

# Closing the Door on Corporate Influence

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by Peter O'Driscoll<sup>1</sup>

As Americans debate the merits of spreading democracy overseas, especially in Iraq and the broader Middle East, proponents of current U.S. policy argue forcefully that free elections and broad participation in political processes can serve as powerful antidotes to the disillusionment believed to fuel the so-called "terrorist threat." Whether a foreign policy of pre-emptive attack and occupation can actually lead to genuine democratic outcomes remains to be seen, but Americans so identify with the core principles of democracy that many were willing to suspend their qualms about the Iraq invasion in the hope it might establish a functioning political system there. Yet even as the Bush administration exploits the appeal of democratic principles in order to sell a controversial foreign policy, it is instructive to reflect on how well "democracy" is working at home.

Even a cursory review of U.S. opinion polling leaves little doubt that America has lost faith in the notion of "government of the people, by the people and for the people." That bedrock belief has been replaced by the perception that "special interests," rather than voters, actually shape public policy. According to a CBS News/New York Times Poll in July 2004, "59% of the American people trust the federal government to do what is right only some of the time," even as 64% responded that "government is pretty much run by a few big interests looking out for themselves."<sup>2</sup>

Concerns about corporate influence on public policy pre-date the parade of accounting scandals that have brought down huge companies over the past four years. In September 2000, almost a year before the Enron story broke, *Business Week* reported that fully three quarters of the American people believed that corporations had too much control over their lives.<sup>3</sup> Those poll respondents wouldn't have been surprised several months later, after the disputed Bush-Gore election of November 2000, to hear an outgoing senior White House official describe efforts by the incoming President to bring "the business special interests into politics so they can take over the regulatory bodies of government and regulate themselves."<sup>4</sup>

## THE REVOLVING DOOR

The success of efforts to restore public trust in government will hinge on reducing the disproportionate degree to which private corporations are able to influence the formulation of public policy. To this point, debate about breaking the grip of "special interests" on government has focused on the corrosive influence of money on politics, leading to legislation

to reform electoral campaign finance. Yet important as campaign contributions have been in increasing corporate influence, there is another key mechanism by which companies promote their own interests at the expense of the common good: the "revolving door" movement of individuals back and forth between the private and public sectors. The revolving door takes three forms:

- The Industry-to-Government "Reverse" Revolving Door, through which the appointment of corporate executives and business lobbyists to key posts in federal agencies establishes a pro-business bias in policy formulation and regulatory enforcement;
- The Government-to-Industry Revolving Door, through which public officials move to lucrative private sector roles from which they may use their experience to compromise government procurement, regulatory policy and the public interest; and
- The Government-to-Lobbyist Revolving Door, through which former lawmakers and executive-branch officials use their inside connections to advance the interests of corporate clients.

All three forms of revolving door industry access have become so common that it is often hard to determine where government ends and the private sector begins. To cite a recent example, Philip A. Cooney, a former lawyer and lobbyist for the American Petroleum Institute, went on to work for the George W. Bush Administration. He provoked outrage after reports that, while serving as Chief of Staff of the White House Council on Environmental Quality, Cooney repeatedly revised government scientific reports to obscure the connection between greenhouse gas emissions and global warming. Cooney soon decided to resign from the government, but was immediately hired by Exxon Mobil. This prompted *The New York Times* to editorialize that "it is surely a cause for dismay that the Bush administration has seen fit to embed so many former lobbyists in key policy or regulatory jobs where they can carry out their industry's agenda from within."<sup>5</sup>

## RESPONDING TO THE CHALLENGE

To many observers in Washington, corporate influence and conflicts of interest are so endemic that reform efforts are doomed to failure. Yet despite the long odds, some of the core tenets of Catholic Social Teaching<sup>6</sup> demand that people of faith confront the threat to democratic participation

posed by the disproportionate influence of large corporations. Pope Pius XI's *Reconstruction of the Social Order* speaks to the importance of subsidiarity in decision-making—devolving power to the most local level possible, rather than concentrating it at the higher echelons of influence and wealth. Pope John XXIII's *Peace on Earth* emphasizes the right of all people to full political and economic participation—a right which is violated when some voices gain greater access to the policy debate than others. And most importantly, his *Christianity and Social Progress* establishes that the common good should always prevail over the narrower interests of a few powerful stakeholders.

Initially moved by this tradition, the Center of Concern's Agribusiness Accountability Initiative (AAI) began to address the problem of revolving door corporate influence more aggressively in mid-2003, responding to questions raised by farm, labor, environmental and consumer organizations about policies pushed through the U.S. Department of Agriculture by regulators and political appointees with strong ties to the agri-food industry. AAI convened a working group with representation from concerned stakeholders, and began to gather documentation about specific policies and the corporate interests behind them.

The result of that effort was the July 2004 publication of a white paper called "USDA Inc.: How Agribusiness has Hijacked Regulatory Policy at the U.S. Department of Agriculture." (Download USDA Inc. at [http://www.agribusinessaccountability.org/pdfs/289\\_USDA%20Inc..pdf](http://www.agribusinessaccountability.org/pdfs/289_USDA%20Inc..pdf)) The paper lays out case studies of five decisions made at the highest levels of the Agriculture Department which appear to favor the immediate interests of the food industry over the legitimate concerns of producers, consumers and the environment:

- USDA's refusal to adopt strict safety and testing measures for bovine spongiform encephalopathy (BSE, or Mad Cow disease) despite the appearance of cases in this country.
- USDA's refusal to vigorously enforce rules against anti-competitive practices in the cattle industry, despite the growing tendency of the big meatpacking companies to force independent ranchers into so-called "captive supply" arrangements that drive down the prices that farmers receive for their livestock.
- USDA's promotion of weakened slaughterhouse inspection practices in the face of a resurgence of health hazards such as E.coli bacteria and listeria. The Department also continues to promote dubious "solutions" such as irradiation, instead of correcting the links between unsanitary conditions and abusive labor practices.
- USDA's uncritical promotion of agricultural biotechnology, despite a lack of consumer acceptance, a plunge in U.S. exports due to international resistance to genetically modified crops, and an alarming link between adoption

of patent-bound biotechnologies and increasing corporate monopoly power in the seed industry.

- USDA's support for concentrated animal feeding operations (CAFOs), despite the growing evidence of serious public health consequences from "factory farming." The Department has also advocated using scarce conservation dollars to subsidize the attempts of giant CAFOs to solve their manure disposal problems.

The "USDA Inc." report received important national press coverage, and has been cited around the world on the internet. Yet as the AAI working group on revolving door issues in the agri-food industry moved to draft a set of recommendations to reduce corporate manipulation of food policy, members quickly recognized that reforms would have to extend across the federal government, and could not be implemented piecemeal on an agency-by-agency basis. Soon after the paper's publication, therefore, the farm, consumer and environmental organizations who had worked together to produce "USDA Inc." began reaching out to public interest groups doing research and advocacy on revolving door problems in other federal agencies.

## TOWARD LEGISLATIVE AND INSTITUTIONAL REMEDIES

Through AAI's facilitation, a series of meetings on the revolving door were held through the fall of 2004, leading to the formation of the Revolving Door Working Group (RDWG), with a commitment to "promote ethics in public service and an arms-length relationship between the federal government and the private sector." Drawing on the experience and substantial expertise of colleagues who have exposed revolving door conflicts-of-interest in Pentagon procurement policy and the actions of Congressmen-turned-corporate-lobbyists, the group began to generate a menu of proposals for revamping current ethics rules and improving their enforcement.

Those proposals—consolidating and empowering ethics oversight bodies, extending the "cooling off" period between public service and private employment, improving and monitoring recusal agreements where the appearance of conflict arises, and other measures—are contained in an important and comprehensive new report released in October 2005, called "A Matter of Trust: How the Revolving Door Undermines Public Confidence in Government, and What to Do About It." The report can be downloaded from the RDWG's new website at [www.revolvingdoor.info](http://www.revolvingdoor.info).

A Matter of Trust provides detailed analysis of the three major forms of revolving door abuse, and offers a menu of specific reform proposals to be incorporated into the various draft ethics bills which are floating around Congress this Fall. One indication of the current importance of ethics reform was the willingness of Senator Russell Feingold (D-

WI) and Congressman Martin Meehan (D-MA) to speak at the paper's public release on October 26. The launch and press conference, facilitated by the Center of Concern's Peter O'Driscoll, also included comments from Joan Claybrook, president of Public Citizen, and Chellie Pingree, president of Common Cause—two of the most prominent public interest advocacy groups in Washington.

As official Washington decides how to deal with ethical questions raised by the conduct of the powerful lobbyist Jack Abramoff, former House Majority Leader Tom DeLay (R-TX), and Senate Majority Leader Bill Frist (R-TN), there is no shortage of denial from those who appear to have benefited from revolving door appointments:

The intense criticism leveled at the Federal Emergency Management Agency for its lethargic response to Hurricane Katrina targeted not only FEMA Director Michael Brown, but also his predecessor Joe Allbaugh, who had been selected for the job in 2001 after serving as George W. Bush's campaign manager during the 2000 election. After leaving FEMA in 2003, Allbaugh became a lobbyist and business consultant, specializing in helping companies win contracts in Iraq. In 2004 the National Journal published a short feature on Allbaugh in which he was asked about charges that he was cashing in on his service to the Bush Administration. He was quoted as responding: "I don't buy the 'revolving door' argument. This is America. We all have a right to make a living."<sup>7</sup>

Whether Joe Allbaugh buys the revolving door argument or not, in an era of tax cuts for the rich, no-bid contracts for

the well-connected, and other federal policies which transparently favor the wealthy over the poor, some people apparently have more of a right than others to make a living! Reducing corporate influence on public policy by improving and enforcing government conflict-of-interest and ethics rules would go a long way toward restoring public confidence in government that has been tarnished by episodes like those described above. You can follow the efforts of the Revolving Door Working Group to promote ethics reform at [www.revolvingdoor.info](http://www.revolvingdoor.info). ♦

*Peter O'Driscoll coordinates the Agribusiness Accountability Initiative at the Center of Concern, and convenes the Revolving Door Working Group.*

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<sup>1</sup> This article borrows extensively from material in "USDA Inc." and "A Matter of Trust," cited below, including written and editorial contributions from Philip Mattera of the Corporate Research Project at Good Jobs First, who edited both papers and wrote most of "USDA Inc."

<sup>2</sup> CBS News/New York Times Poll. July 11-15, 2004, at <http://www.pollingreport.com/institut.htm> (emphasis added)

<sup>3</sup> *Business Week*, September 11, 2000, citing statistics from cover story.

<sup>4</sup> "America in the Grip of Bush's 'Iron Triangle'" by Ed Vulliamy, *The Observer of London*, December 3, 2000 at <http://www.commondreams.org/views/120300-106.htm>

<sup>5</sup> "Lobbying From Within," *New York Times* editorial, June 17, 2005

<sup>6</sup> For a complete discussion, see *Catholic Social Teaching: Our Best Kept Secret*, which can be ordered online from the Center's book store at [www.coc.org](http://www.coc.org)

<sup>7</sup> Phil Mattera in "A Matter of Trust", p.43