

Where is public affairs going?

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ABSTRACT

This paper suggests the future direction in which public affairs practice is developing and advances a number of propositions about public affairs and political systems which provide the context in which public affairs practitioners operate. The paper examines the changing nature of the political systems in which public affairs functions and argues that, by inference, public affairs practice is culturally specific. The paper explores these contextual issues from both a European and a global perspective. The paper argues that an understanding of public affairs should be recognised as an essential element on management teaching syllabi and laments the fact that this is far from the case.

KEYWORDS: *Public affairs, political systems, Europe, global practices, management training*

INTRODUCTION

It would be possible to devote a whole issue of the *Journal of Public Affairs* to examining definitions of what we mean by the phrase 'public affairs'. I intend to side-step such

debate and take as my starting point the position that public affairs can be seen as the study of power and, in particular, consists of an organised attempt to influence decision taking within a political system. To illustrate this perspective, I intend to draw on lessons to be learned from great public affairs disasters, failed campaigns and spectacularly unsuccessful practitioners.

I make seven assertions about public affairs and political systems and draw one conclusion. Political systems are culturally specific, they change over time and their value system can shift with surprising speed. Public affairs can play a crucial role in the creation of a political system. It has done so in the European Union and is now doing so in the emerging global system. All political systems are influenced by the paradigm shift to a knowledge society. Public affairs is crucial to the survival of the species at a time of environmental crisis. An understanding of the interaction of political systems and public affairs is essential to successful management and should be fully taught to young managers in universities and business schools.

While I believe that there are certain universals in the conduct of successful public affairs, I want to underline that political systems and therefore, by inference, public affairs practice which lives within them, is culturally specific. There are subtle differences even between closely related political systems that can lead to expensive public affairs failures. The European Centre for

Public Affairs (ECPA) was born out of such an incident. In the early 1980s I was a young Member of the European Parliament and Rapporteur on the so-called Vredling Directive on 'information and consultation in multinational corporations'. The directive had been promoted with great skill by the European Trades Union Confederation. It caused near apoplexy in corporate America and led to the arrival in Europe of a posse of public affairs experts schooled in American approaches and methods, but massively ignorant of the European political system and its conventions. The resulting chaos was instructive. While these 'experts' were able to draw on a substantial body of academic and systemised practitioner knowledge of public affairs derived from the American experience, as events were to prove, what worked in Washington could not be translated without adaptation into the European context. I spent some years emphasising this point to multinational companies, and when I lost my first constituency in 1984, was invited to teach public affairs best practice at Templeton College, Oxford. The ECPA with its mission to 'record, analyse and improve the conduct of public affairs' was the result. In the late 1980s the ECPA did a great deal of useful work in seeking to define the national traditions of public affairs, which were slowly melded to create a workable European tradition, even at that stage of European integration. This interaction of different national traditions continues to this day.

Political systems shift over time both in their technical detail and in the broader context of what is intellectually and ethically defined as best practice. In the British context, for example, there has been much condemnation of the ex-Conservative MP, Neil Hamilton's behaviour in accepting consultancies and benefits of various kinds in return to seeking to influence the political process. It is often forgotten that from the vantage point of the first decade of the 21st century,

Neil Hamilton was operating much more closely in the spirit of the age than it is now convenient to remember. The 1980s were a high point in the economic penetration of politics, when profit and market considerations were regarded as intellectual justification for such direct payments. Here the lesson is that we should guard against projecting the mores of one decade back on to the behaviour of another. It is after all only a matter of years since the Labour Party in the UK felt that it was acceptable to take a million pounds from the International Fund for Animal Welfare prior to embarking on a campaign to ban fox-hunting in Britain, and a similar donation from Bernie Ecclestone, the motor racing entrepreneur, which many saw as a 'bribe' to exempt Formula One motor racing from the full rigour of legislation against tobacco advertising. One could point to similar penetration of politics and international relations in the case of the large donations from US banana corporations in the American political system. I made a suggestion some years ago, only partially in jest, that the most efficient use of European funds would be to make direct campaign contributions to American political parties, rather than spend time and money in finding alternative ways of supporting Europe's traditional banana policy. However it proved difficult to find a convincing legal base for such a proposed budget line!

The values of a political system can shift with surprising speed, rendering what has previously been unexceptional suddenly forbidden. The EU Commissioner, Edith Cresson, never really understood why the employment of her dentist caused such outrage in the European Union of the late 1990s. She clearly felt that such convenient nepotism that was traditional in France, was, within its limits, an efficient support of her political effectiveness. She had counted without the impact on the EU of the arrival of the Eftans. Swedish and Finnish political models regarded such activity as inexplicable

and indefensible. Indeed the whole crisis of the Santer Commission can best be analysed as a conflict between French political models of the Commission as an *executive*, and northern models of the role of a *parliament*. Political systems, and their attendant public affairs practices, also shift in response to technological change. Multinational companies are only just coming to terms with their loss of first mover advantage in the field of increasingly cheap global communications. In the 1970s and 1980s multinational companies were almost unique in having systems of globally organised rapid information exchange. The arrival of the cheap telephone call, the fax machine and above all the internet, have equipped non-governmental organisations with a countervailing technological power which they have been quick to utilise. Multinational companies have been slow to adapt their behaviour to the loss of such networking advantages at global level.

Public affairs can also play a crucial role in the creation of a political system. This is clearly illustrated in the European context. The network of institutions and practices put in place to lobby the emerging European institutions was simultaneously a response to power moving in the direction of Brussels, as well as an institution of the emerging European structure itself. It is possible to date the effective emergence of European public affairs from the adoption of the Single European Act, which equipped Europe with a political system and political rationale no longer subject to veto by national systems. The development of European public affairs and of the European political system has gone hand-in-hand since that date. We are now seeing its extension to the 12 applicant states seeking membership of the Union. Their national political systems are being drawn into the European orbit as they move to adopt the *Acquis Communautaire*. The process is rapid and inevitable, but there is still room for public affairs failure if the assumption is made that the practice of public affairs

in East and Central Europe is the same as that in Western Europe. This is hardly likely to be the case after the 40-year history of separation from the rest of the Continent.

The relationship between public affairs practice and an emerging political system is most clearly seen today in the global political context. Twenty years ago so-called 'global public affairs' largely consisted of warning against the inappropriate cultural transfer. Just because something worked 'on the Hill', did not mean that it would work in Tokyo or Brussels. After 20 years of economic globalisation, with little regard for the political or social consequences, public affairs now finds itself being required to define and explain the emerging interconnectedness of international organisations, conventions and treaties. It is not necessary to adopt traditional definitions of institutions in this shifting new world. The World Economic Forum at Davos, where business and politics come together annually, is clearly an important institution in the emerging global political system. It is an institution that reflects an undeclared assumption about the primacy of economics. It is the carrier of a creed that corporations are dominant players in the system and that governments and parliaments are dated and possibly unnecessary relics from a previous unglobalised existence. The arrogance of this assumption has been, and no doubt will be, at the root of public affairs disasters.

The situation is rendered more complex as all political systems on the planet are forced to adapt to the paradigm shift from an industrial to a knowledge-based society. Shell has experienced some difficult times as a consequence of not recognising the nature of best practice in the new reality. The management of Monsanto gambled the whole future of the company on a campaign of stunning arrogance and has effectively paid the penalty by losing its separate identity. Philosophers have pointed to a crisis of 'world view' which dates from the Enlightenment. Public

opinion no longer believes either in religion or in science as traditionally espoused, and now shows clear signs of doubting political systems dating from models that are 250 years old. The fascination of observing the current debates about globalisation lies in disentangling the extent to which globalisation is not only the imposition of one particular set of cultural values worldwide, but is also flawed by a 'worm' in the self-confidence of that western political tradition itself. The public suspicion of government and of elites in general is manifest. The demand for transparency, for clear lines of authority and responsibility will be the story of the next two decades. The increasing public concern over privacy, and the sense that the misuse of power can now impact directly on every citizen, will continue to give specific focus to such fears. The recent exposure of the 'Echelon system' with its ability to monitor the personal communications of millions of individuals, and to use such data for corporate advantage, is a good example of this trend.

The practice of public affairs is an important part of the survival of the species as the environmental crisis deepens. The fossil fuel lobby provides a textbook case of how to disrupt the fragile political structures of an emerging global governance in defence of

particular sectoral interests. Humanity will have to learn more about the public affairs of step-change and how to buy off vested interests efficiently and rapidly, if it is to empower itself to meet the challenges it now faces.

Given that public affairs is such an important subject of study, it should be worth teaching to managers. If CEOs fail to have an understanding of the political systems in which they operate, they can end up destroying their own corporation. Yet the quality and quantity of public affairs knowledge contained in modern MBAs is clearly inadequate. Little is done to systematically prepare either line managers or potential public affairs specialists for the conduct of this vital function. One could perhaps argue that such inadequacies are a reflection of the primacy given to economics over politics in the business culture of the last two decades. Experience of public affairs success indicates the importance of honouring the political systems inside which public affairs must operate. Public affairs practitioners will need to be more assertive about the importance of their expertise and its transmission to the next generation of chief executives if the number of corporate casualties is to be reduced, and the effectiveness of the political systems by which the species governs itself is to be improved.