TECHNIQUES USED BY BUSINESS TO GET ACCESS TO GOVERNMENT

Lobbying and Liaison

Pressure groups use different techniques and methods to achieve their objectives. Some of the most common techniques are lobbying and liaison. Lobbying is a favourite technique of pressure groups operating in every political system. Lobbying means influencing the government. In other words, interested persons making representations to the legislature or other departments of government in order to influence public policy in favour of themselves may be called lobbying. In fact, the lobbyist is the key intermediary between pressure groups and the government.

There are several reasons why almost every big business firm or house has found it necessary to establish some mechanism for lobbying with government. First, the complexity and comprehensiveness of government control and regulation necessitates the maintenance of a regularized channel of communication with relatively easy access to high government officials. Second, the problems of individual firms are not handled by business associations.

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1 By lobbying is meant informal or formal contacts with members of the legislature designed to elicit their cooperation in support of or in opposition to a particular legislative proposal. Joseph Lapalombra, ibid., pp. 58, p 213.
Because chambers of Commerce and specialized associations could not possibly handle all the government related problems of their clients, they must confine themselves to general policy matters. Third, because business firms in India do not trust each other, they are unwilling to disclose their affairs to business associations for fear that others would then learn of their activities. Business houses also find it useful to maintain a listening post in Delhi to keep track of possible concessions made to other houses. Finally, and most important of all, the style and functioning of the Indian bureaucracy requires the creation and maintenance of a mechanism for ensuring that files move through the bureaucracy without becoming logged down, sidetracked, or forgotten, either deliberately or by accident.

As lobbying is a means of influencing the body of legislators it may take any form like personal meetings, delegations and deputations to the members of Parliament, sending cables and telegrams to executive bodies, writing letters and making telephone calls to state Ministers, and MLAs and so on. Today the executive and bureaucracy have become the most significant organs of the government by virtue of their policy-making and policy-implementing powers and as such pressure groups have concentrated their lobbying techniques here too.2

2 As one respondent puts it "One of the obligations of the President and board of directors of the Chambers of Commerce is that of establishing very close contacts with the Council of Ministers, single ministers, bureaucrats and the Chief Minister. - based on personal interview."
Since many important decision relating to industrial and trade matters are taken in Delhi, many of the industrial concerns and business organizations of the State maintain their liaison offices in the capital. The business organizations need the services of such officers for discussing with the authorities concerned, questions of policy and the general matters affecting business and industry.

In 1965, the Central Bureau of Investigation prepared a list of "undesirable men" in Delhi, and it was decided by the government that such persons should not be recognised as "accredited representatives" of any business firm. It was also instructed that officers on their part should not associate themselves with such persons so closely as it ultimately results in their decisions being influenced by them. But this problem has another aspect also. Due to red-tapism and various sorts of inefficiencies in the Ministries and Departments, the industrial concerns have to rely much on personal contacts to get their work expedited. This is not only the case with the private business. The estimate Committee in its thirty-second report presented to the Lok Sabha in 1963 has noted with surprise that several public undertakings have also to set up and spend on their liaison officers in Delhi to chase references made to the Ministries "as private parties may be proved to and have to spend considerable amounts on their establishments."
One more method used by the business is that the retired officials from the Indian Civil/Administrative Service and other similar services like the Income Tax etc. are now and then found to be absorbed in private concerns as advisers, managers, directors etc. So also sons of Ministers and of government officers occupying high positions generally get employment easily in private concerns on higher salaries. The relevance of such appointments is very simple. In case of the retired officials, they bring with them in the service of the companies their experience and also their good relations with the concerned Ministries and Departments. In the case of sons of higher ups they are found useful in easing out the hitches and for safeguarding and augmenting the interests of the concerned undertakings.

The primary responsibility of a liaison man is to act as an expeditor. He is at the centre to reduce administrative delay. By developing close contact with administrators, the liaison man can ever secure to help in the preparation of applications and requests. The Delhi representative is also responsible for acting as a listening post, to ensure that concessions granted to one firm will also be available to others. A third responsibility of a Delhi representative is to hand carry on correspondence to government. The representative also collects copies of government notifications,
rules, regulations, and laws to be sent to the head office, where they might not be as readily available. Business must keep up with legislation and the related and ever proliferating rules and regulations, in order to know what to do.

Access to Ministers is secured through a variety of methods, many of which go back to the days of freedom movement. In order to ensure easy access and a sympathetic hearing, business houses provide political contributions and financial support to individual Ministers, and they offer warm and luxurious hospitality and provide jobs and patronage to relatives of Ministers.

The tradition of providing financial support and hospitality to political leaders developed during the days of the freedom movement, when such acts were considered as patriotic. Indian business supplied funds to the congress party for its political work. Although they continue to make political contributions to political leaders, today modern businessmen argue that the import of this investment is grossly overrated. The only contributions generally considered to bring results are those that benefit a politician on the way up. Business contributions allow him to carry out a personal election strategy and to support his fellows. But these contributions have also one very bad habit! Sometimes it hits

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3 S.A. Kochaneck, ibid. pp. 50, p 296.
If land is one of the most valuable things in Bombay, Gujarat is not an exception to it. Prices of land in India are astronomical, the highest in the world virtually. This of course, is where every one with any power makes so much money out of land. Even in the city of Ahmedabad, Baroda and Surat the big contractors built many skyscrapers and for them getting no objection certificate from the authority concerned is a very simple job. The most controversial decision of the Gujarat government was the permission given to H.K. Construction. The Chinubhai Tower consisting of huge revolving restaurant at the top of it was given a no objection certificate by the concerned authority under section 20 of the Urban Land Ceiling Act though it violated F.S.I. in force. Not only that, it is constructed in one of the busy areas of the city. The Chairman of the Civil town planning Committee, Mr. Bhanuprasad Raval, recently came up with some starting disclosures when he claimed that on the industrial suburbs of Khokhra-Mehmadabad and Nicol Road and the neighbouring areas, hundreds of housing societies had been built. It has destroyed at least two Chief Ministers of Maharashtra, Mr. V.P. Naik and Mr. A.R. Antulay. During Mr. V.P. Naik's days, it is common knowledge, that a minimum of Rs. 10 crores was made by the political authorities on the sale of plots in the land which had been reclaimed from the sea in the Back-bay area of South Bombay, Land was given to builders, namely to the favoured ones (like Maker, Jolly, Dalamol) virtually free. According to investigation report on former Chief Minister of Bombay, Mr. A.R. Antulay intended to collect between Rs. 55 to 60 crores within a year for his 12 trusts. 

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in gross violation of civic and government regulations. He listed several such housing societies comprising more than 100 tenements each. Even private school buildings, including some on the corporation's reserved plots, had come up in these areas and were still functioning. When Mr. Raval had posed himself as a prospective buyer, the promoter of one of the housing societies enlightened him the information that ownership of these unauthorised tenements would not be a problem! He was also told that no contractor even "bothered" to seek permission from the Civic body as it was too lengthy a procedure. "No buyer need worry about these matters as all the unauthorised construction would be regularised by the corporation and the government once the 'tenants' moved in and occupied the houses."

But Mr. Raval had not seen all. According to one report there are at least 5,000 unauthorised buildings on the periphery of the city, on the reserved plots of the Municipal Corporation and other agencies like the Gujarat Housing Board and the Gujarat Slum-Clearance Board. Nearly 70 per cent of them have come up on the industrial suburbs of Bapunagar, Meghaninagar, Patalia, Chamanpura and Naroda in Ahmedabad.

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5 The Times of India, Ahmedabad Publication
The demolition squad of the Civic body, is always faced with the problem as to who is to be punished for unauthorised construction. By the time the civic authorities get the wind of such construction, the promoters of housing societies "disappear" from the scene after allotting the houses to the owners and making a lot of money. If the houses are demolished, it will tantamount to punishing the unsuspecting owners who have purchased the houses while the culprit, the promoter will go scot-free. It was on this consideration that, for the first time, six such housing colonies were bound to be regularized once the houses have been sold.

There were many instances where such unauthorised constructions had been "regularised" by the civic body later if there had been no other major violation of civic by-laws. Two tall buildings near the Law Gardens have been regularised by a special resolution of the Standing Committee though the buildings had violated the FSI for the areas. How such actions are taken by government in favour of some big business houses are well known to all. Money seems to be the beginning and end of the value system in every industrial city today, and the contours of this value system have been etched out by politicians - while it might be difficult to say that politicians came first and corruption followed, it is obvious that there is a nexus between the two. You can have all the money in the world and yet you can not be elected to even the Assembly, as Mr. Naval Tata, indus-
trialist, learnt in the sixties when he tried to stand for elections from South Bombay. But if you are a politician, plus have a lot of money then you have a far, far better chance of succeeding. Besides financial support and hospitalities shown by the businessmen towards government there are some other formal methods to influence the policy-makers. Pressure groups can try to place in public offices persons who are favourably disposed toward the interests they seek to promote. This technique may be called *electioneering*. Pressure groups endeavour to secure the nomination and election of sympathetic legislators, who may later be used in the enactment of favourable laws. In modern democracies, in fact, legislators often find themselves virtually in the pockets of pressure groups. How and why this happens is rather very simple. The legislators, above all, want to maximise the possibilities of their elections, and the election campaign needs money. So, the member is always on the look-out for money, which is available with private associations, thus he goes to associations. In return, he has to support the demands of the associations. Business in Gujarat is heavily concentrated in families like the Sarabhai Lalbnaís, Mahendra groups etc. These families often finance the election of particular candidates. 

The Pressure groups influence policy-makers by supplying them accurate data and information. Most of the modern pressure

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6 *Sunday*

7 based on interview.
groups now maintain a research cell and come out with effective measures and cures. Most of the laws-makers and policy-makers have hardly any time to do their own research. The Gujarat Chamber of Commerce and Industries organises important seminars on specific issues like growth of Small Scale Industries in Gujarat, Power Crisis, Sale-tax, Octroi, Bombay-High etc. from time to time. The reports of these seminars are presented before the government which provide various suggestions for industrial development in Gujarat. The FICCI as well as the GCCI are constantly cultivating and modernizing trends in its behaviour and scientific approach to political process. It has a planning cell of its own which studies the five year plans and makes its recommendations to the national planners. It ensures that nothing detrimental to the big business and industry was resorted to by the government. Most of its recommendations with regard to the Fifth Plan have been conceded by the government in bits and pieces. No other interest group would have analysed the plan so vividly and hardly any group had articulated so strongly as the Chambers of Commerce. And hardly government had taken note of any other group recommending on the plan in such an assertive manner. This shows that the power of money, and that too well articulated in an associational interest group, is stronger than any political force in a modernizing democracy.
The government has also realized that the organized business was of immense help to them. It wants that the Chambers be oriented on American pattern. It desires that the larger houses, firms in priority industries, and those with sizeable turnover, undertake a voluntary obligation to make their research and development (R & D) programmes as essential part of their expansion plans. They are also likely to be asked to link their R & D Programmes with those of the national research laboratories under the control of the Council of Scientific and Industrial Research, and other agencies.\(^8\)

The chamber's delegates often go abroad to study the working conditions of Chambers in the developed countries. At the same time they receive economists from foreign countries and discuss with them about industrial development. The Chamber have actually started research work and are doing well to supply authentic data to the government. They generally give advice for the industrial development in a given area with the probable potential resources hidden in the region.

Pressure groups create a favourable climate for their particular cause by appealing to public opinion through speeches, books, pamphlets, special articles, radios and above all the Press.

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8 "...the advisory role that government and business have assumed traditionally seems about to change to-day. Indications are available a plenty about the willingness on the part of the government to listen and, with modifications, accept what industry has to say.", Business India, Nov. 21-Dec. 4, p 57.
In an open society the use of the mass media to convey political demands is a major means of appealing to political decision-makers. It is an unfortunate characteristic of the Indian press that a financier proprietor of a newspaper, often intellectually ill-equipped, sometimes even semi-literate, and an 'industrialist with many irons in the fire' harnesses the powerful mass media that he owns and controls for promoting his self-interest, or at any rate, for preventing harm to his commercial interests.⁹

The business magnates have acquired this vital instrument of moulding public opinion at a high price which they want to cash fully. They had neither the philanthropic motives "nor are they such angels as to resist the temptation of utilising powerful mass media like the press for promoting or defending their business interests.'

Now besides controlling such journals and periodicals as 'Commerce', 'capital', 'Indian Finance', Eastern Economist' and 'Industrial India', the capitalists are controlling the prominent dailies like the 'Times of India', 'Hindustan Times,' 'Indian Express', 'Statesman', 'Business India' and 'Business world'.

The government is well aware of the utility of press for its own interest. The government and the Press assail each other only

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⁹ B.K. Srivastav, ibid, pp. 48, p 257.
when their interests are jeopardised. Mutually adjusted, the two 
have no complaint against the adversary. When the press improved 
its 'behaviour' and the government also saw its own interest, the 
promise of "early separation of Press from industry" has gone in 
the cold storage.

Another obstruction on the mass media is the pressure 
exerted by the advertisers who are often the business groups and 
the governmental agencies. Although such pressures are felt lar-
gely by the smaller news-papers the bigger ones are not immune 
from their intimidatory shadow. The editors often complain against 
such interference when they are asked to play down editorial comments 
or shut off news coverage on a particular industrial scandal or 
adverse story because of the fear of a threat of withdrawal of adver-
tising from the paper. The Indian Press Commission has acknowledged 
many instances of news items having been suppressed in order not to 
offend advertisers, or of advertisers having complained about the 
publication of particular items. Instances are countless when the 
news is published only once and then it is 'guillotined' quite 
abruptly. The readers feel anxious, but even their letters to editors 
are not published, if they concern the suppressed news.

The metropolitan news papers have a guided editorial 
policy controlled by the big business magnates. They have paid 
writers who regularly contribute articles on current economic and
political topics, and try to mould the public opinion in a manner that the interest of business looks like a public interest. The government has to accept it as a general demand of the public as the press makes it broad based embracing all our demands of the common interest. The latent pressure eschews the common interest at a later stage and persuade the governmental agencies to accommodate the vested interests while formulating policies.

**Elite Representation** on behalf of an interest group constitutes a channel of access which can be utilised with great effect by some pressure groups. It may take the form of the presence of a group member in the rule-making structure or of sympathetic representation by an independent elite figure. The agents of interest groups are usually given ample representation on legislative committees. It is through informal personal contact that businessmen, as individuals and through chambers, most frequently gain access to government.

Individual and group access to government are both highly developed by the Indian business. But business pressure has been exerted more often by individual businessmen than by organised lobbies, and most frequently it has been used to bend the administration and implementation of policy rather than to form it. But it is this very effective pattern of access that has come under the greatest attack. There is a general feeling, therefore, both within
business and government, that greater reliance should be placed on business associations. The suggestion arises not only because the association's route is softer but also because associations have come a long way in the past twenty years in professionalizing their staffs. As a result, they are potentially more effective than they were in the past. Many industrialists who join the chamber of Commerce claim that the association's voice carries great respect, the policy maker can not ignore it. "When we go in our individual capacities" one industrialist remarks, "the bureaucrat quite rightly suspects a selfish motive. A chamber of commerce can not be dealt with in the same manner. Then it is the voice of an industry and it gets a lot of attention." Despite the weak organizational set up, there is widespread acknowledgement within government that the specialised industry association wield greater influence. Special interest lobbying by individual companies will always exist, but dealing with government is an increasingly specialised task. Only very large corporations can afford these luxuries individually the large mass of corporate entities can not afford to do without the chamber. The main difference between other chambers of commerce and the Gujarat Chamber of Commerce is the realm of attitudes. FICCI, largely due to its insistence on having its way, is constantly peri-

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10 "In all fairness though, government pays much more than lip service to the chambers. This is ensured through direct chamber representation on a wide variety of advisory and consultative bodies which deal with specialised economic affairs. On each of these, the voice of industry is an institutionalized factor ensured by the active participation of the chambers. Business India, ibid, pp 121, p 56."
ceived as taking an adversary position. But in the case of GCCI, it is not so. As one member claims "We do react to what government does, though we also make suggestions where we think improvements could be introduced in future policy." Today GCCI's substantial clout with government is a result of careful, well-meaning lobbying. "Influence, we believe, is related to access, which is ensured only by credibility at the working level." Through a variety of research studies, a barrage of publications and constant interaction with policy making officials, the textile industry has pioneered its own successful brand of influence peddling. This approach is also used by GSFC which has the distinction of being requested by state government to participate in fertiliser related policy making.

Lobbying however, has become a more specialised business, as most associations are beginning to realize. Consequently, there is a move on to ensure that these bodies gain both in professionalism and expertise. But progress has been poor and there are only a few indicators of change. The process of representing the viewpoint of business to government is a continuous one. It is an urgent task and one that requires constant contact and consistent communication. But at present the government uses those advisory and consultative bodies to assess the views of the business community and not to obtain advice on policy.