1991; Leigh and Vulliamy 1997; Lewis et al 1998). Lobbying itself is an almost completely taken up with direct communication with decision makers (Silverstein, 1998). It trades influence for cash and generally does not attempt to influence public opinion. In its day-to-day activities it is beyond the reach of public debate.

Lobbying has the longest history in the US, where as early as 1929 the Senate conducted an investigation of the influence of lobbying on the political process as early as 1929. In the same year Herring noted that 'there are no interests more fully, more comprehensively, and more efficiently represented than those of American industry (cited in Davis, 1935: 423). Davis notes 'these lobbies have been successful in securing the passage of legislation. This is so well known as hardly to need comment.' (1935: 423). However 'very often it is unnecessary to use a lobby because the man selected for public office has been placed there by the special interests' (1935: 425). The result of all these tactics has been such a direct and indirect control of the political machine that legislative control of corporations has usually been ineffective'(1935: 427). Although written in 1935 Jerome Davis' remarks would hardly be out of place in today.

As Jeffrey Birnbaum of the *Wall Street Journal* writes in *The Lobbyists* 'Washington has become a club in which the line between those inside and those outside the government is not clearly drawn' (1993:3). Lobbyists accompanied the expansion of US companies into international markets. Later, with the creation of the European Economic Community, lobbyists started to establish a presence in Brussels, and during the 80s and 90s this trend accelerated. Today lobbying is practised wherever legislation and regulation are enacted. The world's two most important sites of decision making for lobbyists are within the 'beltway' in Washington DC (USA) and in Brussels (location of the European Commission and European Parliament).

According to Bastian Van Apeldoorn 'almost all academic observers agree that from the mid-1980s onwards, the shaping of European policy making by private interests has been rather one-sidedly dominated by business' (Van Apeldoorn, 2002: 205). In the US, a similar picture obtains. Paul Krugman (2002: 31), a columnist for the *New York Times* recently noted the mood in Washington as the misdeeds of Enron and Worldcom were quietly forgotten:

The mood among business lobbyists, according to a jubilant official at the Heritage Foundation, is one of "optimism, bordering on giddiness." They expect the elections on Nov. 5 to put Republicans in control of all three branches of government, and have their wish lists ready. "It's the domestic equivalent of planning for post-war Iraq," says the official. The White House also apparently expects Christmas in November. In fact, it is so confident that it has already given business lobbyists the gift they want most: an end to all this nonsense about corporate reform. Back in July George W. Bush declared, "Corporate misdeeds will be found and will be punished," touting a new law that "authorises new funding for investigators and technology at the Securities and Exchange Commission to uncover wrongdoing." But that was then; don't you know there's a war on?

Although the interesting views of top business lobbyists are not often the subject of high profile news coverage, there is a substantial amount of information about their activities and perspectives available on the public record.

Lobbying in Scotland

To understand lobbying in Scotland we need to take a global perspective on it. Lobbying by corporate interests in Scotland is a merely component of transnational strategies. Lobbying takes place in the context of already entrenched policy assumptions and a political culture that is already fundamentally oriented to wards the market.

Nevertheless lobbying is seen as worthwhile by business interests as evidenced in the burgeoning lobbying and PR market that emerged post devolution. In the first term of the Parliament, lobbyists swarmed to the Mound, embroiling Jack McConnell in the lobbygate row.²⁶ The privileged access of big business lobbyists to MSPs through the officially sanctioned gateway of the Scottish Parliament Business Exchange (SPBE) revealed more clearly than ever the extent to which the openness of the Parliament had been colonised by business interests.

The Scottish Parliament Business Exchange is the body that fosters closer connections between MSPs and business, and has been criticised for allowing big business privileged access to the Scottish Parliament. First Margaret Jamieson admits that she has signed a 10-year confidentiality agreement with US drugs giant Pfizer. Then Elaine Thomson was revealed not to have known that the ‘lawyer’ shadowing her had no legal qualifications, and was in fact a lobbyist working for Saltire Public Affairs, the lobbying subsidiary of law firm Shepherd & Wedderburn. Thomson’s failure to even inquire which clients her shadow worked for shows an alarming naivety. She along with four other MSPs was on the board of the SPBE. The thought that it might be abused by lobbyists seems never to have crossed her mind. Fellow MSP and board member David Davidson also exhibited a tenuous grip on the real world of lobbying, saying a lobbyist simply ‘gets your message across’. The Exchange by contrast is about ‘information exchange and understanding’. Every PR textbook notes that lobbying is all about ‘mutual understanding’. This is a veritable definition of lobbying.

The Scottish Parliament Business Exchange

The SPBE is promoted as an educational exchange allowing members of the Scottish parliament to learn more about all kinds of business. All corporate participants are required to sign a letter affirming they will not use the scheme for lobbying.. In practice the exchange is dominated by TNCs who pay £6000 to join and three quarters of those taking part in its first – and so far only – programme of events were full time lobbyists
<http://www.spbe.org.uk>

The SPBE was set-up by the Chief Executive of the Scottish Parliament Paul Grice and the presiding officer David Steel. It is their stewardship of the project which raises the most serious questions. Margaret Jamieson may have been naïve, but she assumed that

²⁶ Philip Schlesinger, David Miller and William Dinan *Open Scotland?*, Polygon, 2001.

the Exchange had cleared confidentiality agreements. They hadn't, because, as Paul Grice put it at the unofficial launch in June 2001, "a strong guiding principle... is that we should set the Exchange up with a minimum of rules and regulations". This failure to police the conduct of the corporations involved has led predictably to the current fiasco. David Steel too has been unusually silent. He was more expansive at the unofficial launch. In an agreeably chummy get together he described to the assembled MSPs and corporate lobbyists his ambition for the Exchange "to go deeper than just a few days of junketing - no, that's not the right word [laughter from audience] - the few days of mutually beneficial contact". Steel also noted that the Exchange had "broadened out beyond just business and industry and into all community organisations of every kind". This has turned out to be false. Five of the eight participants are from multinational corporations and one is a commercial lobbyist representing multinationals; the other two represent enterprise quangos.

Defending the Exchange before the Standards committee Grice claimed that the undertaking by participants not to lobby is a sufficient safeguard, despite any clear definition of what lobbying might entail. Grice's defence required him to dissemble in the worst traditions of Sir Humphrey and the British civil service. In the Grice lexicon words can apparently be stretched to mean the opposite of their dictionary definition. The Exchange does not allow privileged access to big business because "The rules of the Exchange give the members safeguards so that they can have a constructive exchange. There is no privileged access *in any sense of the word*" (my emphasis). But the fact is that the scheme is dominated by multinationals and that there is no comparable access to MSPs (up to 26 days a year or a day a fortnight) for any other interests. The Oxford English Dictionary lists the following synonyms for privileged: favoured, advantaged, indulged, special. Readers can judge for themselves which of these senses apply to the scheme.

On the question of openness Grice noted that "**The MSPs knew exactly whom they were dealing with.** We put a press notice out saying who the people were. **In no sense** was anything hidden. That openness is another safeguard" (my emphasis). A press notice there certainly was, but it noted only that Fiona Burns was a 'policy adviser' at Shepherd & Wedderburn the law firm. Actually, she works for Saltire Public Affairs, its the lobbying subsidiary. Such lack of transparency is par for the course in the world of lobbying, but it is worrying that the Chief Executive feels the need to endorse the lobbyists slippery use of language. Moreover the MSP involved in the exchange, Elaine Thomson, who also sat on the board of the SPBE, appeared to be slightly less than 'exactly' aware of whom she was dealing with. Here is what she said to *Newsnight*:

Elaine Thomson MSP: One of the things that was done when the inward Parliament programme was organised was that all the names, positions and companies of those involved were all published and was quite open.

Gordon Brewer (Newsnight): So you were aware that this woman was not a lawyer, but in fact worked for a division of Shepherd and Wedderburn, which from what it says about itself looks very much like a lobbying company?

ET: It's a company that deals in information and it is the public affairs arm of that company. I mean the individual in question is professionally, as I understand it, a solicitor, though she is currently employed in the public...

GB: She isn't actually.

ET: Isn't she?

GB: We asked the company today and they said she has no legal training.

ET: Right... I thought she was professionally qualified but obviously I should have read her CV a little more effectively. (7 October 2002)

The SPBE affair led to Grice getting a roasting from the Standards Committee and to a promised review of the SPBE. The review was written in September 2003, but only placed in the Parliament library in May 2004 after questions were asked in the house, concludes that the SPBE should remain a company independent of the Parliament and consequently that it should not become accountable to Parliament via the Standards committee. The official reason given for this is cost, but the review makes plain that the Trans-National corporations involved opposed any move to accountability.²⁷

The ongoing SPBE saga reveals that Scotland is developing its own corporate friendly system of governance which is simply part of a wider global process.

Corporate Social Responsibility

Corporate Social Responsibility is a key part of corporate strategy . It is often wrongly dismissed as simply window dressing and spin. It does involve spin, but it is also one of the key means by which corporations pursue their interests through the lobbying and regulatory work.²⁸

The practice of CSR is intertwined with the overall strategies of the corporations to resist regulation and to ensure 'voluntary' outcomes. This can be seen at every level of governance from local to national, international and global. One of the key functions of CSR is to enable further deregulation by pointing to the involvement of business in ethical and sustainable activities and to indicate that 'multi-stakeholder dialogue' with civil society obviates the need for binding regulation.

The underlying agenda behind all these activities is the same, free markets, 'flexible' labour forces and most importantly the continuing retreat of government regulation. The new global economic architecture constructed through the North American Free Trade Agreement (and its successor the Free Trade Area of the Americas), the WTO, GATS and the like did not emerge by accident or as a necessary product of inevitable processes of globalisation. They were fought, struggled and lobbied for by corporations and their globalising state allies. As John McArthur, the publisher of *Harpers* magazine, shows in

²⁷ *The Way Forward: Report of the Board of the Scottish Parliament and Business Exchange*, September 2003. Lodged in SPICe May 2004.

²⁸ Christian Aid, *Behind the mask. The real face of corporate social responsibility* 21.01.04 <http://www.christian-aid.org.uk/indepth/0401csr/>

his detailed and revelatory book *The Selling of Free Trade* (University of California Press), the North American Free Trade Agreement (NAFTA) was passed only after an extremely hard fought campaign by the Business Roundtable and its allies the Clinton administration. The full range of promotional techniques, from political spin, and advertising to lobbying, horse trading, and intense political pressure were used as a means of allowing corporations to make use of the low wage Mexican labour force. Mostly this type of activity is not open to public examination. Yet all over the world the denizens of corporate promotion work quietly and covertly to push the same agenda. In Europe one current buzz phrase is 'horizontal subsidiarity'; at the global level it is 'type II outcomes'. Just as vertical subsidiarity requires decisions to be made at the lowest possible (local, national, EU) level so horizontal subsidiarity requires decisions to be taken at levels lower than government. If regulation can take place at the voluntary level then the European Commission should not be involved. Although this can be defined as self determination by some on the left in the EU, the usage it carries in corporate/EC discourse in Brussels is quite different. Here EC officials tell business lobbyists at Brussels conferences that they 'can expect and should demand' horizontal subsidiarity. In other words, business can expect corporate power to displace democracy.

At the UN, the terminology is different, but the agenda the same. At the Johannesburg summit on sustainable development in 2002, the corporations lobbied fiercely and successfully against type I and in favour of type II outcomes. The former are of course binding regulation and the latter voluntary self regulation. This agenda is one of the key reasons why corporations have become keen on developing partnerships with charities and pressure groups such as Oxfam or WWF. If they can demonstrate 'voluntary agreements' with civil society, binding regulation will be avoided. All of this goes on behind the backs of the public, an indication that democracy is already withering away and that corporate PR professionals aim to make it much, much worse. The marketisation and commodification of every last vestige of the public sector. Cannot be accomplished without misinformation, spin and strategic information management. Most fundamentally this is about aligning or giving the appearance of alignments between the private interest and the public interest.

Globalisation demonstrates the crucial need for the concept of ideology in order to understand the work which is needed to attempt the realignment of the private to the public. One key building block on this route is the notion that there is either no public interest only those of publics or that the public interest is so contested that there is no meaningful sense in which one definition can be distinguished from any other (the relativist position). Both of these arguments are conducive to the corporate interest in moving the debate along so that they can assert the essential lack of difference between private and public interests,

What is the Public interest?

The public interest can be defined most obviously by what it is not. It is not sectional interests it is not special interests it is not above all Private interests. But as we see with Corporate Social Responsibility there are many who would claim that their own sectional

interests are general and indeed public interests. This happens in relation to the interests of private corporations in both the private sector and the increasingly market oriented public sector. The problem is that the pursuit of the interests of the private sector by the public sector is a perverse kind of death wish. In Scotland the most important area where this is currently taking place is in relation to the water industry, which is the biggest single public asset in Scotland. Scottish Water is regulated by the Water Industry Commissioner who is required to promote 'the interests of customers'. His definition of the public interest is a simple monetary one which requires that Scottish Water be run on increasingly market oriented lines. This is one definition of the public interest, but it is a false and inadequate definition. In fact it is about fostering the interests of the private sector. There are many problems with this definition, but for our purposes the key one is that the public interest can not be defined in the abstract. Rather, it must be defined in concrete terms as the outcome of democratic processes. In other words only the public can legitimately determine the public interest by means of democratic mechanisms. The deeper point is that the public interest and the private interest are in the end not the same and cannot be made the same. This is the fundamental reason for the rise of spin. The policies of neo-liberal governments have very little popular basis and have to camouflage their policies with spin and manipulation.

Consequences for understanding Scotland and for academic disciplines

The failure to understand Scotland in terms of global transformations is evident I would argue in the dominant school of Scottish sociology which sees the devolution settlement as a powerful counter tendency to the global pressures. This somewhat Panglossian tendency doesn't just afflict sociologists. In fact the devolution settlement has distracted much of Scottish civil society from the ongoing neo-liberal agenda in Scottish and UK government.

It is a sure sign of a 'stateless nation-centrist' approach that leading Scottish Sociologists can analyse changes in Scotland only in terms of how they affect Scots and then largely in terms of economic 'growth'. To conclude that 'for eight out of ten people Scotland is a better place to live than 25 years ago', is quite breathtaking.²⁹ Most notably in terms of our discussion on spin, this fails to understand the dynamics of globalisation and the need for spin to engineer consent for the system. The breakdown of political legitimacy shown most notably by the decline in political participation, but also by the opposition to the war in Iraq and to market friendly policies, come out on this measure as unintelligible.

But in reality the significant redistribution of wealth in Scotland (the poorest 50% owned 10% in the mid 1980s, now it is 6%) from the poor to the rich has had real impacts on the poorest communities in Scotland. The richest 1% of the British population now owns more than four times the combined wealth of the poorest 50% of the population. The three poorest constituencies in Britain are in Glasgow (Shettleston, Springburn, Maryhill – two of them not half a mile from this lecture theatre).

²⁹ Frank Bechhofer and David McCrone, 'Scotland 2004: Why we've never had it so good' *The Scotsman*, 15 May 2004, p. 19.

To our shame, men in Shettleston, in this city, die younger than anywhere else in the Britain. The Child Poverty Action Group reports that 'at 63, life expectancy is 14 years less than the national average.... It is also nearly 18 months shorter than a decade ago - Britain's first reduction in lifespan since the Second World War.'³⁰ This puts life expectancy in Shettleston on a par with Iraq.

The 10 poorest British parliamentary constituencies

- 1) Glasgow Shettleston**
- 2) Glasgow Springburn**
- 3) Glasgow Maryhill**
- 4) Birmingham Ladywood**
- 5) Manchester Central**
- 6) Camberwell and Peckham**
- 7) Glasgow Baillieston**
- 8) Liverpool Riverside**
- 9) Hackney South/Shoreditch**
- 10) Bethnal Green and Bow**

Source: BBC Online, **Scottish city is UK's 'most deprived'** Monday, 18 February, 2002, 00:32 GMT
<http://news.bbc.co.uk/1/hi/scotland/1825869.stm>

It is no coincidence that the three poorest constituencies in Britain also have the lowest election turnouts. Shettleston had the lowest at 40.6% in the first Scottish parliament elections and just 35% in 2003.³¹ A similar picture obtained in Maryhill and Springburn.

The End of democracy?

For some commentators the problem is laid at the door of the media while for others the problem is the voters themselves. A veritable queue of liberal commentators has vented their frustrations at the media in the past year or so. To cite only two recent examples: Geoff Mulgan, the Head of the Policy Unit at 10 Downing Street, notes that the 'With a strong ethic of truth-telling in the media, scepticism ... would reinforce all that is good in the system of governance. But without such an ethic this attitude can simply lead to cynicism, and undermine any sort of truth.'³²

³⁰ David Smith 'You'll be lucky to live to 60 here. But it's not the third world ... it's Glasgow's East End' *The Observer*, Sunday March 14, 2004

<http://society.guardian.co.uk/publichealth/story/0,11098,1169618,00.html>

³¹ Bid to increase voter turnout, BBC Online Wednesday, 26 March, 2003, 06:56 GMT
<http://news.bbc.co.uk/1/hi/scotland/2886587.stm>; Ian Swanson 'Labour limps home' *Evening News* Fri 2 May 2003

<http://election.scotsman.com/topics.cfm?tid=757&id=501482003>

³² Geoff Mulgan 'The media's lies poison our system' *Guardian* Friday May 7, 2004
<http://www.guardian.co.uk/comment/story/0,3604,1211423,00.html>

His worry is that cynicism and disengagement will make it more difficult to 'legitimise' government actions. In similar fashion Polly Toynbee has attacked the media as part of the problem, but more recently pointed the finger of blame at the voters. In a column title 'voting's too good for 'em', she writes 'sometimes when you go out there on the street to watch democracy in action, the nobility of "the people" is a lot less striking than the patience and tolerance of their servants, the politicians. It is salutary to be reminded how much sheer pig-headed ignorance, nastiness, mean-spiritedness and rudeness politicians encounter every day. Trying to squeeze votes out of people who can't be bothered to inform themselves of the most basic facts is wearying work.'³³

There is more than a passing resemblance between these sentiments and those of Bernays and Lippmann about the 'trampling herd' and the 'engineering of consent'

Such commentators find it difficult to entertain the idea that the problem may be with the unresponsiveness of the political system to popular wishes. It certainly escapes their attention that disengagement is a natural and inevitable response to the system of market democracy, which is being put in place under the impetus of globalisation. 'By the early 1990s, after 15 years of a domestic version of structural adjustment,' writes Noam Chomsky, 'over 80% of the U.S. population had come to regard the democratic system as a sham, with business far too powerful, and the economy as "inherently unfair." These are natural consequences of the specific design of "market democracy" under business rule.'³⁴

Market democracy and Social Science: Concluding comments

Thirty years ago Alvin Gouldner diagnosed the 'coming crisis of Western Sociology'.³⁵ Today we can say that globalisation poses a similar crisis for social science. On the one hand globalisation requires us to see even 'local' events in a wider context. As Susan Strange has argued 'transnational corporations should now be put centre stage' in any adequate analysis of domestic politics.³⁶ On the other hand, the neo-liberal revolution binds academics (in the natural as well as social sciences) closer to the orbit of the corporation as can be increasingly seen in relation to science based disputes such as those over GM and obesity. The market orientation of governance also curtails the boundaries of academic production.

³³ Polly Toynbee 'Voting's too good for 'em The public cavil endlessly at politicians while wallowing in wilful ignorance and bitter prejudice
The Guardian Friday June 4, 2004

<http://politics.guardian.co.uk/columnist/story/0,9321,1231284,00.html>

³⁴ Noam Chomsky, Market Democracy in a Neoliberal Order: Doctrines and Reality
Davie Lecture, University of Cape Town, May 1997

<http://www.zmag.org/zmag/articles/chomksydavie.htm>

³⁵ Alvin Gouldner, *The Coming Crisis of Western Sociology*, New York: Basic Books, Inc., 1970.

³⁶ Cited in Colin Leys *Market Driven Politics*, Verso, 2003.

Even sections of the left and the green movement in Scotland have not fully appreciated the increased role of the transnational in Scottish politics, as can be seen from their campaigns in the Euro elections. Having said this, it is also clear that increasing numbers of people – numbered in their millions – across the world have fully appreciated these trends. We are in a historical period where market forces seem to push all before them. Yet at the same time there is a resurgence across the world of interest in genuine democratic mechanisms, as can be observed in the anti war movement and in the inspiring process inaugurated by the World Social Forum.

As a result of these processes we are seeing the reshaping of traditional academic disciplines. Just as globalisation renders the local global split more permeable so to does it impact on the apparent boundaries between disciplines. Yet this leaves behind those focusing on discrete areas of study, which have ceased to be discrete. The study of Scottish society is now necessarily the study of global Scotland. Confining our gaze to the traditional concerns of Scottish public policy will not do in the era of devolutionary globalisation

So the agenda for research is an holistic one which encompasses global power and global processes the new imperialism and international relations, but also how global processes animate and express themselves in Scottish and UK politics. We will not be able to understand one without the other. But most importantly we will not be able to act in the public interest until and unless we understand how local and global processes interact. Globalisation brings with it an assault on the very concept of the public interest, but if we are to do our public duty as academics of researching and communicating about the real world we will need to engage directly with research about globalisation and neo-liberalism without fear or favour. The public interest requires that we communicate our research to the widest possible audience in the cause of democratic governance in the public interest. That, it seems to me, is a research agenda worth pursuing.