

How corporate lobbyists are dominating meetings with trade ministers

July 2017

Ministers from the new Department for International Trade (DIT) are overwhelmingly prioritising meeting with lobbyists from big business over all other interests, our analysis of official meeting records reveals. Nine out of ten meetings between October 2016 and March 2017 were with business.

Civil society groups have had far less access and opportunity to put forward their needs, concerns, and proposals. Small and medium sized businesses are also largely left out.

Major limitations to the UK government's approach on transparency mean that these figures may represent the tip of the iceberg.

DIT is also being hugely secretive about trade

working groups that it has set up with fifteen countries, about which there is a strong public interest need for accountability.

This flawed approach will not be resolved by ministers meeting with a handful more civil society groups. Trade today is not only, or even mostly, about tariff reductions, but encompasses regulatory frameworks, public services, government procurement and 'protection' of investors. It affects everyone and requires open, public debate.

DIT needs to stop privileging big business interests and fully open up the debate on trade policy to all voices. The government must urgently reformulate the secret and anti-democratic manner in which trade deals are agreed.



Trade policy and trade deals now have a profound effect on almost all aspects of daily life. The classic idea of a trade deal as being about tariffs and only affecting businesses that trade internationally is outdated. Trade deals have an impact on everything from health, to jobs, to education, to the environment and climate, to ending poverty and inequality. This makes them everybody's business.

This is particularly important for the UK at present as it seeks to create a trade policy from scratch as part of the Brexit process. Without input, expertise and perspectives from a wide range of groups in

society, trade policy will not be able to support the public interest and enable us to protect the planet.

Yet ministers from the Department of International Trade are taking a blinkered view and massively prioritising the narrow corporate interests of lobbyists from big business over all other interests.

"Britain is open for business as never before. It is our ambition to be the beating heart of global trade; the world's natural business partner."

Liam Fox, Secretary of State for International Trade, Dec 2016 ¹

Who do ministers in the Department of International Trade meet?

The Department for International Trade (DIT) aims to make Britain “the world’s natural business partner” and it is dedicating copious amounts of ministerial time to hearing from big business about its post-Brexit international trade demands. Of the 318 lobby meetings held by DIT ministers from October 2016 to March 2017, business interests dominated. 90 per cent of meetings held were business lobby meetings.

We looked further into who actually attended DIT’s meetings – for instance, if six groups attended a meeting, we counted that as six encounters. Business interests represented an overwhelming 90.5 per cent of all encounters in this period.

Of these business interests, most represent big business interests. As a snapshot of the number of meetings particular organisations were able to secure:

- KPMG - 6
- HSBC - 8
- Barclays - 6
- CityUK - 4
- BP - 7
- GlaxoSmithKlein - 5
- Caterpillar - 5

The Federation of Small Business (FSB) had only two meetings altogether while smaller, local or family businesses were not well-represented in the figures. Yet small or medium sized businesses (SMEs) account for 99.9 per cent of all UK private sector organisations and they employ over 15.7 million people, or 60 per cent of all private sector employment in the UK². The FSB says³ that one in three (32 per cent) small businesses are involved in overseas trade as an exporter and/or importer, so their interest in the Brexit deal is likely to be high. Yet their access to DIT is minimal

Civil society organisations had only five dedicated meetings with DIT out of the 318 total during the period analysed, and represented only 3.9 per cent of all the lobby groups met. The range of civil society represented in these meetings is also very wide – from trade unions to professional associations to think tanks to social justice groups. In fact, some of these groups, like the Adam Smith Institute and the Legatum Institute, are extremely pro-market and pro-business, and would share more in common with organisations in the business category. There is a huge range of interests and perspectives crammed into these few meetings. Overall, the space for vital issues such as climate change, development, consumer protection and workers’ rights to be raised with DIT ministers is drastically limited – only one meeting focussed specifically on such issues.



There were specific meetings for the big business representatives from several sectors. For instance roundtables with the finance, accountancy, and investment sectors reflect active corporate lobbying to defend the City of London's role as the EU's centre of Big Finance. Other such meetings include the automotive, private healthcare, mining and high-tech sectors.

Many of the meetings have a focus on a particular country. Technically the UK is banned from agreeing new trade deals so long as it remains a member of the European Union. Nonetheless DIT has already set up ten working groups with the governments of fifteen countries to scope out the possibilities for new trade deals. DIT has held meetings with groups of businesses or chambers of commerce for most of these countries – Australia, China, several Gulf states, India, Israel, Norway, Turkey and the US. Other country-focussed business meetings include ones looking at trade with Belgium, Chile, Germany, Italy, Japan, Spain, Mexico, Peru, Vietnam, and elsewhere.

Shady meetings

Lobby 'guns-for-hire' can also be found on DIT's list of lobby meetings held. A meeting on 24 November 2016 brought together a ramshackle group of interests to discuss "Belgium and trade policy". They included five lobby firms: Acumen Public Affairs, Fleishman Hillard, Hering Schuppener Consulting, Instinctif Partners, and Interel. Who they were lobbying for is not revealed.

British American Tobacco attended the same meeting. As a signatory to the WHO Framework Convention on Tobacco Control, the UK government should not be meeting with any tobacco companies except when "strictly necessary to enable them to effectively regulate the tobacco industry and tobacco products"⁴. This meeting with British American Tobacco would appear to breach this guideline.

Who are the ministers?

Key DIT ministers have a clear business or corporate finance background, which perhaps makes their favouritism towards corporate interests unsurprising. Minister of State Greg Hands worked for eight years on the trading floors of London and New York on derivatives⁵. Meanwhile, junior minister Mark Garnier is also likely to have an inbuilt sympathy for the City of

London, having had a long career working on the floor of the London Stock Exchange, and in investment banking⁶. He then became an investment fund manager until going through the revolving door to become an MP in 2010.

Transparency

DIT's approach to lobby transparency leaves a lot to be desired. These figures are published fully three months after the event and only cover ministers. Officials who work on the detail of the UK's trade positions and negotiations and who are thus also likely to be targeted by corporate lobbyists, are not covered by the UK Government's transparency rules. DIT's list also includes typos, duplications, and some unclear acronyms meaning that at least seven encounters were held with organisations which could not be properly identified.

Democracy

The ten working groups which DIT has set up with fifteen countries to start scoping out future trade deals are bodies in which there is an important public interest. The potential trade deals will affect the lives of people in all the countries concerned. Jobs may be created or destroyed. One sector may be traded off against another. Trade rules committed to in the deals may affect environmental, health or safety standards and affect domestic legislation. They are also likely to promote and lock in privatisation. Special corporate courts outside of the national legal system may be required by the deals. For all these reasons and more, it is vital the processes around the working groups are open, democratic and accountable.

Yet DIT has been incredibly secretive about these groups. Ministers have refused to provide any information to MPs about them in response to parliamentary questions. Freedom of information requests simply to get a list of the groups, and schedules of when they will meet, have been refused on the spurious grounds that this might undermine the UK's negotiating position and harm diplomatic relationships.

A note on our methodology

The data for the periods October to December 2016 and January to March 2017 was analysed using the published data from the DIT website⁷.

Meetings listed solely with media organisations were removed (a total of 19 meetings) with the assumption made that these meetings were interviews or media briefings, and had been wrongly published as lobby meetings. If they had been included in our data, they would have been categorised as lobby meetings with business, so would not have substantially changed our analysis. However when one or two media organisations were among others in a round table meeting, these were assumed to be

lobby meetings.

Organisations were categorised based on desktop research to identify the listed organisation.

In our analysis, a lobby meeting is classed as a single lobby event where one or more lobby organisation attended. An encounter is classed as an interaction with an individual lobbyist. For example, a meeting at which 3 lobbyists from different organisations attended would be classed as 1 meeting and also as 3 encounters.

Where one lobby meeting was attended by more than one type of organisation, the meeting itself was categorised to reflect the majority of attendees.

1 Liam Fox, Secretary of State for International Trade, (2016) www.gov.uk/government/speeches/liam-foxs-speech-to-the-world-trade-organisation

2 National Federation of Self Employed & Small Businesses, Business Population Estimates for the UK and Regions in 2016 (2016) <https://www.fsb.org.uk/media-centre/small-business-statistics>

3 National Federation of Self Employed & Small Businesses, 'Small businesses speak out on Brexit' (2017) <http://www.fsb.org.uk/media-centre/press-releases/small-businesses-speak-out-on-brexit>

4 World Health Organisation, 'Guidelines for implementation of Article 5.3 of the WHO Framework Convention on Tobacco Control' http://www.who.int/fctc/guidelines/article_5_3.pdf

5 Gov.uk, <https://www.gov.uk/government/people/greg-hands>

6 Gov.uk, <https://www.gov.uk/government/people/mark-garnier>

7 Gov.uk, DIT ministerial gifts, hospitality, travel and meetings, <https://www.gov.uk/government/collections/dit-ministerial-gifts-hospitality-travel-and-meetings>

Take action To find out how you can help tackle corporate power and become part of a movement for real change visit globaljustice.org.uk or call 020 7820 4900.



Global Justice Now campaigns for a world where resources are controlled by the many, not the few. With thousands of members around the UK, we work in solidarity with global social movements to fight inequality and injustice.

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Corporate Europe Observatory is a research and campaign group working to expose and challenge the disproportionate influence that corporations and their lobbyists exert over EU policy-making.

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