

The Politics of Persuasion. Should lobbying be regulated in the EU?

authored by Urs Steiner Brandt & Gert Tinggaard Svendsen

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reviewed by Grigoris Zarotiadis*

Postmodern, neo-liberalised capitalism challenges many of the “infallible truths” of civil history, one of which is democracy, which forms one of the two main pillars of the bourgeois moral and political background, the other one being “freedom”. Besides any distortions in the contemporary, representative, political systems of developed countries (many more falsifications could be highlighted with respect to the issue of “freedom/liberty”),¹ we are currently witnessing a dispute of the rationale of democratic legitimacy and its gradual substitution by more “conveniently efficient” forms of justifying socio-political power.

The vision of a democratic, socially just and environmentally balanced Europe, the modern cradle of humanitarianism and peace, a vision that moved European people and spread the mood for European integration through enlargement of the EU, is fading away. As technocracy gradually replaces democracy and while we are witnessing a neo-fascist socio-political retrogression along with the gradual intensification of the international systemic crisis, it becomes all the more necessary to reorient the progressive vision for cooperation and prosperity.

The book by Urs Steiner Brandt and Gert Tinggaard Svendsen contributes to this discussion by emphasising a pertinent, yet highly focused topic, namely, lobbies and their political power in the EU. The authors combine analytical tools and quantitative methods of standard economic analysis with a “second-best” advocacy that leads them to social-liberal, highly realistic suggestions void of radicalism.

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1. For a relevant analysis, see G. Zarotiadis, “Liberty or Freedom: Lost in translation?”, *Intercultural Translation Intersemiotic*, Vol 3, No 2 (2014).

Their ‘make-it-work-if-you-can’t-change-it’ line of arguments becomes immediately obvious through the overall research question, as this is defined by the authors themselves: “*whether lobbying should be regulated or not in the EU*” (ps. 2 and 9). The introductory chapter clarifies the fundamental parameters of the authors’ view, which is quite useful for the reader. From the very first lines of the book it becomes clear the authors accept the classic principle that (individual) decisions freely taken lead to (socioeconomic) optima. Secondly, when defining the main subject of their analysis, they start from Svendsen’s view that “*lobbying is not necessarily a bad thing*”,² but it becomes economically harmful when it “*seeks redistribution in one’s own favour at the expense of one’s fellow citizens*”.³ This becomes even more hazardous in the case of asymmetric incentives and organisational capabilities among various social groups – the book demonstrates such types of asymmetry between producers and consumers. Clarifications in the first pages of the book also reveal the main contradiction of social liberalism. Brandt and Svendsen properly anticipate the specific nature of lobbying in the EU: “*the EU interest politics have been named an ‘elite pluralist environment’*”.⁴ Contrary to corporatist models, where the underlying norms and legislation ensure that all affected interests participate in the decision-making process, in the unregulated lobbying environment of Brussels, small interest groups with asymmetrically higher incentives and “abilities” for grouping are being favoured. This well-documented ‘blemish’ of European interest politics becomes even more serious if we consider it in an institutional environment of democratic deficit, “*since the power is rooted in bureaucracy (the Commission) rather than the parliament*”.⁵ Nevertheless, although they anticipate the erroneous nature of the (modern) bourgeois institutional context that endogenously generates asymmetries and imperfectness, the authors still seek for interventions that will regulate the creation of (market) power concentrations, in the name of a vague, miss-specified free market-trade context.

This particular way of addressing the principal dilemma of individual vs. collective action is combined with the second deterministic specificity of social liberalism, which also becomes apparent from the very first pages of the book: the authors focus exclusively on conflicting interests in the sphere of commodity circulation, rather than on those that appear in the production process itself. In other words, although

2. G.T. Svendsen, “Lobbies, professional” in G.T. Kurian (ed.) *The Encyclopedia of Political Science*, Vol. 3, Washington DC: Congressional Quarterly Press (2010).

3. This Pareto-type definition of harmfulness can also be found in J.M. Buchanan and G. Tullock, “The Calculus of Consent”, Ann Arbor, MI: University of Michigan Press (1962), and in R. Posner, “The social costs of monopoly and regulation”, *Journal of Political Economy*, 83, 807-27, (1975).

4. Page 7 of the book – see, also, D. Coen, “Empirical and theoretical studies in EU lobbying”, *Journal of European Public Policy*, 14, 333-45 (2007).

5. Page 7 of the book – see also S. George and I. Bache, “Politics in the European Union”, Oxford: Oxford University Press.

they insist on the desired symmetry between the (collective) interest of producers and consumers, they avoid any reference to the conflicting interests of factors involved in production.⁶

The structure of the book is quite straightforward: following the introductory chapter, the authors discuss in detail the unpleasant mixture of power centralisation and lack of lobbying-regulations in the EU revealing links leading to the emergence of corruption issues as well. Next, they proceed with three case studies of key importance – the framework for trade in greenhouse gases, lobbying in “green industries” (organic farms and wind turbines) and, finally, the case of countervailing the lobbying of brown and green power plants. These studies help authors illustrate specific types of systemic flaws, namely, the case of institutional cheating, that of wasting resources and, last but not least, the case of inducing earlier (rather than optimal) switch points in time. Finally, Chapter 7 discusses the “lobbying of lobbies” issue, presenting examples of aligning already organised lobbying groups, while Chapter 8 concludes on the major question of the book, “*whether lobbying should be regulated or not to make the European Dream come true*” (page 9 of the book).

This publication efficiently enriches relevant literature. It combines the theoretical arguments reviewed and empirical evidence with innovative aspects of the authors’ analysis for a reasonable contribution towards the inevitable discussion about the institutional and systemic transformation of Europe. Although they reveal a clear ideological identity, which, in any case, is hard to escape whenever one deals with socioeconomic issues, the authors insist on using rationalised arguments along with actual cases of bureaucratic corruption, thus bringing to light the imperfections of European reality (pages 30-36).

Nevertheless, exposing and critically asserting the subjective aspects of their writing, instead of detracting from it, highlights the actual significance of Brandt’s and Svendsen’s scientific as well as politically applicable contributions.

Unquestionably, the EU (not to mention the rest of post-modern western capitalism) is at a crossroads. From the authors’ socio-liberal point of view, the dilemma is to go down the road of protectionism and planned economy or the road towards free trade (see page 130 of the book). Yet, is it not a paradox to recognise that it is the very function of the free trade itself that has led to a number of complex policies, while at the same time proclaiming that this political complexity is closer to the model of a planned rather than a free economy?

6. In the few cases where the authors refer to the interests of production factors – for instance in pages 17-18 of the book – they obviously downplay the nature and meaning of trade unions and workers’ organisations and assert them as merely being another lobbying group of producers.

As is often the case in socio-liberal approaches, mutually exclusive positions exist in several propositions: Brandt and Svendsen dynamically argue for the necessity of lobbying regulation as a decisive initial step towards peaceful and prosperous European integration, which at the same time, according to their statement, should be a process for establishing an unregulated, economically efficient, free-trade environment.

Obviously, I should not overlook my own ideologically induced subjectivity, as this would be refuting the rationale of this review. Given that, however, I recognise the thoroughness of Brandt's and Svendsen's analysis and I support the usefulness of their very specific proposals, even if they (slightly or fully) differ from what some of us might consider appropriate and adequate. Institutional and systemic evolution is probably as necessary as ever, and so is the creative juxtaposition of alternative, progressive thinking. This is the most appropriate way to achieve what the authors' last phrase wishes - "*a beautiful European Dream may come true*" (page 136) – but, even more, to determine who the beneficiaries of this "dream" are going to be.

It is not the decentralization of decision-making power as such that makes the economy more efficient... rather the resulting reduction in economically harmful lobbying is the key... The Commission has first the exclusive right to initiate all legislation and second is capable of Europeanizing a sector with the help of powerful national interest groups... As a consequence, the democratic deficit is worsened by non-democratic political influence...