

**Lobbying and Political Lucre:
What Gets Influence—Money, But Friendship More Effective;
What Stops Corruption—Jail Time and the A-G’s Glare,
Division of Opinion about Rules as the Solution**

**BDO Dunwoody CEO/Business Leader Poll
by COMPAS in the Financial Post
for publication June 19, 2006**



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1.0 Introduction

COMPAS asked the panel of CEOs and business leaders for their thoughts about how to acquire influence and how to protect the federal government against political corruption. The catalyst for the survey theme was the media report of a major bank urging its executives to give to the Liberals and Conservatives.

Few panelists thought the bank's motives were anything but influence acquisition.

Most agreed that giving money to politicians or attending fundraisers are effective ways of eliciting influence but not the most effective. The single most effective method is to hire a lobbyist with friends in high places. The university textbook advice to work with public servants early in the development of an issue is not seen as especially effective.

As for protecting Canada against political corruption, the members of the panel see as effective all the options presented to them. At the top of the list of effective solutions are jail time and the glare of publicity from the Auditor-General. Panelists are divided about the effectiveness of rules. As one CEO put it, "I think you will always have a certain amount of corruption as long as you're employing people. Power leads to corruption."

These are the key findings from the current web-survey of the COMPAS panel of CEOs and business leaders undertaken for the *Financial Post* under sponsorship of BDO Dunwoody LLP.

2.0 Political Donations Work...But Only Somewhat

The point of departure for this survey was mediated reporting that a major bank had urged its executives to make donations to the two major parties. The bank's motivation was overwhelming about earning goodwill, according to the COMPAS panel of CEOs and business leaders, not about helping democracy



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flourish. More than three-quarters (77%) believe that the purpose was to earn goodwill, only 17% that it was about furthering democracy, as shown in table 2.

*Table 2: (Q1): As you know, the media have reported that a major bank suggested that some of its senior executives should donate about \$100,000 in total to the two major federal parties.
[RANDOMIZE]*

	MEAN	7	6	5	4	3	2	1	DK
To what extent was the purpose to earn goodwill from important national politicians. Please use a 7 point scale where 7 means this was very much the purpose and 1, not at all.	5.8	40	23	14	8	3	5	1	7
To what extent do you think these donations will actually give a company doing so a comparative advantage over its competitors. Please use a 7 point scale where 7 means a clear advantage for the donor company and 1, a clear disadvantage.	4.5	11	13	24	26	8	7	4	8
To what extent was the bank's purpose to help fund parties, which need a lot of money to properly carry out their democratic duties. Please use a 7 point scale where 7 means this was very much the purpose and 1, not at all.	2.8	3	6	8	12	13	18	28	13



While the panel is almost unanimous in attributing political motive, it is somewhat divided about the effectiveness of the stratagem—only 48% say that it is at least somewhat effective, scoring its effectiveness 5-7 on a 7 point effectiveness scale.

While the overwhelming majority saw the motivation as earning goodwill, at least one saw the purpose as providing help to the floundering Liberals. “The real reason the banks will get their executives to donate to the two main political parties,” offered an Ontario CEO, “is to help the Liberals. The Conservatives don’t need the money, but the Liberal desperately do. By giving to both, they appear neutral, but they are not.”

3.0. How to Win Friends and Influence Politicians

As previously noted, the panel sees donations as effective in the bank case, but only partly effective. Panelists likewise see attending a fundraiser as partly effective for influencing the host politician, but even more effective for networking with other attendees, as shown in table 3A.

Table 3A: (Q4): Do you agree or disagree with the following opinions about attending a political fundraiser. [RANDOMIZE]

	AGREE	DISAGREE	DNK
Valuable for networking with other attendees	85	11	4
Valuable for accessing or influencing the politician	65	25	11
Valuable as an insurance against losing the possibility of influence or access	52	36	12

Among various other options for gaining political influence, the tried and true stratagem of engaging a friend of a person in power tops the list, as shown in table 3B. Hiring a prominent lobbyist is also seen as effective. Intriguingly,



identifying an issue early and working with junior public servants at an early stage is seen as least effective even though university text books on lobbying and public affairs strategies often portray this approach as the most effective.

Table 3B: (Q2): On a 7 point effectiveness scale, where 7 means very effective and 1, not at all, how effective would you judge each of the following methods for an organization that wants to influence federal government decisions. [RANDOMIZE]

	MEAN	7	6	5	4	3	2	1	DK
Hiring lawyers or lobbyists who are longstanding personal friends of key political players	5.6	23	35	25	10	3	2	1	2
Hiring prominent lobbyists to make your case for you to public servants and politicians	5.4	15	35	33	12	3	0	2	2
Getting the national press to editorialize in favour of the position you favour when doing so make sense	5.1	15	28	23	18	7	4	2	3
Giving money to the governing party and seeking influence through prominent politicians	4.8	13	27	22	14	12	4	6	3
Identifying issues early and speaking with low level public servants as early as possible	4.2	12	16	20	10	19	16	6	3

4.0. Jail and the A-G’s Glare—the Best Remedies for Lobbying Corruption

The CEOs and business leaders on the panel are somewhat divided about the effectiveness of rules for protecting the public interest against corruption in



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government. A clear majority believes that more rules will indeed protect the public, as shown in table 4. But a clear majority also believes that “introducing more rules about lobbyists is useless because only the most politically savvy and well funded organizations will know how to get around the rules.”

Though divided about rules, the panel seems quite consensual about the effectiveness of the Auditor-General and jail time. Both are seen as more effective than a hard-working media but the latter are seen as effective too.

*Table 4: (Q3): On a 7 point agreement scale where 7 means agree strongly and 1, disagree strongly, how much do you agree with the following opinions about how to reduce wrongdoing, including improper spending and unfair lobbying.
[RANDOMIZE]*

	MEAN	7	6	5	4	3	2	1	DK
Sending more culprits to jail is the best way of preventing abuse of public office	5.6	30	25	25	11	2	4	1	2
A hardworking Auditor-General that truly does her work is the best way of protecting taxpayers	5.5	29	28	21	14	3	4	0	1
Just as public corporations have a lot more rules to protect shareholders, so too should governments have a lot more rules to protect taxpayers	5.1	23	30	14	12	11	6	3	2
A hardworking media that shines light objectively on what is actually happening is the best way of protecting taxpayers	5.1	18	25	26	11	7	7	3	2



	MEAN	7	6	5	4	3	2	1	DK
Introducing more rules about lobbyists is useless because only the most politically savvy and well funded organizations will know how to get around the rules	5.0	18	22	26	11	8	5	4	6
The safest protection against abuse is to reduce the size of government	4.8	30	13	15	11	13	11	5	2

5.0 Methodology

The COMPAS web-survey of CEOs and leaders of small, medium, and large corporations was conducted June 14-16 . Respondents constitute an essentially hand-picked panel with a higher numerical representation of small and medium-sized firms.

Because of the small population of CEOs and business leaders from which the sample was drawn, the study can be considered more accurate than comparably sized general public studies. In studies of the general public, surveys of 120 are deemed accurate to within approximately 9.0 percentage points 19 times out of 20. The principal and co-investigator on this study are Conrad Winn, Ph.D and Tamara Gottlieb.

