

Influence of Interest Group Lobbying in India : Case for the Washington Style Business of Persuasion

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Abstract

Lobbying, even dyed-in-the-wool, and having acquired the status of an independent service industry in India, greatly steered in unstructured and opaque surroundings. The lobbying phenomenon at present in India is neither legal nor illegal. Of late, though several entities, including the interest groups, have lobbied for statutory foundations for this territory, their endorsement did not succeed. The present study traced and analyzed the socio-political environments of lobbying in India. It presented the policy implications and necessitated the essence of systematically studying lobbying from the rational perspectives qua a preconceived notion, as has been the approach at present in India. The paper attempted to identify the provenance of a new environment of business persuasion exactly on the lines of the Western societies in India. Further, the study demystified the masquerading techniques of the strategies adopted by the lobbyists to influence policy making. The article presented the *raison d'être* for regulating the lobbying industry in India. Besides, it also traced the evidence of presence of professional lobbyists in India. The paper highlighted, in brief, the institutional efforts made so far towards a new beginning of regulated lobbying in India.

Keywords : interest group lobbying, pressure groups, regulations, Disclosure of Lobbying Activity (DLA), Right to Form Associations

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The genesis of high potential rents or rise in economic rents is ordinarily a consequence of limited supply and unlimited demand function in a society. It is a well-known fact that interplays of restricted resources and greater expectations from them leads to a spate in the economic rent seeking. On the other hand, such a situation may also emerge due to a higher aggregated economic growth in the economy. The other factors resulting into higher rent seeking may be high flying domestic policy incentives and rise in the overseas demand for the natural resources of a country. A high flying policy decision of the government is often supported by a significant government spending with a view to ensure prospective demands in the future. As the government spending is brought to the fore, expected profitable outcomes from the concerned sectors, where the spending has been

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announced by the government, observes a sharp upward jump. As a result, demand for control of these sectors, full or part, results into an emphatic tendency to earn an increased rent seeking by the private players.

The announcement of its new power policy, namely 'Power to all by 2012' immediately saw an unprecedented demand for coal in India. On the same principle, the National Telecom Policy (NTP) 1994 played the role of a catalyst for an increased rise on spectrums in India. Once the principle of distribution of the raised rents between the government and the private agencies are finalized, prices are then decided. The extent of share of rent between the government and the private agency is likely to suffer from much subjectivity. Here comes the role of politics of pressure groups and interest groups. Politics, Lasswell (2011 [1936]) wrote, is about who gets what, when, and how. In the contemporary world, business has become a formidable political force which has made for itself a remarkably discernible position on the political vista. All compositions are supposedly versatile, and groups are also no exceptions. Groups are likely to act as an instrumental envoy of information exchange between the individual and the state. Kochanek (1974) opined that the group's principal function, predominantly, is to consolidate the demand of the group members and to exert the political system for actualization of such demands. Whatever may be the group size, it mostly aims at optimizing the yield of 'collective good' for its members. Olson (1965) raised a question as to whether the size of a group affects its efficacy needs a separate investigation as several corroborations suggest that rather moderate groups - 'privileged' and 'intermediate' produced higher potency. While Marxian scholars are known for venerating and celebrating class action, non Marxian scholars distinguish the pressure group. Researchers and academia acknowledge the positive contribution of the pressure groups, and their findings about various forms of contributions vary significantly. The pressure groups ostensibly amend the ramifications of their own interactions and protect the community from the inherent jeopardy that their counterblow and reciprocation may generate. The equipoise of the society is thus maintained through the governmental interventions. Dewey and Bentley (1949), in their famous project namely, *The Process of Government*, recognized the government as a balance of interests. It is seen mostly that the groups react negatively on most of the policies of the government. This can be explained for the fact that policy initiatives come from government and not from the larger sections of the society, and thus, the groups carry several inhibitions, including legislative intent and their timings as outcome of policy initiatives. It is not unsafe thus, to presume that the group dynamics and their relationships with the socio-political processes could not be linear but labyrinth. Their reactions are motivated to strengthen, the so called, collective interests of the group. Since, there is no group without its interest, a question thus arises as to what are the dividends that groups bait ? The interest groups may follow social benefits, economic benefits, and lobbying benefits. Correspondingly, the groups may discharge lobbying function and social functions, lobbying function and economic functions ; alternatively, they may execute all the above stated tasks. The lobbying role of a group thus is not its sole function, but just one of its many functions to support other functions that the group performs. The group characteristics, therefore, become pivotal in understanding the nature of interest that groups pursue in a society.

Bodies of Literature Having Dealt with Lobbying in the Indian Context

The central idea of the study in the paper is to trace and analyze socio-political environments of lobbying in India. The study aims at demystifying the masquerading techniques of the strategies adopted by the lobbyists to influence policy making in the domain specific sectors. It also proposes to decipher whether the lobbyists influence all sorts of policy formulations or do they decide influencing on preference based choices. The capacious oeuvre on the special interest groups in political science, economics, business, and public policies universally inscribe concerns of deceit, coherence, procedures, plans et al. The concerns have not been deliberated upon with such an extensive outlook eternally in India. The work of Olson, even though it is not about the Indian society, is undoubtedly the magnum opus for understanding group dynamics as well as the foundation of lobbying

activities across all societies. In his various works, although Olson never deserted the proposition that aggregation of interest groups in any democratic coexistence may result in an economic downturn, the manner in which this transpires and their control, if any, mutates by the time his concluding work namely, *Power and Prosperity* (2000), whose cornerstone remains the transition economies and political governance, was released. Deo and McDuie-Ra (2011) argued that the complexity of civic activism and transitional advocacy networks taken together make things difficult to capture in academic models and development schemes. Activists use moral persuasion to transform the world, but are not insulated from the messiness of political dilemmas and power plays. Knowing where the potholes are in the road enables the driver to swerve to avoid them. However, signposts that actually show the path are also important.

Kochanek (1974) perhaps was the first to study lobbying in the Indian context with such an authority. His central theme of enquiry has been to analyze the dimensions of business dominion qua the government policies in a country that is a fiercely pastoral republic like India. He concluded, through his several research works, that the influence of business upon the government policies generally in India is not substantial ; however, in the process of reaching to this conclusion, he produced a plethora of documents dealing with historical trajectories of Indian business houses as also the societal fabric.

Kochanek analyzed, quite fascinatingly, the manner of the Indian business sphere failing to keep sight of their reticence regarding confronting the authority of the Indian National Congress (INC) in the constituent campaigning, though with almost no accomplishments. He followed the stand of the business houses as exhibited in endorsing territorial political leaders in the 1967 elections, as also tapping their strategies to support a rather newly launched political party namely, The Swatantra Party almost flagrantly. Lastly, he suggested the *modus operandi* of the steady merger of the interests of aboriginal business entities with *avant-garde* international enterprises. As a matter of fact, it may be observed that Kochanek's work under reference had a limitation of not presenting the Indian government's crusade against the engrossment of international enterprises. Although, Kochanek did not explicate upon the fracas namely, the interlude of 1960s Soviet oil imports, he encompassed in his work a chronicle of two decadal constant resistance of patent law reform by the internationally controlled pharmaceutical industry. During the mid nineties, a very important work on the group dimensions in politics in India was studied by Charan (1994). He compared the Indian group dimensions with the American group dimensions by characterizing the trend of emergence of groups and their engagement in the political consciousness.

Studies in networking, special interest groups, policy advocacy groups, and lobbyists are relatively new in India. Shukla (2015) observed that not much literature in this field is available in India, where the analyses regarding the techniques and behavior of these groups have been presented.

Yadav (2008) pronounced that amidst several verdicts that lobbies make are whom to lobby, when, and how? Yadav's study presented the *ratio decidendi* of such decisions by the lobbies beyond the boundaries of the United States. It advocated that the style of harmonizing the Taft - Hartley Act between the political parties and their individual members by the chambers substantively leveraged on all three designs of lobbying namely, stage of the policy process, gameplan, and maneuvering by lobbies. The volume assimilated the numerical evidences collected from a field survey of selected target audiences based in India and China.

In her another work, Yadav (2011) argued that connection amongst the provocative façade constructed by the legislative chambers, the calculated lobbying settlements of the entrepreneurs, and the extent of delinquency in a constitutional arena must be understood in a relative backdrop. She goes on suggesting, based on her findings, that alliance centric lobbying creates towering and permeating deceptions. It is illustrated that alliances try to augment their financial kitties more than the individual representatives, and they favour convertible funds over other gubernatorial assets. This phenomenon is capable of elevating comparably stipulating allurements in a party centred political society. The dual aspects of retrenching like propensity to control through parliamentary

authorities, the seminary of administration and assizes, and to uphold the system of allurements strengthen potential of the political parties to meet their demands.

McKay (2011) concluded that even though there has been significant interest shown by the researchers on explicating the grand design of lobbyists, there is hardly any literature which details the circumstances when interest groups influence the administration or law makers. On the basis of numerical evidence, it was exhibited that the extent of lobby surges in both the streams, when the confrontations are stringent and also when they have some non - amateur or exclusive association with that venue. Besides, due to various circumstantial environments contingent upon the availability of assets, centrality of lobbied sectors and classification of their representation, lobbyists are motivated to excel in exclusive areas or in selected areas of lobbying.

In recent decades, however, significant literary documents have come up which captured the lobbying phenomenon in the Indian national context or Indians as a group in other transnational societies (Boehmke & Witmer, 2020 ; Carlson, 2016 ; Klingelhöfer, 2018 ; Saha, 2019 ; Sharma 2017). Another few works organized the lobbying and democratic processes. The pluralists advocated for some sort of intervention in the democratic processes with a view to guarantee fair competition. The view point is that the intervention must guarantee fair competition amongst all groups irrespective of their size and strength. It is a proven fact that lobbying results in failure of democratic processes, and therefore, in the interest of democracy, it needs regulation in its letter and spirit (Bhatnagar, 2018). Narayan (2015) screened through the Constitution of India to identify if some of the provisions can be found to identify the group actions. Besides, some of the works in marketing and management have also studied the tactics and strategies of the producers towards gaining growth of their businesses. Kaur (2015) observed that the technology promoters of the Genetically Modified (GM) cotton used various tactics to grow. Similarly, Tewari and Pathak (2015) investigated the marketing shifting patterns of the foreign media houses in improving upon the foreign investments in India. Subramaniam (2016), while analyzing evolving global trends and India's challenges, noted that future businesses require new, nontraditional, and creative approaches including reorientation of the businesses' expansion strategies.

Bridging the Research Gaps

In all the studies presented above, what is missing is the evidence of the presence of the lobbyists of any kind. These literatures also do not bring to the fore any detail of response of the institutional mechanisms to the actions of interest group lobbying in India. Further, the studies indicated herein above do not systematically present the strategies which the interest groups lobbies put to use in business and politics. The timing of the lobbyists is a crucial factor in the study of interest group literature. There is no study that emphasizes upon this aspect in the present academic literature in the Indian context.

This paper is arguably one of the systematic studies which *inter alia* present the panoptic view of the lobbying industry in India. The uniqueness of the study is policy implications of group dynamism in India. Such studies on the one hand would enrich the lobbying literature and they would make a basis of developing a regulatory framework for lobbying on the other. This paper has substantive potential to generate discussion, dissent, and debate on a relatively new field of research – the lobbying industry – in India.

Group Dimension in Socio - Political Contours of India

The paramount duty of governments is to protect the existing systemization and stipulate the structural dynamics for various interest groups competing with others in order to meet their own criterion functions. The success of the governments, on account of this aspect, may thus be evaluated by estimating the extent of a conducive environment supporting the collective entities to generate harmonious dynamics amongst themselves.

The consolidation of the group interests that unfolds, on account of reciprocity amongst the competing groups in a social-political boundary, becomes analogous to the general public interest. The criterion functions of competing interest groups may be achieved due to multifarious government instrumentalities. The diverse socio-cultural fabric of Indian society becomes a cradle for provenance of various groups. Charan (1994) found majority of the interest groups in India falling broadly in two categories namely, (a) marginality of class politics with capital and labour as counter-playing actors ; and (b) centrality of the third actor, the state. Dahl (2020), while drawing upon methodically nominal condition for a modern representative government had *inter alia* outlined the freedom of formation of a self reliant consortium or institutions, including a political party and special interests groups. A democracy, in true sense, therefore, may not be fulfilling the basic criteria of majoritarian rule and individual rights, if citizenry are not bestowed with the right of free expression, including the critical analyses of the government's functioning. Article 19 (1) (c) of the Constitution of India provides for guaranteeing to all its citizenry "to form associations and unions or cooperative societies." Consequent upon exercising this freedom, the groups may exercise their rights to articulate their voice, societal consolidation of opinion and choice, and persuade pillars of the Indian democracy to pay attention to their points of view on a particular matter.

Narayan (2015) opined that the dynamics of the special interest groups speak for the lucrative attentiveness of the distinct constituency and those who forage for pursuing the larger interests backed by their own beliefs, but do not buttress economic interest of any specific clients, should be distinguished. The lobbies acting on behalf of the corporate clienteles mainly aiming to benefit their clients through creating conducive tax environments, ensuring allocation of natural resources as per their choice, licensing, suitably administering prices and subsidies tilted towards their interests, are some of the many possible examples of satisfying the conditionality of the former type of pressure groups. Several other groups functioning with a view to expand or safeguarding constitutional rights ; ensuring guaranteeing good governance ; advocating for police, political, or policy reforms ; or engaged in championing the governmental reforms, not related to economically benefiting any particular group or client, will fall in the latter class. The actions of the pressure group desirous to meet the larger societal goals contrary to specific economic interests of a specific client reap the benefits of unequivocal embracing and appropriateness in our society. Such groups are welcome in almost all democracies of the world. Lobbying by corporate houses raises severe conjectures in the minds of US citizens as also in the populace of other nations. The inexorable relationship between lobby character and the campaign fiscal matters giving rise to genesis of legitimate concerns about law making and policy formulation exercises gets ousted and has been perhaps contracted to the outfits' attentiveness. Legislations have been formulated for the lobbyists to register, monitor, and regulate the lobbying activities with a view to create a barrier for the campaign's fiscal transactions amongst the corporate houses and the political players by many countries. However, such laws could indeed bring in some sort of transparency in the transactional space, and it could result in diminishing the influence of the corporate lobbies. With this backdrop and the settled principles of intuitive supposition that the private interests have a pivotal role in policy formulations qua voluntary institutions, persuasive approach towards larger public interest driven initiatives, the latter has higher social acceptance and permissibility.

The prodigious efforts of various organizations, the likes of Mazdoor Kisan Shakti Sangathan (MKSS), National Campaign for People's Right to Information (NCPRI), Loksatta, and other similarly placed organizations, for making legislation guaranteeing Right to Information (RTI) to the citizens of the country, may contestably be termed as one of the most quintessential social pressure group movements in India. The strong struggle and endless social agitations spearheaded by Anna Hazare for bringing in an effective legislation institutionalizing Lokpal is another example of the effectivity of social pressure groups in India. The concerted endeavours of Foundation for Democratic Reforms (FDR), Loksatta, and Centre for Public Interest Litigation (CPIL) raising concerns over the allocation of 2-G Spectrum are another illustration of victorious group activity. These interveners catalyzed the judicial pronouncements, annulling licenses allotted to the beneficiaries in January 2008. Further, the apex court ordered for review of trading processes forthwith in respect of all

proposed telecom spectrum allocations in the years to come. Following triumphant outcome of issues involving turbid 2-G auctions, annulling of coal mining authorizations and ensuing trading, revision of quarrying law, and enabling for market driven aggressive and transparent decision space came to the fore primarily because of vibrant interest groups.

During the late nineties and the early twentieth century, allocations were granted through the Screening Committee headed by a conglomeration of higher echelons. The aforementioned guidelines were universal in character. The execution elements of the governance guidelines were administered by the organizational fabric of the concerned ministries. The concerned ministries administering the allocation were responsible for formulating detailed specifications and directives to implement the policies. During the ameliorating epoch of the Indian economy, raw material holdings were obtainable even to the private players, which was a deviation from the earlier practice of monopolistic public sector access. With the increasing number of players, making their claims to the natural deposit, the market appetite became more than what was endowed. The distribution of the resources no more remained one-to-one ; need of judicious grant by the Screening Committees arose. The competing cases were scrutinized on the basis of precogitated decision elements and were finalized by the approval of the minister concerned. On the basis of the value of the investment outlays, concurrence of relevant Cabinet Committees namely, Cabinet Committee on Foreign Investment (CCFI), Cabinet Committee on Investment and Growth (CCIG), and Cabinet Committee on Economic Affairs (CCEA) were solicited. However, in the later years, demand for highest level of transparency in the allocation processes resulted in institutionalization of the auction process for allocation, though with great contestations.

The coal block allocations during 2004 – 2009 in India evoked intense public debate. The Comptroller and Auditor General of India's (CAG) report on these allocations brought to fore various glaring facts in the form of observations. The central point of the observation was the susceptibility of decision makers, especially by the private players. Such crevices in the decision making processes were likely to have exposed the fragility of the fiduciary, held between public at large and their trustees in the public offices. The report also observed that despite the presence of alternative modes of allocation, far more transparent and competitive, embracing them into the decision making processes was opposed by several quarters.

The other relevant aspect of the CAG's report was the urgent need of politico-executive synergies owing to the reported procedural relapses in the allocation of precious natural resources during the reported period. It also sought the decision pillars to exhibit highest level of allegiance and attentiveness so as to baffle any motivated efforts of the interested players to evade the settled principles and protocols of decision making. Further, it suggested for creating an alternative institutional environment which shall be triggered in case other institutional contexts could not check the attempted subterfuge of the influential agents. For if the therapeutic interventions are due to external shocks, its cost-effectiveness, completeness, and appropriateness always remain a serious concern. Further, such exogenous actors intervening into the corrective course create discordant environment amongst the active players and may be full of squabbles in terms of biases and counter biases. In these circumstances, the political bonding of the confederate may alter, however, the cronyism proceedings would continue to exist. A transformational revamping for our politico-economic framework is thus absolutely essential.

Public Relations Vis-à-Vis- Professional Lobby in India

Sometimes during 2006 when APCO Worldwide, an American lobby bragging for clienteles stretching from dictators to global investment banks, made stride into Indian territory, it almost went unnoticed. Its presence could not make much impact until three years later when it came into its own. APCO thewed out with abundance of public relations institutions, those included M/s Vaishnavi Communications managed by the well - known lobbyist - Niira Radia to fondle the Vibrant Gujarat. The Vibrant Gujarat in its 2013 version was phenomenal

and the biggest in terms of value of committed investment. APCO's work for Vibrant Gujarat was recognized with both the global SABRE award and Asia region SABRE award for the best campaign in the Public Sector/Government category (PRovoke Media, 2013). APCO proposed to carry out an image building drive for various US financial giants like JP Morgan Chase & Co and Citigroup Inc., post the phase of their collective tormenting in Washington during 2010. The company's previous stint for having worked with Dow Corning, Walt Disney, Mastercard, Cairn, Welspun, and Facebook in India helped to grab the proposal in a preferential manner. Besides, its brochure claims to be "focusing its energies around six key industries," which counted for the energy and retail sectors as well. The strategic moves are guided by its International Advisory Council (IAC) comprising of 80 strong members, having flexible relationships with strong groups of political class and bureaucrats. These relationships may be identified as centrifuge in winning the major lobbying streaks.

One of the Indian lobbyists, who had earlier worked with Niira Radia, laments that the rationale for approaching a parliamentarian or a minister lies in sharing with them some unique information on matters of their interests or priorities. The strategy remains to gain advantage over the little or misinformation regarding specific issues that the parliamentarian or minister commands. The tactic is to woo the political leader with the potential gains that the information may offer, if the same is utilized well for the benefits of his/her constituency. At many occasions, if the lobbyists do not succeed in impressing the lawmakers, they aim at germinating dubiety in their minds.

Rajan A. Mathews, the DG of Cellular Operators Association of India (COAI), professed that his league only presents a mutually agreeable locus of the cellular operators with the Telecom Regulatory Authority of India (TRAI) or Department of Telecommunications (DoT) so that the economics of operation is acceptable to all concerned. He stated that, "we move the industry into one page." Ordinarily, PR in India is perceived only to organize media promoting their good stories and shielding them from negative jibes. Public affairs are preferable for it produces favorable outcomes for the clients. Founder & CEO of APCO World opines that they cannot be compared with NASSCOM or Confederation of Indian Industry (CII). She stated once that the motivation to work in the Indian market is not only limited to the demands of the clientele, but is also backed with the excitement and character of the market. The Holmes report has presented the capabilities of APCO to expand itself ranging from public affairs, business, government, and media within a short span of time of 28 years.

In terms of the compliance disclosure of the company with Ministry of Corporate Affairs (MCA), Pegasus International Advisory (India) Private Limited held its last Annual General Meeting (AGM) in the month of September 30, 2017 ; whereas, the available balance sheet for the Company is as old as March 31, 2017. Since the US is instrumental to a large number of Indian policy matters as also its corporates, around USD 1.5 million was put to use for lobbying in the power elite by Indians in USA during 2010. However, during 2009, this amount was close to around USD 2.2 million. The revealing of interest group lobbying in India erupted into a furore following the Radia tape leakage. The tape exposed the lobbyist's conversation with several business tycoons, political representatives, media representatives, and several others. It was the first time ever that the Indian government started considering bringing an appropriate legislation on this issue. Although, it is often debated that Indians are involved in lobbying with a view to influence policy/law making in their own favour in the American corridors of power for quite some time.

The following disclosure provides the details of their area of lobby, especially among the US legislators advocating in favour of the mutual tie-up between India and USA. It was during 2005 when India and US first expressed their intent to enter into a civil nuclear deal that traces about Indians getting involved in the lobbying actions in US became evident. Their traces, for the first time ever, were evident during September - December 2005, when BGR Group (Barbour, Griffith & Rogers) claimed to have dispensed with relevant and requisite feed that led to the advocacy movement influencing the bilateral relations. This ground work was aimed at their marching towards the finalization of the civil nuclear agreement.

Formulation of policies in the Indian context is heavily dependent on the socio - political constituencies; strategies for seamless implementation of such policies are subjected to encounter frequent periodic changes. Ordinarily, the free market economies of the world are expected to be liberated from any influence, in so far as the governments are concerned, the underlying proposition may not remain effective in the Indian setting. In order to keep pace with the dynamics of policy formulation and their implementations, the strategists customize their plan of actions.

Regarding the choice of appropriateness of favorable strategy, Dilip Cherian, Co-Founder of Perfect Relations, in an interview (IE-Lobbying.com, 2014) stated that he helps the clients :

....negotiate this rather tricky combination, since determining what will work involves a rather quirky mixture of enormous expertise and experience, phenomenal effort, and a puzzling element of, what we call in India, *tukkebazi* - which translates best to mean taking a gamble. (p. 3)

It is apparent, therefore, that the plan of action for one client may not suit the other. In other words, there can hardly be a tailor-made strategy suitable to all. Cherian revealed that the private players ignore governments' disfavor as long as they are not treated as antagonists. Even though the private players believe that the governments' not being against them is sufficient with them, Cherian is of the opinion that the understanding of the private players is misplaced. He confirms that a company's strong belief in assuming that the growth and augmentation of the organizational clout depends largely on their ability to amass political leverage is followed in continuum. Companies, through their boards, strategize the trajectory of their future path such that the governments' endorsement is solicited without leaving any impression that they are doing so.

As a part of strategy making, lobbyists would not only analyze the strengths and weaknesses of their client, but would also assess their competitors. They would thus, counsel their clientele to 'know their enemy.' However, in the process, the crucial question that remains difficult to answer is how to recognize the antagonist companies for the subject anchoring lobbying. It is because of the reasons that the *bête noire* of a company and its programme may always appear customary. The aggressive business space needs ingenious curiosity of the emphatic political leverage and its instruments, who may contest unacquainted. The repudiation of the product or policy in the market space, either on account of the standard of the product, intrigue, sagaciousness, or obstinacy needs contemplation on its eminence and not otherwise. It is, therefore, inevitable that the backdrop of the policy concerns is brought to the fore translucently regarding programme/schedule over and above the introversion of the company. This may be illustrated by the Monsanto example. If Monsanto is keen to sell cross breed kernels in India, it should not only concentrate upon its advantages, but it should also address the concerns of age old shallow agricultural crop production with the prevailing kernels and the essence of improved quality of seeds on total production, before it can thoughtfully place the matter for an appropriate decision. It is absolutely imperative for the lobbyists to realize various aspects of the decision makers unremittingly for effective and efficient success strategies. The lobbyists are also expected to be aware of the executive and legislative functioning of a democratic state. Its essence may be comprehended in terms of a *maxim* about the Boeing, well known Aircraft colossus, known for winning the contracts but impecunious in penetrating the native trading companies.

The United States identifies lobby as a part of the system, and thus it has a legal status. The companies can, therefore, lobby to their interests before the concerned departments or lawmakers, subject to the conditions that they shall quarterly disclose the predefined facts before the US Senate. In terms of the disclosure report, Walmart has so far incurred more than USD 3 million for creating a conducive environment for eliminating the entry barrier in the Indian retail market in 2012. The report also noted Walmart being engaged into lobbying since 2008, notwithstanding its absence for a short while during 2009. The Walmart stores, a US based super market chain having earned revenue of USD 500.3 billion (2018 fiscal), employs over 2.2 million associates worldwide, and has been making all efforts for making a niche in the Indian retail sector since quite a long time.

In order to stimulate the multinational consigners, the Government of India has permitted cent percent FDI in electronically operating retail of consumables including amenities, sectors with enabling more liberalized regulatory framework, following bringing lucidity for the electronic commerce companies performing in India.

It's not that the 'lobbygate' has created a political furore for the first time in India. During the mid-nineties, Enron, the US based power company, was alleged to have incurred into political gerrymandering, in what is known as 'political re-education' of local legislators for ensuring smooth sailing of the ill-fated Dabhol plant in Maharashtra. More recently, Ranbaxy was charged for investing around USD 90,000 to an American lobbyist for helping it to gain access to generic formulations. In terms of a 2007 report on Disclosure Act, Tata Sons spent some undisclosed amount through a US lobbyist to push forward its own economic interest in the automobile, defense, and energy sectors. The advocacy groups in India are, therefore, raising their voice as to why not make lobbying legalized, however, with the desired level of transparency. With making it legal, the activities will be exposed to the public scrutiny and thus could be made publicly accountable. Absence of legal status to lobbying in India, however, does not in any way thwart its occurrences.

Why Regulate Lobbying ?

Dahl, a pluralist, identified that due to economic inequalities in a capitalist society, political inequalities creep in, and therefore, the inequalities make it possible for the groups to influence the decision makers much beyond their relative strengths. The pluralist advocated for some sort of intervention in the democratic processes with a view to guarantee fair competition. The view point is that the intervention must guarantee fair competition amongst all groups, irrespective of their size and strength.

In the following paragraphs, we understand the democratic failures that lobbying generates and the reaction regulatory processes to handle these problems. It is argued that lobbying results into corruption and generates problems of what is termed as revolving door. The process of offering jobs to the decision makers by the lobbying firms or corporations is the major cause of democratic failure. This problem of democratic failure can be handled in two ways – first is by putting in place a system of cooling off period and the second is public funding of political campaigns. In some of the developed countries, the mandatory waiting time for the members of public service has been prescribed for 5 years before they can take up any new assignments. In US, the mandatory waiting time is 2 years, which has been criticized heavily by the press and media. In India, the rules have been put in place wherein a former member of Group A Civil Services inclusive of All India Services, if is desirous of taking up any new mercenary profession before a year of their demitting offices, he/she shall solicit prior authorization in a stipulated format for assumption of such an offer. The aforementioned provision also provides for forfeiting the entire or some part of annuity of the pensioners, if there has been any contravention of the extant rules, especially when the pensioners have not obtained prior permission of the government before taking up any mercenary profession. However, there is no such cooling off period prescribed for the ministers. In accordance with the extant precedence, the lobbying groups compensate the superannuated US Congressmen by the way of allowances. The second proposal for public funding of political campaigns theoretically is likely to reduce the dependence of political parties on the lobbyists. These proposals are just and fair in diminishing corruption and economic dependence, even though the impact and probability of their success is significantly low.

Another democratic failure that lobbying may cause is distorting the agenda. The process of prioritizing selected issues as decided by the lobbyists, even the congested public agenda by the way of intended gerrymandering results into distortion of agenda. However, such failure is not essentially mirrored into the public discourse regarding agenda matters. Any corroborative evidences revealing the reality of lobbyists relishing lofty private income (rent seeking) in the matters involving greater public profile as of now is not available. Alternatively, groups through lobbying activities attempt to truncate the legislative processes, so that

the policy objectives pursued by them gets priority over other public agenda. It is, however, very difficult to handle this type of democratic failure, as any initiative to offer equal treatment to public agenda and the special interest agenda of the lobbyists, would require bringing in systemic transformations, which may prove contentious. In majority of the democratic world, such attempts to bring the power to influence at equal footage are exhibited during elections, which theoretically are presumed as the right time to establish legitimacy to the processes. Most of the Western democracies have modified their election laws in favour of public funding of political campaigns so that the substantive equality to influence the electorates is encouraged. Indrajit Gupta Committee (1998) constituted *inter alia* to examine the pattern of state funding in other countries and suggested a concrete proposal for providing state funding to the candidates in India and backed the state funding of elections in the wake of “full justification - constitutional, legal, as well as on ground of public interest.” The rationale of such recommendation of the Committee mainly lies upon providing a level playing field to the political parties irrespective of their money power resources. The Committee recommended various facets of state funding of elections including providing of rent free accommodation in the National Capital of Delhi and rent free telecommunication facility to the recognized national parties. On similar lines, the state parties may be provided with the same share of accommodation and telephone in the state, where headquarters of the parties are situated. Besides, the Committee also recommended for allocating free air time to the parties, both National and State, for advocating their election manifesto and strategies on the state run Doordarshan and All India Radio platforms. Nonetheless, the Committee advocated for repositioning the financial stress gradually to the States in view of the stringent fiscal space in 1998. It endorsed that in the longer run, all the election expenses would be borne by the States. Further, it also spoke favourably to provenance of centrally monitored election fund contributed with both by the Centre as also by the States. To start with, the Committee suggested creating a corpus of INR 600 crores contributed annually by the Centre and INR 600 crores proportionately on annual matching basis by the States. The beneficiaries of the funding would be all those political parties who submit the audited account as also the tax returns, however, the candidates not affiliated with any political parties would not avail such convenience. It is argued that any regulation does not seem to be appropriately addressing the distortion issues, and the transparency norms are likely to diminish the absence of competition in pigeon hole lobbying. Most of the nations which have regulated lobbying have also encompassed into their legislation the element of transparency. For example, in USA, it is the lobbyists who are regulated and not their clients. The law provides for registration of lobbyists, whether commercial or in-house, with the registrar of the House of Representatives. The system of recording is online and captures the run time transactions. All runtime data regarding various parameters of lobbying disclosure is available for public scrutiny. The lobbyists’ disclosure for their activities has two aspects – details of their clients including the scope of their lobbying expenditure. Further, those who hire the lobbyists should provide the details of all their expenditure.

In India, there is no regulation for the lobbying activities. The central theme of the transparency policies for lobbying appears to generate awareness regarding political indulgence of parties in political corruption so that such acts of political parties are restrained. Even the countries where lobbying disclosure regulations are in place hardly promote competitive lobbying, therefore, much of the lobbyists are indulged in a narrowly defined area of lobbying without much of competition. The multiracialism, which perceives representative form of government as coliseum, where the special interest scuffle aggrandize their interests, the real test is to create a level playing field for contestants and adversaries showing their acumen. The main hindrance in creating a competitive environment for the lobbyists is the costly information system required for eyeing the lobbying efforts of the opponents. The real time proactive disclosure of relevant information of the lobbyists through the websites can certainly reduce the costs of information sharing. This arrangement can surely instill a fair competition in the lobby market as the necessary relevant information will be available by the competitors through a simple search mode through the internet. In terms of alternative framework of lobbying - legislative subsidies,

lobbyists are rewarded in lieu of complementing blueprints, parliamentary intellect, and judicial efforts by the legislators as they are ably assisted in highly technical matters of judicial insights. In the US, however, stringent transpicuous principles have been denounced for placing the array of highly technical information without presenting them in simplistic user formats, resulting in effectiveness to generate competition in the lobbying market and the disclosure for large sets of information without contextual framework may not be received very well by the public at large. As a result, the purpose of shaming the politicians arguably becomes unjustified. Yet, these negations are immaterial for the purpose of implementation of the relevant provisions. The process of placing the lobbying contents in the public domain through the computer networks help reduce the descriptive and surveil price of enlightened participants and special interest groups, who possess specialized acumen to utilize the disclosed information for their favourable outcomes.

Policy Implications

Lobbying, influencing, and advocacy are important and powerful instruments for monitoring the methods instead of the manifestations. Lobbying for favourable policies, having larger public interest as the central theme, brings about pragmatism in the societal norms led by marginalized groups in society. One of the most important implications of lobbying and influencing could be instilling the culture of transparency in the system as custodians. The lobbying practice essentially results in strengthening collaboration, mutual support, joint action, mutual appreciation and supplementation, sustainable exploration of detailed factual analyses, acknowledging the innovation and new horizons of expertise, as also chasing of policy revamping projects.

In recent years, India has witnessed several policy changes due to social lobby, another form of lobby, which gained grounds for making Right to Information (RTI) and Jan Lokpal (Anti-Corruption Law) laws in India. The movement against corruption witnessed a new phase of usages of media as a part of social lobby and the information and communications technology (ICT) was one of the pivotal players in the entire anti-graft as also the transparency movement through its various platforms including media. The latter became inalienable to the interlocation and the contextualization of the entire proceedings, which lead the critics, including the political thinkers, to presume that the upsurge of the movements is managed by media.

Shreyaskar and Pathak (2020) concluded that the policy agenda of the interest group will be supported by legislators publicly via social and other media (legislator websites and press releases), thus creating broader support for the policy proposal. In short, interest groups are rationally working with their legislative allies because those allies will be the ones most likely to publicly support the group's policy agenda. Furthermore, it will reasonably be possible to exhibit that direct lobbying works. The legislators will respond to the requests of interest groups unconditionally as well, if the political gains to the commitments made publicly are almost certain.

Conclusion

It has been advocated that lobbying is a pivotal apparatus of engaging in democratization. Lobbying thus is a constructive episode from the point of view of multiracialism qua democracy standpoint that we advocate. Nevertheless, the modus operandi of the lobbying actions, whether transparently or non-transparently, results in three kinds of miscarriages in the democratic process as presented herein above. The absence of competition in lobbying exposes the democratic processes and threatens its validity. We have argued that one of the measures through which the informational cost can be reduced is the *suomoto* disclosure of relevant information regarding the lobbyists through the website. We believe that transparent lobbying would increase competitiveness amongst lobbyists resulting into diminished rent seeking. Our hypothesis in supporting lobbying is based on the sound principle that an ingrained democracy would permit, actually would inspire the consortium of groups, for a tryst of

uninterrupted proffer of desirable information. It is reflective of the principle that people are intelligent, and that their participation in the decision making process can certainly improve upon the quality of participation. We thus are of the considered opinion that lobbying should be perceived in a constructive fashion. It is needless to mention here however that the process of governance must ensure extending a level playing field to the associations at all times. Further, it should also be ensured, since lobbying brings about a disparity of chances, that the authoritative processes are not perverted. The legal framework in India is not averse to providing an appreciative platform for acknowledging lobbying as also destigmatizing it, there can, however, be a discourse about its composition and arrangements and execution. Many thinkers have advocated that no flourishing equalitarianism global state can bear the cost of disregarding extant lobbying, whether warrantable or elliptical, and India can't either beseech any departure. The legitimacy, transparency, ethics, and disclosure of the lobby activities and processes, indeed require a deep dive.

Limitations of the Study and the Way Forward

The paper has some limitations as it offers the deliberations on the basis of scanty available literature in the Indian context. The study, however, brings to the fore various areas of future research in this area namely, need for legitimizing lobbying in India, importance of lobbying in strengthening democracy in India, and transactional costs of lobbying in India, etc.

Authors' Contribution

All the authors have contributed a sizeable work to the manuscript. Mr. Pankaj K. P. Shreyaskar, the first author, was responsible for proposing the research idea as well as exploring the existing literatures to be the basis for deliberating upon the issues under consideration. Dr. Mrinalini Pandey, the second author, was responsible for concluding and reviewing the whole paper. Dr. Pramod Pathak, the third author, contributed to present a panoptic view through an eagle's eye during the course of developing the manuscript.

Conflict of Interest

The authors certify that they have no affiliations with or involvement in any organization or entity with any financial interest, or non-financial interest in the subject matter, or materials discussed in this manuscript.

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