

“Machiavellian Marketing: Justifying ends and means in the modern politics”

by Dr. Phil Harris

Member of the International Board of Trustees, Chartered Institute of Marketing,
Centre for Corporate and Public Affairs, University of Otago, School of Business
Marketing Department, Dunedin, New Zealand.

Address for Correspondence:

Department of Marketing
6th Floor,
Commerce Building
University of Otago,
PO Box 56,
Dunedin,
New Zealand
E mail: PHarris@business.otago.ac.nz
Tel 64 3 479 7697
Fax 64 3 479 8172

**"In the end each nation is no more than a flock of timid
and hardworking animals with each government as its shepherd."**

Alexis de Tocqueville 1835

Abstract

Niccolo Machiavelli is used as a guide to some of the key issues facing modern government and applies his insights into the effective management and development of civic society. Political Marketing, Good Governance, Lobbying, Ethics and Effective Communication with the Consumer is Developed.

Introduction: Niccolo Machiavelli, Old Nick and Machiavellianism

"Machiavellian a follower of the teachings of Niccolo Machiavelli (d.1527), of Florence, author of “Il Principe”, which advocates the principal that any political means, no matter how unscrupulous, are justifiable, which strengthen the central government of State.

Crafty, subtle person, who sacrifices moral scruples to the attainment of power, or furtherance of his ends."

Universal English Dictionary, Longman

In recent times Machiavelli has been looked at with more clarity and less emotion by such management writers as Jay (1967), Bushkirk (1975), Shea (1988), Fisher, Kopelman and Schneider (1994) and has even been referred to as the first real marketer. In Marketing Communications the use of Machiavellian tactics have more recently become associated with Spin Doctoring, Issues Management and Power Politics, resulting in works such as McAlpine (1992), Pearce (1993), Curry (1995), Harris, Lock and Rees (2000), etc.

Niccolo Machiavelli was born in 1469 in Florence of an old citizen family and his name has become a byword for perfidy within political life since he wrote in 1513 his treatise on how to rule, *Il Principe*, (The Prince, tr. Bull, 1961)., His other works are often regarded as a major contribution to Management, Marketing and understanding Power. Machiavelli wrote *The Discourses on Livy*, which Antony Jay has likened to a guide book for the modern manager. Machiavelli wrote with great clarity

“ If one wishes a Sect or a Republic to live long. It is necessary to draw it back often toward its beginning”

The Discourses, Third Book.

“Upon this, one has to remark that men ought either to be well treated or crushed, because they can avenge themselves of lighter injuries, of more serious ones they cannot; therefore the injury that is to be done to a man ought to be such a kind that one does not stand in fear of revenge”

The Prince

“Having come to freedom, a corrupt people can with the greatest difficulty maintain itself free”

The Discourses, Second Book

“Benefits should be granted a little at a time, so that they may be the better enjoyed”

The Prince

“ But one thing consoles me: when something involves a number of people, no one person in particular can be blamed”

The Mandrake Root

“One change leaves the way open for the introduction of others”

The Prince

In 1512 Machiavelli was dismissed from office with the fall of the Florentine Republic, he suffers imprisonment and torture before retiring to his farm in San Casciano, where he writes his major works. All but one of Machiavelli's works (*The Art of War*) are not published till after his death in 1527. Twenty-five years later all

his books were prescribed and banned by the Catholic Church. Old Nick and Machiavellianism are born.

But what is the reality of Machiavellian Thought and its influence and relevance for Government I shall begin by examining the place of the state in Machiavelli's thought, followed by a discussion of the concepts of 'Virtu' and 'Fortuna' which are central to Machiavelli's cyclical theory of history and government. By bringing all these together it is hoped to demonstrate that Machiavelli was not amoral, and that the maxim that the end justifies the means attributed to him is inaccurate.

Liberty and the Role of the State

Many political philosophers have based their theories on the assumption that the individual is more important than the state - and indeed most people living in democracies would agree with them. Machiavelli on the other hand felt that such an idea was too simplistic and impractical.

While Locke argued that Liberty, 'tis plain, consists in a power to do or not to do; to do or to forbear doing as we will (1975, p.270), Machiavelli would have pointed out that such liberty is contingent upon the state being free from external domination, and internal instability. Therefore the first priority of the state is to secure its own liberty, so as to secure the liberty of its own citizens. To this end the state may use whatever means necessary: for when the safety of one's country wholly depends on the decision to be taken, no attention should be paid to either justice or injustice, to kindness or cruelty, or to its being praiseworthy or ignominious. On the contrary,...that alternative should be wholeheartedly adopted which will save the life and preserve the freedom of one's country (Machiavelli, 1983, p.515).

If, as Aristotle says, the purpose of the state is to secure the good life (1981, p.59), should the state not take the necessary means to ensure it can carry out that function? This may sound like a pretext for fascism, but, as I will show later, Machiavelli strictly limits the use of these necessary means. We may not, quite understandably, be entirely comfortable with Machiavelli's methods, but we cannot condemn the end: after all, the end is nothing more than self-determination - an idea accepted today as a fundamental principle of international law and good governance.

Virtu and Fortuna

Virtu and Fortuna are terms, which recur throughout Machiavelli's works, and they underlie his recommendations for good government.

Virtu has no straight forward, direct English translation. It has been described as vitality, or energy and courage (Plamenatz, 1970, p.29) and the idea of a tremendous force of will and inner strength that enables one to overcome the most recalcitrant opposition and perilous adversity (Wood, 1965, p.16). In addition, virtu is a quality, which may be found in states as well as individuals. This civic virtu is compounded of many ingredients: a balanced constitution; sound military organisation; intelligently planned expansion; respect for religion and the laws; and above all... liberty (Anglo, 1969, p.102).

Fortuna is a simpler concept: not surprisingly, it is essentially fortune. Machiavelli believes that circumstances, chance, or fortune can act as a restrictive force on our actions, but it need not determine our fate. In *The Prince*, fortune is compared to a river: the river will be calm at times, but will flood and cause damage at others. However the flooding can be prevented simply by taking the precaution of building dykes and embankments.

Overcoming fortune requires virtue; the virtuous man (or woman) will know how to act, as fortune requires. Success awaits the man whose actions are in accordance with the times and failure the man whose actions are out of harmony with them (Machiavelli, 1992, p.99).

The Cyclical Theory of History and Government

As the times change, so the fortunes of states change: It may be observed that provinces, amid the vicissitudes to which they are subject, pass from order into confusion, and afterward recur to a state of order again (Machiavelli, 1960, p.204). As virtue should be able to cope with these vicissitudes, the changes can also be attributed to the degeneration of virtue into corruption on the part of both individuals and the populace as a whole.

Machiavelli's advocacy of acting in harmony with the times, combined with his view of the role of the state, result in the prescriptions for different types of government at different times which are set out in *The Prince* and *The Discourses*. Essentially, Machiavelli believes in the need for two types of government: rule by the individual or a prince (a principality), which is necessary during a time of civic corruption; and rule by the people (a republic) during a time of stability.

We may begin by examining a period of corruption and instability in the state. During such times Machiavelli believes that existing laws and institutions need radical change to return the state to order, and the only way to bring about these changes is to place a single person in charge of the state: the Prince. For rarely, if ever, does it happen that a state, whether it be a republic or a kingdom, is either well-ordered at the outset or radically transformed vis-à-vis its old institutions unless this be done by one person (Machiavelli, 1983, p.132).

Machiavelli would fully agree with Aristotle's assertion that man is the worst of all animals when divorced from law and justice (1981, p.62), and for that reason he sees the job of the Prince as the establishment of the rule of law. The Prince may act in whatever way may be necessary to establish stability (and certainly Machiavelli suggests many ruthless and draconian measures), but it is for that particular purpose only that he may use such measures, and no other. Contrary to the popular perception, at no point does Machiavelli support tyranny (i.e. rule by one person in his own interest). For example he declares that a prince who does what he likes is a lunatic (1983, p.257), and that tyranny cannot please the good, and license is offensive to the wise (1960, p.158).

The Prince's role is an interim one: effectively his job is to put himself out of a job. For when the proper laws and institutions are established, and the virtue of the populace has been restored, the populace will be fit to govern itself, having good laws for its basis, and good regulations for carrying them into effect, [the state] needs not...the virtue of one man for its maintenance (Machiavelli, 1960, p.158). The state becomes a republic, the type of government which Machiavelli feels is best because alike in goodness and glory the populace is far superior (1983, p.256).

Machiavelli, however, believes that men are never content with what they have; their ambition will cause corruption to spread, and the state will return to the beginning of the cycle again. Thus the state constantly undergoes changes as corruption and virtue dominate in turn.

As can be seen, Machiavelli's theories are very broad. The choice of government is reduced to principality or republic, and even then he never fully explains what course the government should take in terms of a legislative programme. There is much talk of good laws and institutions but he does not elaborate further making it difficult to conceive of a typical Machiavellian system.

Morality

Machiavelli's methods are more often than not described as amoral. This is at best over-simplistic, and at worst incorrect. It is over-simplistic in the sense that Machiavelli advocated behaviour which we might consider amoral only in limited circumstances, i.e. when the liberty of the state was threatened. In effect he was supporting the granting of what we would now call emergency powers to the government, except the sort of actions permitted in those times were more appropriate to volatile and violent sixteenth century Italy than to comparatively stable twentieth century liberal democracies.

Machiavelli never suggested that amoral actions should be the norm. As was shown earlier, he believed that man should always act in a way appropriate to the times, and this rule applied to morality. It is simply not practical to take the moral line always, for anyone who sets out to play the part of the virtuous man on all occasions is bound to come to grief among so many who are not virtuous (Machiavelli, 1992, p.67). But as a general rule, the prince should seem to be merciful, true to his word, humane, honest, and religious, and he really should have those qualities (Machiavelli, 1992, p.75). So when possible the prince should act morally.

It must be accepted, therefore, that to label Machiavelli amoral would be a generalisation and a distortion; by far the larger proportion of his work encourages actions, which are, by our standards, moral. We could push the analysis a step further and say that Machiavelli simply cannot be classified on the basis of our conception of morality, as our moral absolutism is simplistic. I tend to agree with Wolin's (1960) interpretation that, for Machiavelli, there were two levels of morality or ethics: public and private. The moral worth of one was not inherently superior to the other, but if a conflict arose between the two then the one, which would produce the most practical result, should take precedence. In practice this meant, if necessary, taking action

which was publicly moral (i.e. designed to secure the liberty of the state) at the short-term expense of private morality.

This produced a situation not where the end justified the means, but where the end dictated means of a type which rendered both the wholly good man and the wholly evil man superfluous (Wolin, 1960, p.208). Circumstances periodically require that the government acts in ways which, to Machiavelli, will be publicly moral, but privately immoral: so how, under our conception of morality, do we classify such actions? To say they are amoral is merely a deft way of avoiding the issue! Clearly, then, morality is a redundant concept in the characterisation of Machiavelli.

My intention has not been to agree or disagree with any of Machiavelli's theories; it has been solely to attempt to clarify the character and meaning of his work, and hopefully to show that he was not Machiavellian.

Machiavelli's work was exclusively for application in the public sphere; he was not concerned with private relations. The role of the government was to secure the stability, liberty and self-determination of the state. Whether the state was a principality or a republic, the ruler was never to act in his own interest; tyranny and corruption were despised and viewed as being entirely contrary to the interests of the state.

Fortune was such that it was believed that the state would inevitably become corrupt at times, and on those occasions a single ruler with great virtue would be needed to rebuild the legal system and the institutions of normal government. When this framework was in place, republican government could take over and rule would be in accordance with public and private morality.

Machiavelli would not have supported a general maxim 'that the end justifies the means'; he believed that one particular end (liberty) dictated the means. He was not amoral and unscrupulous: he simply believed that our morality was dangerously dogmatic, impractical and irresponsible. For these reasons it must be concluded that the Machiavellian image of Machiavelli is nothing more than a gross distortion of somebody who observed power at first hand and suggested how it really worked.

His insight leads one to understand the workings of good government and the tools/philosophies that are necessary to achieve this.

The Emergence of Political Marketing

Only relatively recently has any significant research begun to address the interface between politics and marketing, with Nicholas O'Shaughnessy's work, 'The Phenomenon of Political Marketing' (1990a), though this tends to be grounded primarily in the earlier political communication and political science literature rather than have a strong marketing and management science base. Newman and Sheth (1986), Newman (1994), Butler and Collins (1994 and 1996), Wring (1996), Harris and Lock (1996) and Newman (1999) and a growing number of others have begun to explore this difficulty and have applied marketing theory to explore consumer behavioural aspects of polling, etc. However, this research is limited, as it tends to concentrate on the marketing issues associated with electoral politics, image, voter

behaviour, promotion and some aspects of party management, especially media management or what has come to be known as 'Spin Doctoring'. It does not comment on commercial lobbying as it focuses on the marketing of politicians for elections and tends to concentrate on specific observable marketing tools, which are being used within the political arena. In fact until recently most writings in the area called political marketing have concentrated on electoral and political communications and have not looked at the management of pressure on the legislative process as part of marketing. Nevertheless, it does supply a useful starting point from which to develop a conceptual analysis of where marketing and politics meet and there is growing evidence beginning to be published Andrews (1996), Harris and Lock (1996) and Harrison (2000, forthcoming) that campaigning techniques are being directly adopted from the political electoral arena and being used to influence the business environment for strategic corporate advantage.

Political scientists have a long tradition of writing in the psephological area, especially that relating to elections, party strategy, imaging of politicians and polling techniques. The Nuffield series of election studies carried out by David Butler and others are well known and have been extensively added to by others, the most recent of which have begun to show a particular marketing emphasis are Jones (1995), McNair (1995), Kavanagh (1995), Scammell (1995) and Maarek (1995). The first text is rather journalistic, not surprisingly given the author is the political correspondent of the BBC, but does give some invaluable insights into modern party management and manipulation of the media, based upon first hand experiences during the 1980s and 1990s. McNair (1995) gives a sound modern commentary on the use of all political campaigning techniques in both elections and pressure group campaigning in the UK. This is rather useful, as it is one of the few works that attempts to do this. Kavanagh (1995) in his work calls upon his knowledge of elections from the various Nuffield Election Studies, however, the text focuses very heavily on particular campaign techniques and is very communications orientated. Scammell (1995) in her argument can be criticised for similar reasons as the work focuses on image building in British electoral campaigning throughout the 1980s and 1990s, particularly Margaret Thatcher, although it does give a good historic commentary on the U.S. origins of what has come to be called Political Marketing. The last two authors are well known political scientists, but it must be argued that their understanding of the philosophical debates, theoretical underpinnings and breadth of marketing techniques and their use is still developing. Thus, although the texts by their respective titles and chapter headings would appear to embrace a managed marketing approach, they in fact only highlight one or two electoral techniques and, as in so much of the research, concentrate on the market communication aspects of politics.

Scammell (1999) has attempted to address this shortfall in her most recent work and shows a considerable appreciation of how marketing theory has been broadening into service and 'not for profit' sectors. The development of appropriate political marketing models is one of the prime areas of current research. She suggests that the marketing concept appears to be the key to understanding political marketing. She further argues that one of the most fruitful paradigms is that of 'relationship marketing' which developed from research of service sectors in Scandinavia (Gronroos, 1994). Most recently a growing research interest in the area has begun to emerge reflecting renewed interest and this has led to increased conference activity

and collaborative research which is beginning to appear as publications (Newman, 1999). Maarek (1995), in his text has set out in a practical way the fundamentals of what he terms political marketing, outlining the complete range of techniques available for marketing politicians and communicating political messages for the use of practitioners and researchers. He even attempts to give practical advice in what is the nearest publication in the area to a text on how political marketing and communication can be managed. The text is very much a manual on how to run effective campaigns using a number of marketing techniques, however, like the other works in this area it concentrates on communications. A similar high quality manual has been produced for political campaign (election) managers by Shea (1996) aimed at the US political consultant market.

Machiavelli and Marketing

Machiavelli, in Il Principe, set down the reflections and lessons he had learnt from the reality of having been the second most senior civil servant in the short lived Florentine Republic in this period of turbulent Italian history. He had observed, facilitated and administered government decision making at first hand and wanted to pass best practice and reflection on to others. The short text gives realistic advice to aspiring princes and leaders of organisations and consequently it is not difficult therefore to draw parallels with the modern day. Where Il Principe and its doctrines interest the authors is as a starting point to view and observe the growth of lobbying and campaigning pressure group activity as part of modern marketing.

The Functions of Lobbying

Although lobbying was viewed as an alien concept in the UK by many until recent recognition of its more overt forms by Nolan (1995), the use of lobbying within the political system has been a common phenomenon ever since the birth of politics itself. However public policy is formulated there will always be a tendency for those affected to influence the outcome. Indeed what emerges from Machiavelli's Il Principe is that it is one of the first guides to the emerging realities of the government process and shows the role that influence and pressure play in state decision making. The key problem for Machiavelli was that past failures resulting from lack of strategic planning and well-thought out policies had escalated into crisis situations resulting in the whole of Renaissance Italy being engulfed in war. Il Principe is therefore a treatise on how the effective use of power and influences could have avoided such disasters. Parallels of the situations and problems Machiavelli described are still obvious in modern organisations.

Shaping the external environment by influencing Government through lobbying activities or corporate campaigning is now typical of strategic marketing management practice, whether it be for business, public or not for profit sectors. The relevance of such activities stems of course from the fact that there is hardly an item of legislation passed through the UK Parliament which does not in some way encroach upon business interests or impinge on organisational goals. The proposal to tax audio tapes (Harris and Lock 1996) for example would have affected a variety of organisations including educationalists and charities such as The Royal National Institute for the Blind (RNIB), not to mention a large number of consumers of blank tapes, and discreet organising via a commercial lobbyist company funded by the European Japanese Electronic

Manufacturers Association which resulted in the proposals being substantially amended. Changing the wording of a proposal or the insertion of a special exception in regulations can be worth millions of pounds to commercial organisations and be crucial to the survival of non profit organisations' activities.

Former Chief Secretary to the Treasury in John Major's Government, Michael Portillo, observed that political lobbyists are 'as necessary to the political process as a thoroughly efficient sewage system is to any city' (Marketing 29/9/1994). This might be seen as a backhanded compliment given that lobbyists have been described by some as unethical and against the public interest. There are two competing views on the legitimacy of lobbying. There is the view that lobbyists abuse the democratic system for their own selfish interests and that the growth in the industry, particularly in the use of political consultants, requires the imposition of greater controls over lobbying activities. The alternative position is that lobbying is genuinely an intrinsic part of the democratic process because it can create a counter balance to potentially ill informed or badly thought out policy decisions. Moreover, in reality it can be argued that government liaison is necessary because the government like the ruler in Machiavelli's Il Principe cannot operate in a vacuum, but depends on others for information and advice. After all the nub of political and marketing is having information and as Jordan (1989) argues, members of parliament are only as good as the information they receive. The same applies to politicians and civil servants in Whitehall and their role in policy making and other parts of the legislative, executive and judicial process.

Growth of Lobbying

Lobbying has grown considerably in the past fifteen years in the UK, which was outlined in the factors discussed earlier. Precise information on the current scale of activity is hard to come by, the first Nolan Report notwithstanding, due to the difficulty of choosing what to measure and the general discretion in the way in which lobbying has to be conducted. However, there is substantial evidence of its dramatic increase (Jordan 1989; Attack 1990; Harris and Lock 1996). The growth of corporate lobbying and campaigning is a response to the complexities of modern business society caused by more pervasive government and increased need for competitiveness in a global market by companies. Harris and Lock (1996) reported estimates that expenditure on commercial political lobbying, both in-house and by independent lobbyists, in the UK was between 200 and 300 million pounds and that over 4000 people were directly employed in this activity. It was also estimated that expenditure at EU level was at least one order of magnitude greater than at national level. Recent evidence suggests that political lobbying in the EU is worth over £3 billion (source authors informant).

The Devonport Naval Dockyard Campaign - A Case Study in Lobbying

This campaign won the Institute of Public Relations "Silver Sword of Excellence Award" (Institute of Public Relations, 1994) for the most effective Public Affairs Campaign in 1993-4, for Rowland Sallingsbury Casey (R.S.C.).

RSC, a government affairs company (part of the old Saatchi Group), was appointed by Devonport Management Limited (DML) to co-ordinate the political campaign for the MOD Trident Nuclear Submarine Refitting Contract. The contract was worth £5 billion

and would ensure a future for the winning dockyard and safeguard thousands of jobs. "For Devonport it meant 5,200 jobs in the yard, 20,000 regional jobs and £540 million in annual regional income." (IPR Sword of Excellence Awards, 1994).

RSC quickly found out through contact with politicians, officials and journalists that it was behind its competitor Rosyth in gaining the contract.

Rosyth had its key supporters in strategic positions in Government and Parliament, which was giving it a major advantage. The Defence Secretary, Malcolm Rifkind, was a Scot, whilst the South West had no voice in Cabinet. The Scottish Secretary, Ian Lang, was a public and strong supporter of Rosyth. Not surprisingly Scots Tories backed this position, which was in turn supported by all Labour MPs in Scotland. Dr Gordon Brown, the Shadow Chancellor, was very much to the fore of the Rosyth campaign as MP for Dunfermline East, which included the Naval Yard.

This position was changed by a very effective campaign, which made the centre of its strategy three key points:

- a) Devonport as the right strategic location for Trident.
- b) The DML bid as the best value to the Royal Navy and the tax-payer.
- c) Trident in Plymouth as essential to the South West Region's economic, and the Government's political, health.

To achieve this, an aggressive lobbying and media campaign was organised which would organise the community, workforce, MPs, business community and media. It was intended to show the MOD specialists and political advisers, Cabinet ministers and parliamentarians, the strategic, economic and political case for Trident in Devonport.

Consequently RSC worked with DML and produced the following during the campaign:

- lobbying material and literature,
- a detailed media audit to work out who was sympathetic and not,
- personal briefings for relevant MPs, civil servants, political advisers throughout the summer of 1992,
- lobbying at party conferences and Westminster,
- a 20,000 signature petition,
- amended proposals for the contract to make them more innovative, increased local media awareness,
- trained staff to deal with various media and influencers,
- reviews of political events to see how they could be used to the advantage of the campaign,
- regular monitoring of progress.

In 1993 DML won the contract.

Looking critically at the DML campaign, it can be seen that R.S.C. 's involvement broadened the approach from purely procurement issues. R.S.C. provided a critical edge of political awareness, which before then DML had missed. It is also useful to remember that the 1992 General Election brought significant Liberal Democrat gains in

the Tory dominated South West and fear of the impact of losing the Devonport contract clearly could have tipped the decision in the South West's favour. However, this needed pointing out to many people. See Andrews (1996) for full details and background to case.

Business Situations in Which Lobbying Plays a Role

I propose below a taxonomy of situations in which government is involved and postulate the relative importance of lobbying in influencing outcomes.

1. Government as Purchaser or Allocator

a) Winner takes all

In a number of situations, there is only one contract or opportunity to be bid for. A recent example is Camelot's successful bid to run the National Lottery. TV franchises, the Channel Tunnel consortium and certain military contracts have similar characteristics. Price is rarely the sole criterion. The public decision is usually very visible and lobbying is rife.

b) Large, infrequent contracts

Defence and large public works contracts are typical of this category. Increasingly failure to obtain such contracts threatens the very existence of the company or a strategic business unit with a visible and politically delicate impact on employment. The situation of ABB's railway works interests is one example. Again lobbying plays an important role.

c) Regularly supplied items

Apart from highly specialised items, these are usually supplied through standard purchasing procedures, notably by competitive tender. These procedures leave little scope for lobbying, except in so far as it may be necessary to qualify a supplier to be included in the approved list or to pass any other pre-tender hurdles.

2. Government as legislator and framer of regulations

Legislation on matters such as product safety, trademarks and intellectual property, and Fair Trading are obvious targets for business lobbying to ensure that legitimate interests are protected. However, it is easily forgotten that a great deal of matters that affect specific businesses are enacted through regulations under enabling legislation. Visible examples are vehicle construction and use regulations, and regulations affecting food and agriculture. Lobbying is important here to ensure that regulations are sensibly framed and represent an appropriate balance of business and other pressure group interests.

3. Government as initiator of action

There are a number of explicit circumstances in which the relevant secretary of state initiates action by a quango or similar body. The most familiar case is the Monopolies and Mergers Commission. In other examples, where a quango can initiate action itself, the government of the day exerts some influence in terms of matters that are taken up and is frequently the final arbiter in terms of action

upon the recommendations it receives. Lobbying in terms of provision of information as well as persuasive communication play an important role in shaping the progress of events.

4. Government and European legislation and regulation

In Europe with the increasing influence of European directives and regulations upon product markets, proper representation of manufacturers' and marketers' interests have become critical in those areas which the EU is seeking to regulate. As well as direct lobbying of Commission officials and MEPs and representation through pan-European business bodies, support from one's own national government through civil servants and the Council of Ministers is critical to success on significant issues. In these instances, lobbying at both national and EU level is an essential activity.

5. Government as decision maker

There are a range of other situations where the government has de facto or de jure powers to take decisions which affect business. Whilst the example is not directly a marketing one, the recent controversy over the decision to permit Shell to sink the Brent Spar platform in the Atlantic is a good illustration, both of convincing government of the correctness of a course of action, and also of a failure of a broader public relations campaign against a more well organised, but less well funded opponent.

Future Directions

The author has just recently conducted research with members of both UK houses of parliament and Whitehall officials and what clearly emerges is that organisations can be seriously disadvantaged, if they are not providing information to support their long term business positions or counter their national and international corporate competitors by providing information to relevant bodies. This may well sound very logical, but the reality is that a number of interests and companies do not know how or understand the various UK and EU government processes and their ability to develop policy and regulations which impact upon them and the markets in which they operate. This puts them at a serious disadvantage.

The Future

If we are to rely on our guide Machiavelli, we would take from him five things:

1. His appreciation of real politik and getting things done and observing reality.
2. The importance of lobbying, and he would recognise this as more important in the 21st Century
3. The importance of influence and being able to exert pressure to gain competitive advantage.
4. The importance of being able to manage the political process, being able to predict election results and being able to exert influence in campaigns to achieve just political ends.
5. The use of Machiavellian marketing

Modern Machiavellian Marketing

Increasingly, to be able to compete means being able to exert pressure on government to gain competitive edge. Let me give some examples of EU government areas where if one can change views of government, one can gain advantage. A well argued case, which has been outlined before, is that it has been suggested that a number of German and French car manufacturers successfully lobbied the EU for them to adopt catalytic converters as their preferred vehicle emissions measures. This became compulsory legislation, to the advantage of Mercedes, Audi, VW and Peugeot et al. At a stroke this wiped out one billion pounds worth of investment by Ford in lean burn engine technology and half million pounds investment by Austin Rover, also developing this technology. Both Ford and Austin Rover deemed this technology to be a lot cleaner than just using catalytic converters. They had opted to go for a higher specification system rather than the intermediate catalytic converters. Once the legislation was enacted across the EU, Ford lost its billion pound investment in R and D and had to reinvest in catalytic converters to catch up. Austin Rover, as a result of this policy, lost its investment, could never catch up and when bankrupt. BMW now own Austin Rover.

The second example is that Philip Morris are probably spending in the order of at least 50 million pounds a year in Brussels trying to stop national states and the EU bringing in similar measure for compensation to meet health care risks of cancer infected tobacco smokers. The money is being used to delay legislation, which leads to compulsory care and compensation for sufferers. In the States, it is now almost mandatory for many to get care for tobacco related diseases. By delaying the legislation Philip Morris benefit financially.

Other areas where one can exert pressure to lobby for advantage are:

Packaging - which may use only particular materials across Europe to meet specifications. Clearly this disadvantages its competitive edge to certain processes and companies.

Broadcasting. As broadcasting internationalises the granting of licences or privatisation of public broadcasting can give strategic advantages. Look at Murdoch or Time Warner.

Health. Delays in environmental protection, tobacco legislation or alcohol abuse have an effect both on the healthcare industry and certain businesses.

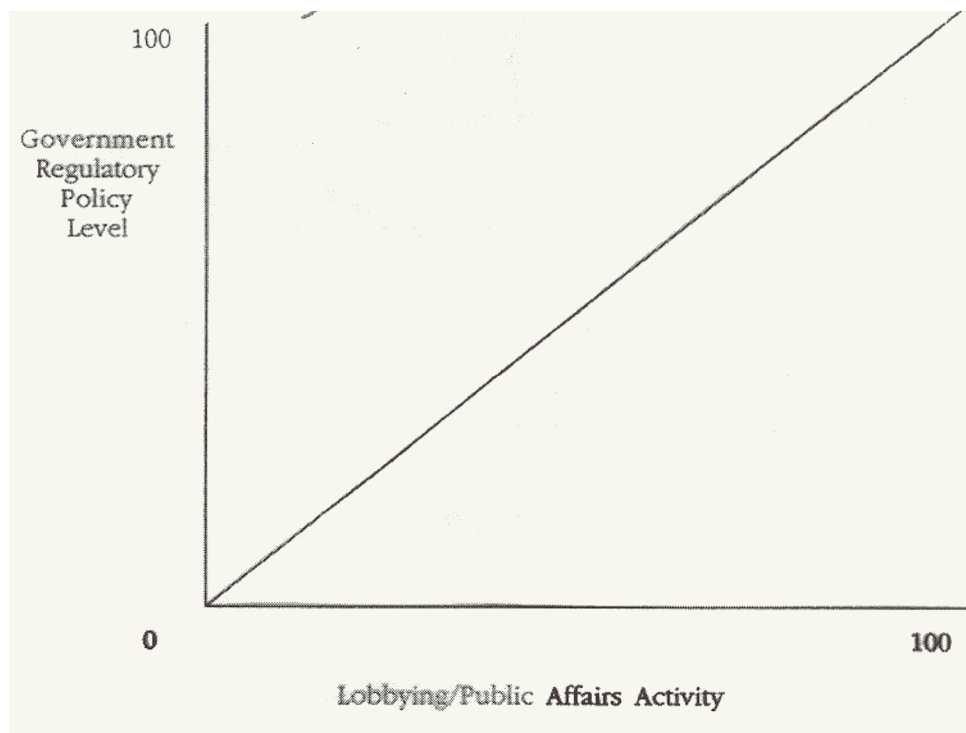
Travel/Ecology. Restricting travel and tourism may benefit the ecology or may just mean that if you have the money then you can go there.

Resources. Clearly, the allocation of fossil fuels, emissions and scarce resources and their availability also impact on competitive edge. Reliable and renewable electricity can give competitive advantage. Erratic and hazardous energy systems can lead to decline. People do not shop in Chernobyl any more.

The Rise of Regulation

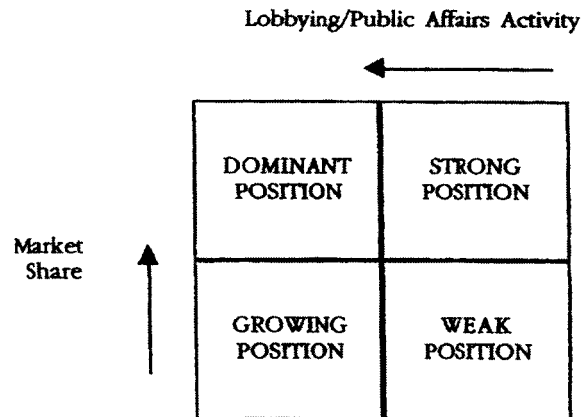
Lobbying has grown as a result of business and non-governmental organisations wishing to influence government regulatory policy. As government has sold its ownership of control of various sectors of the economy - utilities, broadcasting, etc. - so it has tried to shake the direction of these now private companies or organisations and their interests through regulation. In fact the last part of the 20th Century and early part of the 21 Century has seen government at every level develop the regulator and regulation. To influence that regulation leads to strategic gain for the organisation. If you can shape the market to your advantage then you win and lobbying is about shaping that regulation so that it suits you and your interests. I have developed throughout my research a number of core graphs to indicate graphically how one exerts pressure. The first one is called the Machiavellian graph and shows that each time government increases regulation, lobbying public affairs activity increases to shape that regulation.

Figure 1: The Machiavellian Graph



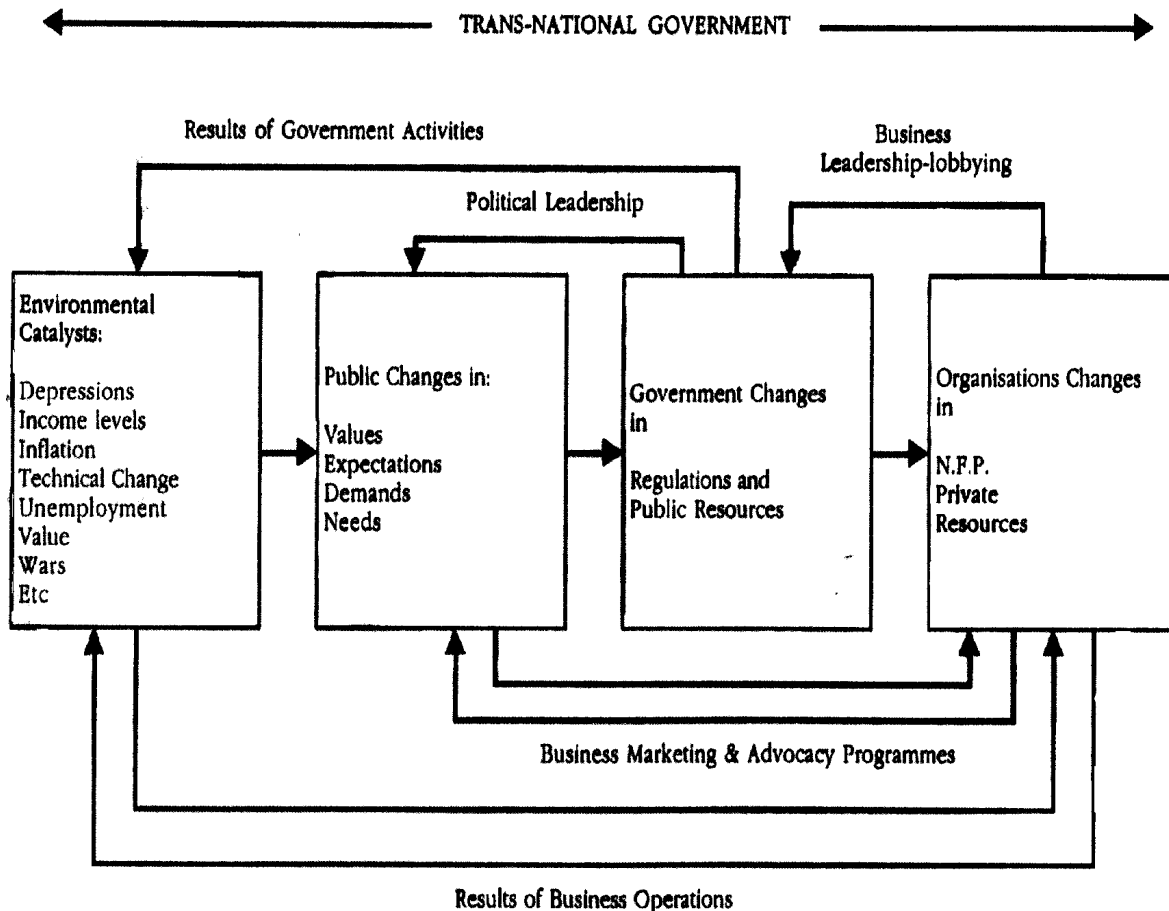
This can also be graphically shown in a 2x 2 matrix which I called the Machiavellian matrix, the more government regulatory policy, the higher the level of lobbying, thus intense activity.

Figure 2: The Machiavellian Marketing Matrix.
The Isotropic Relationship Between Market Share and Levels of Political Lobbying:
The Maintenance of a Dominant or Monopolistic Position in a Market Sector Through Political Lobbying.



We can see this being developed further if we look at the ways in which business, lobbying and policies can be used to influence government in the following model of influencing decision making at the national and transnational government levels.

Figure 3: The Role of Political Lobbying as a Feature of Political Marketing Communication with Government: A Model.



Conclusion

Machiavelli provides a useful guide to exploring government and where to exert influence. There has been a growth in lobbying because as government has withdrawn from its role of being owner in the economy it has attempted to regulate and set the business environment for companies to operate in. However, the more competitive companies and NGOs influence that regulation to their own competitive advantage. There are currently 28,000 NGOs registered in Brussels explicitly just to influence EU policy. I wonder why?

Lobbying is part of modern political communication. As politicians become increasingly isolated and short of quality information, effective lobbying fills up that vacuum and allows good decision making (and of course some times bad decision making). Globalisation is meaning that to gain competitive edge transnationally, lobbying is used to influence the EU, the WTO, NATA, etc.

Another trend is of course accountability and lobbying has to be seen to account like government and be of a high ethical standard and interests declared. As society has higher demands, so it will want its voices heard and society will become more consumer driven and government will have to become more responsive to consumer needs. Perhaps consumer needs in Bulgaria would be better roads, better health care, better education, rather than some of the things that politicians in the past have wanted. Consumers need to lobby for that quality of life and for resources to be spent on priority areas. All that we can say is that we can be sure of one thing, that as government increasingly develops a regulatory society, so lobbying will grow and the only way to counter this is that if your voice is to be heard “all armed prophets conquered, all the unarmed perished”.

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Correspondence

Phil Harris (PHarris@business.otago.ac.nz)
Department of Marketing
6th Floor, Commerce Building
University of Otago,
PO Box 56,
Dunedin,
New Zealand
Tel 64 3 479 7697
Fax 64 3 479 8172