Chapter 4

Fostering a culture of integrity among political parties, public officials and donors

This chapter looks at the importance of fostering a culture of integrity to effectively promote a holistic approach to connect surrounding integrity issues such as lobbying and conflict of interest, in order to better understand the impact of money in politics on the quality of polices. Controls of party and election funding are likely to be ineffective if they exist in isolation. On their own, they are likely to result merely in the re-channelling of money spent to obtain political influence through lobbying and other means.
Embedding political finance regulations in the overall integrity framework addresses the risk of money in politics more effectively

The regulation of financing of political parties and election campaigns cannot be complete without taking account the impact of other integrity issues such as codes of conduct, conflict of interest, asset disclosure, lobbying and whistleblower protection. On their own, controls of party and election funding are likely to result merely in the re-channelling of money spent to obtain political influence through lobbying and through third-party financing. For example, the case of the fossil fuel industry in the United States clearly shows that political finance is just one of many channels through which powerful special interests exert influence over public policies (Box 4.1).

Box 4.1. Various channels through which powerful special interests exert influence over public policies: An example from the United States

It was reported that fossil fuel interests had increasingly focused their resources over the past two years on putting industry-friendly politicians in charge of both chambers and laying the groundwork for the new congress to promote special-interest priorities, such as approving the new projects and increasing the export of American oil to foreign buyers. According to an analysis of contributions and lobbying data from the Center for Responsive Politics and advertising spending data from Kantar Media Intelligence/CMAG, as published by the Atlas Project, the fossil-fuel industry directly invested USD 721 million in order to influence a congress of its choosing and a friendly energy agenda. Of these investments, the fossil-fuel industry directly contributed more than USD 64 million to candidates and political parties, spent more than USD 163 million on television ads across the country, and paid USD 493 million to the lobbyists in the two years leading up to the November 2014 congressional elections.

According to the report, these efforts seem to have brought some favourable results to the extraction industries including approval of a large-scale mining project and a number of provisions that would facilitate the industry activities in the Cromnibus spending bill passed in December 2014.

As mentioned above, the fossil-fuel industry spent more than USD 163 million on television advertising in media markets across the country throughout 2013 and 2014. These ads aimed to influence public opinion in favour of industry priorities, promote the industry’s brand, and urge voters to support industry priorities at the ballot box. It is reported that major energy-related organisations ran ads throughout the election cycle supporting hydraulic fracturing, promoting the use and benefits of natural gas in targeted locations and reassuring the public about the safety of offshore drilling.

In the end, contributions to political parties and candidates accounted for only 9% of total spending by the fossil fuel industry to influence the US public polices, while 68% and 23% were spent for lobbying and advertising respectively.


Therefore, any consideration of political funding needs to be part of an overall strategy to assure public integrity and mitigate the risks of money in politics (Table 4.1). Certain elements of the integrity framework of a country are particularly relevant to foster...
a culture of integrity for those who are on the receiving end of political party and campaign financing.

Table 4.1. Promoting a culture of integrity in the public sector: Key elements

<table>
<thead>
<tr>
<th>Determining and defining integrity standards</th>
<th>1. Code of conduct / code of ethics</th>
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<tr>
<td></td>
<td>2. Pre/post public employment policy</td>
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<td></td>
<td>3. Disclosure of private interests by public officials (including asset disclosure)</td>
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<td></td>
<td>4. Integrity emphasised in recruitment (e.g. background checks)</td>
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<td>5. Integrity as criterion for evaluation and promotion</td>
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<tr>
<td>Training and guidance</td>
<td>6. Training on integrity standards</td>
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<td>7. Guidance to resolve integrity-related questions and problems</td>
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<tr>
<td>Promoting integrity in the regular discourse</td>
<td>8. Announcing the integrity policy through channels of internal and external communication</td>
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<td></td>
<td>9. Creating an open culture of communication where integrity issues can be raised easily</td>
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<tr>
<td>Public scrutiny</td>
<td>10. Citizen complaint mechanisms</td>
</tr>
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<td></td>
<td>11. Accessible procedures for reporting misconduct</td>
</tr>
<tr>
<td></td>
<td>12. Protection for whistleblowers</td>
</tr>
<tr>
<td></td>
<td>13. Raising awareness on whistleblowing policy/regulation</td>
</tr>
<tr>
<td></td>
<td>14. Integrity-related internal control</td>
</tr>
<tr>
<td></td>
<td>15. Integrity risk management/mapping</td>
</tr>
<tr>
<td></td>
<td>16. Integrity-related internal audit</td>
</tr>
</tbody>
</table>

Codes of conduct can be seen as a commitment to integrity by political parties and politicians, but the adoption of an enforceable code is still relatively limited in OECD countries

Codes of conduct are an important part of fostering a culture of integrity as they impose binding, enforceable rules for what is clearly legal and acceptable and what is not for politicians, public officials and other stakeholders. When those in need of political funding are fully aware of what is expected of them, combined with the possibility of sanctions in the case of non-compliance, and the fact that they are monitored, render them more likely to act with integrity. The adoption of an enforceable code of conduct can also be seen as a commitment to integrity by political parties and politicians. As noted in the introduction of this report, governments and political parties in many parts of the world suffer from low levels of public trust. Fostering a culture of integrity is an important policy lever to restore public trust in public institutions.

In some countries such as Denmark, Finland and Switzerland, rules of procedures in the civil service cover ethical issues. One example of a code of conduct that governs legislators’ dealings with private interests is the UK Code of Conduct for Members of the House of Lords (Box 4.2).
Box 4.2. UK Code of Conduct for Members of the House of Lords

The UK Code of Conduct for Members of the House of Lords states that “Members of the House shall base their actions on consideration of the public interest, and shall resolve any conflict between their personal interest and the public interest at once, and in favour of the public interest.”

Paragraph 8(d) of the Code states that Members “must not seek to profit from membership of the House by accepting or agreeing to accept payment or other incentive or reward in return for providing parliamentary advice or services.”

The Guide to the Code of Conduct offers guidance as to how to interpret Paragraph 8(d). It states that Members may not assist outside organisations or persons in influencing Parliament in return for payment or other incentives or rewards. This includes “making use of their position to arrange meetings with a view to any person lobbying Members of House, ministers or officials.”

Although Members are allowed to work for or hold financial interests in organisations that are involved in parliamentary lobbying on behalf of clients (such as public relations and law firms), the guidance to Paragraph 8(d) states that:

“Members themselves are prohibited from personally offering parliamentary advice or services to clients, both directly and indirectly. Also, Members who have financial interest in, or receive a financial benefit from, a representative organisation (e.g. a trade association, trade union, staff association, professional body, charity or issue-related lobby group), are not allowed to advocate measures for the exclusive benefit of that organisation or the trade, industry or interest that it represents; nor speak or act in support of a campaign exclusively for the benefit of the representative organisation or its membership.”


In Canada, there is a separate code of conduct for the employees of the electoral management body as well. Elections Canada employees must commit to a specific additional code of conduct that highlights the environment employees of Elections Canada face as a result of the unique mandate of the Chief Electoral Officer in Canadian democracy. In following this code, employees must conduct themselves in a way that public confidence and trust in the integrity, objectivity and impartiality of the electoral process is preserved and enhanced. Election administrators (returning officers, assistant returning officers and additional assistant returning officers) are required by law to comply with a code of professional conduct issued by the Office of the Chief Electoral Officer, which highlights that they have an obligation to act in a manner that will bear the closest public scrutiny. The obligations in this code extend to all acts and transactions performed by election administrators during their tenure of office, whether or not in the course of the performance of their duties as election administrators (see Chapter 6).

In addition to codes of conduct, party manifestos may also provide political parties an opportunity to express their commitment to curb the risk of policy capture through political finance, demonstrating the political will that is crucial to help level the playing field for parties and candidates, tackle illicit funding and restore public confidence in the government. Political leadership is the starting point for meaningful reform and change. For example, in 2012, the then ruling Democratic Party of Japan published its manifesto for the general election, featuring proposals to:

(i) prohibit political contributions by...
businesses and organisations; ii) disclose the financial statements of political organisations with ties to Diet members on the Internet; and iii) extend the disclosure period for financial statements of political organisations with ties to Diet members from three to five years. Such a manifesto brought the role of money in politics to the centre of public debate.

Mitigating risks such as conflict of interest and lobbying in relation to political finance through proactive disclosure of related information is crucial

Most OECD countries employ integrity measures such as conflict-of-interest policies and asset disclosure provisions to mitigate the risks of policy capture by special interests within the policy-making process. These measures are effective tools to spot suspicious flows of money between public officials and private actors, further strengthening political finance regulations. In 2014, the OECD reviewed the data and experiences of 32 countries in managing conflict of interest in the public service, highlighting good practices as well as areas for improvement in the future. According to the survey, 69% of respondents have a central function responsible for conflict-of-interest policies within the central/federal government (Figure 4.1). Having such a function within the central government facilitates the oversight of irregular financial flow and other suspicious interactions between public officials and private sector actors, which could lead to the discovery of a breach of political finance regulations. Most countries apply the same or almost same set of definitions of conflict of interest, guidelines for handling the situation and consequences for non-compliance to their ministries and agencies, ensuring the consistency of their preventive measures. In terms of developing a specific policy for managing conflict of interest for particular categories of public officials, 58% of respondents adopted special measures for their ministers and 48% for senior public officials while ministerial advisors and staff in ministerial cabinets/offices tend to receive less attention in this regard (Figure 4.2). Yet, these categories of public officials are regularly exposed to lobbying and other interactions with private actors, including donors. Therefore, creating specific conflict-of-interest policies for high-risk categories of public officials should be considered in order to further safeguard their integrity against undue influence.
Figure 4.1. **OECD countries with a central function responsible for the development and maintenance of conflict-of-interest policies**

*Note:* The central function may not necessarily be an independent agency.

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.


Figure 4.2. **Specific conflict-of-interest policy for particular categories of public officials in OECD countries**


<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff in ministerial cabinet/office</td>
<td>25%</td>
</tr>
<tr>
<td>Inspectors at the central level of government</td>
<td>28%</td>
</tr>
<tr>
<td>Customs officers</td>
<td>31%</td>
</tr>
<tr>
<td>Political advisors/appointees</td>
<td>34%</td>
</tr>
<tr>
<td>Tax officials</td>
<td>38%</td>
</tr>
<tr>
<td>Auditors</td>
<td>41%</td>
</tr>
<tr>
<td>Financial market regulators</td>
<td>41%</td>
</tr>
<tr>
<td>Procurement officials</td>
<td>47%</td>
</tr>
<tr>
<td>Senior public servants</td>
<td>50%</td>
</tr>
<tr>
<td>Ministers</td>
<td>59%</td>
</tr>
</tbody>
</table>
While disclosure of private interests by decision makers is essential for managing conflict-of-interest situations and spotting any suspicious financial flows in public decision making, the level of disclosure of private interests (assets, liabilities, income source and amount, paid and un-paid outside positions, gifts and previous employment) and the public availability of the disclosed information varies considerably among countries and within countries in the different branches of government (Figure 4.3). As Chapter 3 stated, political parties and candidates report their financial information on a regular basis in almost all OECD countries. However, comprehensive disclosure of private interests by different categories of public officials further increases transparency in the policy-making process and reduces the risk of policy capture by special interests. Lower levels of disclosure by public officials make it difficult to assess the impact of private interests on them and cross-check with the information disclosed by political parties and candidates.

In the executive branch, countries such as Portugal and Korea have a high degree of information disclosure. Disclosure of selected private interests and public availability of such information are widely practiced in the legislative branch of most respondent countries (especially in the Lower House) with the exception of Finland where there is no requirement for information disclosure for legislators. Disclosure practices are considerably higher in the executive and legislative branches than in the judiciary. For example, disclosure is not required for judges and prosecutors in the Czech Republic, France and New Zealand.

As already mentioned in Chapter 3, auditing the financial reports of political parties and candidates plays an important role in securing transparency. In this connection, it is equally important to ensure that public officials’ asset and private interest disclosure forms are also subject to auditing in order to spot any suspicious financial flow and mitigate the risk of undue influence. However, according to the OECD survey, only 32% of respondent countries carry out audits or review the accuracy of the information following the collection of disclosure forms from public officials in the executive branch, while 63% of them verify receipt of the forms (Table 4.2).

Figure 4.3. Level of disclosure of private interests and public availability of information in the three branches of government in OECD countries

Table 4.2. Actions taken after collecting the private information for public officials in the executive branch in OECD countries

<table>
<thead>
<tr>
<th></th>
<th>Verifying receipt of the submitted disclosure form</th>
<th>Verifying that all required information was included in the submitted disclosure form</th>
<th>Auditing or reviewing the accuracy of the information submitted in the disclosure form</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>●</td>
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<td>●</td>
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<tr>
<td>Austria</td>
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<td>○</td>
<td>○</td>
</tr>
<tr>
<td>Belgium</td>
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<td>○</td>
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<tr>
<td>Canada</td>
<td>○</td>
<td>●</td>
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<tr>
<td>Chile</td>
<td>●</td>
<td>○</td>
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<tr>
<td>Czech Republic</td>
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<td>Estonia</td>
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<tr>
<td>Finland</td>
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<td>France</td>
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<td>Germany</td>
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<td>Greece</td>
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<td>Hungary</td>
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<td>Italy</td>
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<td>○</td>
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<tr>
<td>Japan</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Korea</td>
<td>●</td>
<td>●</td>
<td>●</td>
</tr>
<tr>
<td>Mexico</td>
<td>▲</td>
<td>▲</td>
<td>▲</td>
</tr>
<tr>
<td>Netherlands</td>
<td>●</td>
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</tr>
<tr>
<td>New Zealand</td>
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<td>●</td>
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<tr>
<td>Norway</td>
<td>○</td>
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<td>Poland</td>
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<tr>
<td>Portugal</td>
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<tr>
<td>Slovak Republic</td>
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<td>Slovenia</td>
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<tr>
<td>Spain</td>
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<td>Sweden</td>
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<td>Switzerland</td>
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<td>Turkey</td>
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<td>United Kingdom</td>
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<tr>
<td>United States</td>
<td>●</td>
<td>●</td>
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</tr>
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</table>

Note:
- ● For all those required to disclose private interest
- ▲ For some of those required to disclose private interest
- ○ Action is not taken

The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.


Over 60% of lobbyists support the disclosure of their contributions to political campaigns

In addition to management of conflict of interest, there is clear concern from both sides of legislators, but also lobbyists themselves, about political financing. According to the OECD 2013 Survey on Lobbying, as many as 84% of surveyed legislators and 64% of lobbyists are of the opinion that information on lobbyist contributions to political campaigns should be made publicly available through, for example, a register (Figure 4.4). However, out of the surveyed OECD member countries with a register of lobbyists, information on lobbyists’ contributions to political campaigns are only
disclosed in Slovenia and the United States. In Slovenia, lobbyists must report the type and value of donations made to political parties and the organisers of electoral and referendum campaigns. Total contributions per year to political parties are not allowed to exceed ten times the average monthly wage in Slovenia. In addition, Transparency of Lobbying, Non-Party Campaigning and Trade Union Administration Act was enacted in the United Kingdom in 2014. While the bill does not directly require lobbyists to disclose their political contributions, it increases transparency in relation to spending by some non-party campaigners/third-party campaigners by requiring them to publish and record more information about their spending, donations, accounts and board members.

With a consensus among stakeholders and decision makers that lobbying through political finance should be regulated and is currently inadequately so, the growing number of countries opting to regulate is an encouraging sign. To date, however, most have introduced or reformed lobby regulations on an ad hoc basis and largely in response to political scandals. Securing the necessary consensus among stakeholders before scandals take place and enough political support is mobilised has been difficult. However, in countries that have taken a more incremental approach, experience shows that consensus building has been less challenging.

Figure 4.4. Types of information that legislators and lobbyists believe should be made publicly available in OECD countries


Whistleblower protection can strengthen a culture of integrity in relation to political finance; countries are expected to consider introducing or strengthening protection through dedicated legislation

Protecting public and private sectors persons that report wrongdoing regarding the financing of political parties and electoral campaigns can be a powerful mechanism to safeguard public interest. While whistleblower protection mechanisms exist in most countries either through dedicated law or provisions in another law, dedicated legislation can provide more comprehensive protection and foster a culture of integrity within the political finance process. The risk of corruption and policy capture increases in environments where the reporting of wrongdoing is not protected, since whistleblowing is not only a way to declare wrongdoing, but can also have a deterrent effect on it. Providing effective protection for whistleblowers supports an open organisational culture where employees are not only aware of how to report, but also have confidence in the reporting procedures.

In this context, translating whistleblower protection into legislation legitimises and structures the mechanisms under which public officials can disclose actual or perceived wrongdoings in the public sector, protects public officials against reprisals, and, at the same time, encourages them to fulfil their duties in performing efficient, transparent and high-quality public service. If adequately implemented, legislation protecting whistleblowers, together with an organisation culture to safeguard them, can become one of the most effective tools to support anti-corruption initiatives, detecting and combating corrupt acts, fraud and mismanagement (Council of Europe, 2009).

In addition to whistleblower protection, citizen complaint mechanisms can also facilitate reporting of wrongdoing in political finance and safeguard public interest

Citizen complaint mechanisms can also contribute to the identification of political finance malpractices and foster a culture of integrity. Submission of complaints is a way to draw the attention of oversight bodies to problems, and also to increase pressure on them to address these issues. Citizen complaints therefore are sources of knowledge and opportunities for better regulation of political finance in the pursuit of a responsive policy-making process. For example, as the chapter on India describes, a 24-7 call centre and a complaint monitoring unit in each district were set up. A toll free telephone number is now widely publicised for the public to report corrupt electoral practices. For example, between 1 March 2011, around the time the elections of the Tamil Nadu assembly was announced, and 15 May 2011, two days after the vote count, the Election Commission of India received a total of 3,159 calls, with vigilant voters themselves reporting malpractices and demanding action (Quraishi, 2014).

Private donors are also expected to share the responsibility of strengthening integrity

Promoting a culture of integrity in the public sector, i.e. in those that receive and use the financing is only part of the equation. A culture of integrity can and should also be promoted among those that provide the funding. The OECD has a wide range of legal and policy instruments designed to promote responsible business practices, including the OECD Guidelines for Multinational Enterprises, the OECD Principles on Corporate Governance, the OECD Anti-Bribery Convention, and the OECD Anti-Cartel
Recommendations. These instruments advise governments on how to create fair market conditions, and often provide companies with guidance on how to comply with the rules set by their governments.

In relation to financing democracy, many companies adopt a global policy against making contributions to political parties, which is often set forth in their code of conduct and internal business practices guidelines. These policies prohibit the use of company resources for contributions to any political party or candidate, whether federal, state or local. This prohibition covers not only direct contributions but also indirect assistance or support through buying tickets to political fundraising events or furnishing goods, services or equipment for political fundraising or other campaign purposes. For example, the World Economic Forum Partnering Against Corruption Initiative (PACI) Principles for Countering Bribery aims to promote private sector initiatives to strengthen integrity, and recommends that companies consider controls and procedures to ensure that improper political contributions are not made (Box 4.3).

Private companies should maintain comprehensive compliance procedures to ensure that their activities are conducted in accordance with their codes of conduct and all relevant laws governing political contribution activities. Procedures include employees’ annual review and acknowledgment of their code of conduct responsibilities as well as periodic reviews conducted by an outside law firm and internal audit. In the United States, many companies participate in the political process through setting up a political action committee (PAC), which is funded by voluntary contributions from their employees and subject to several integrity measures. For example, Google created the Google NetPAC in 2006. The Google NetPAC Board of Directors, which is a bipartisan group of senior Google employees, makes the final decisions about the contributions made by NetPAC. These contributions are closely overseen by Google’s VP of Public Policy and Government Affairs, along with Google’s Director of State Public Policy, and are also reviewed by Google’s Ethics and Compliance team and outside ethics counsel. The private political preferences of Google executives, directors and employees do not influence political contributions in any way. In the 2012 election cycle, the Google NetPAC spent USD 1,039,679.

It is important to note that effective implementation of a compliance programme requires top-level commitment at the level of the board and chief executive officers (CEOs), who must provide appropriate resources. It is not enough to declare and provide procedures and processes. Business leaders must make their employees understand them and incorporate these priorities into their behaviour through adequate training. Companies should customise procedures against the risk they need to address in order to develop a real culture of integrity in the DNA of the company. Companies also need to efficiently communicate their programme to all their business partners involved in their business. A compliance programme must constantly evolve and be appropriately included in the business behaviours without preventing the business itself, but becoming a competitive added value.
Box 4.3. The World Economic Forum Partnering Against Corruption Initiative (PACI) Principles for Countering Bribery

4.2 Political contributions

4.2.1 The enterprise, its employees or intermediaries should not make direct or indirect contributions to political parties, party officials, candidates or organisations or individuals engaged in politics, as a subterfuge for Bribery.

4.2.2 All political contributions should be transparent and made only in accordance with applicable law.

4.2.3 The Programme should include controls and procedures to ensure that improper political contributions are not made.

4.3 Charitable contributions and sponsorships

4.3.1 The enterprise should ensure that charitable contributions and sponsorships are not used as a subterfuge for Bribery.

4.3.2 All charitable contributions and sponsorships should be transparent and made in accordance with applicable law.

4.3.3 The Programme should include controls and procedures to ensure that improper charitable contributions and sponsorships are not made.

4.4 Facilitation payments

4.4.1 Recognizing that facilitation payments* are prohibited under the anti-bribery laws of most countries, enterprises which have not yet eliminated them entirely should support their identification and elimination by (a) explaining in their Programme that facilitation payments are generally illegal in the foreign country concerned, (b) emphasizing in their Programme that they are of limited nature and scope and must be appropriately accounted for, and (c) including in their Programme appropriate controls and procedures for monitoring and oversight of facilitation payments by the enterprise and its employees.

4.5 Gifts, hospitality and expenses

4.5.1 The enterprise should prohibit the offer or receipt of gifts, hospitality or expenses whenever such arrangements could improperly affect, or might be perceived to improperly affect, the outcome of a procurement or other business transaction and are not reasonable and bona fide expenditures.

4.5.2 The Programme should include controls and procedures, including thresholds and reporting procedures, to ensure that the enterprise’s policies relating to gifts, hospitality and expenses are followed.

*Facilitation payments: These are small payments made to secure or expedite the performance of routine action to which the enterprise is entitled.

Self-regulation of lobbying is an encouraging sign, although its enforcement remains challenging

Promoting responsible lobbying is also important in fostering integrity and transparency in financing democracy. To self-regulate, lobbyists come together in professional groups to regulate their activities, mostly voluntarily, through: i) a code of conduct; ii) a registry; and/or iii) a monitoring and enforcement system. In general, self-regulation focuses more on codes of conduct and registers, than monitoring and enforcement.

At the European Union level, major lobbyist associations regulate the lobbying activities of their members. Although they have codes of conduct in place, the associations do not generally have monitoring and enforcement systems in place for detecting breaches to their codes and applying sanctions.

One exception is the European Public Affairs Consultancies Association (EPACA). It has drawn up a code of conduct (www.epaca.org/code-of-conduct/text-of-code) and instituted a professional practices panel for disciplinary hearings. The EPACA code of conduct includes 12 best practices for public affairs professionals working in consultancies across the European Union. Signatories of the code commit to abiding by the practices. EPACA has also set up a Professional Practices Panel (PPP) which is an autonomous body of such professionals as former members of the European Parliament, representatives of industry associations, and academics. Although it has no direct ties with the lobbying industry, the PPP is responsible for judging alleged breaches of the EPACA code of conduct. However, the effectiveness of this can be questioned. Between 2009 and 2014 only two breaches have come before the management committee of EPACA. Of these, the committee deemed one to be admissible and referred it to the PPP. However the PPP threw out the case as it did not directly involve the subject company’s relationship with the EU institutions.

In addition to the lobbyist associations, the important elements of self-regulation of lobbying for individual private firms are to ensure that: i) relevant staff assigned to conduct advocacy activities have a good understanding of transparent, responsible and thus professional interaction; and ii) accurate and consistent processes and procedures for transparent interaction with authorities and organisations are implemented in order to reassure the public that lobbying is done professionally and with high standards. One example is the French bank, BNP Paribas, which has adopted a “charter for responsible representation with respect to public authorities” (Box 4.4).

It is important to note that self-regulation alone is sometimes insufficient to alleviate influence peddling by private donors and the ultimate responsibility for safeguarding the public interest and rejecting undue influence lies with public officials. Moreover, for governments wishing to promote a level playing field between actors in the public decision-making process, a consistent and holistic approach to political finance will be needed. Together with support from the private donors, money in politics needs to be addressed in the wider, whole-of-government, integrity framework that is applicable to all stages of the policy cycle, effectively linking political finance with other risk areas in the public decision-making process.
In December 2012, BNP Paribas published its charter for responsible representation with respect to public authorities. The charter applies to all employees in all countries, and to all activities carried out in all countries in which BNP Paribas operates. BNP Paribas was the first European bank to have adopted an internal charter for its lobbying activities.

The charter contains a number of commitments to integrity, transparency, and social responsibility. Under the terms of the integrity commitment, the charter establishes that:

“The BNP Paribas Group shall:

• comply with the codes of conduct and charters of institutions and organisations with respect to which it carries out public representation activities;
• act with integrity and honesty with institutions and organisations with respect to which it carries out public representation activities;
• forbid itself to exert illegal influence and obtain information or influence decisions in a fraudulent manner;
• not encourage members of institutions and organisations with respect to which it carries out public representation activities to infringe the rules of conduct that apply to them, particularly regarding conflict of interest, confidentiality and compliance with their ethical obligations;
• ensure that the behaviour of employees concerned by the Charter is in accordance with its code of Conduct and internal rules regarding the prevention of corruption, gifts and invitations.”

In addition, BNP Paribas employees and any external consultants who may be engaged must inform the institutions and organisations with which they are in contact who they are and whom they represent. The bank has also undertaken to publish its main public positions on its website. BNP Paribas provides employees concerned with regular training in best practices in public representation activities.

I.4. FOSTERING A CULTURE OF INTEGRITY AMONG POLITICAL PARTIES, PUBLIC OFFICIALS AND DONORS – 93

Bibliography


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