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PERSPECTIVES OF POLICYMAKERS ON LOBBYING ACTIVITY BY FIRMS

Abstract:

Lobbying, which is a form of corporate political activity, has become an essential part of the political ecosystem and a core element of a firm's nonmarket strategy. To achieve strategic advantage, firms engage in political activity to seek favourable policies and minimize harm from undesirable ones. Lobbying is a dynamic business practice that combines political strategy and tactical agility. For lobbying to work, policymakers must be willing participants. Based on interviews with 30 former ministers and senior political staff in Canada, this qualitative study examined how policymakers perceive efforts by firms in shaping public policy and influencing government decisions. Additionally, this study sought to understand why they engage with industry during the policymaking process. The study showed that policymakers found that the benefits of lobbying are not one-sided. The ministers and political advisors interviewed shared that firms and their lobbyists can provide governments with valuable input during the policymaking process and that businesses can help strengthen policies and test the real-world applicability of proposed initiatives. This study validated seven best practices that enable effective lobbying: (1) understand the machinery of government; (2) align firm requests with political priorities; (3) anticipate the political context; (4) help enhance the government's reputation; (5) bring solutions to government; (6) take a long-term view; and (7) know the local context. Policymakers are concerned about the potential for negative media coverage as a result of questionable interactions with lobbyists. This study identified six behaviours lobbyists should avoid when dealing with ministers and their advisors: (1) unethical conduct, (2) breakdown of trust, (3) lack of clarity, (4) aggressive behaviour, (5) alienation of permanent civil servants, and (6) interference in government procurement. The findings offer real-world insights into how firms can effectively deploy lobbying resources by identifying best practices and the types of behaviours to avoid. The findings from this study can help firms better plan and execute their lobbying strategies and tactics to deliver the intended outcomes.

Keywords:

Corporate Political Activity, Government Relations, Lobbying, Nonmarket Strategy

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