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U.S.: Lobbying, legalized corruption

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I have not been able to find out if Senators Marco Rubio, Ted Cruz, and Bob Menéndez were lobbyists in their early political stages, but there is no doubt that these individuals —unfortunately of Cuban origin— had already had close ties with interest groups and companies that support the most despicable issues, such as the free sale of weapons by the National Rifle Association, just to name one, an entity that supports them with large sums of money during electoral campaigns, a strategy that has been successful in election issues.

These days, we have written about some events these men are involved in, all tainted by corruption, using their legislative position to defend spurious interests. These

individuals do not need lobbyists to carry out their legalized misdeeds, although there are many who work to influence other senators and representatives.

The term lobbyist stands for the fact that interest groups historically waited for politicians in the lobby (corridor) of Parliament in order to manipulate them. To this day, in most developed countries, this practice has become a very well-paid profession.

Although the modern lobbyist no longer waits for politicians in the lobby, the rules of the game have not changed much: to influence people to pass laws that benefit one at the expense of others. Therefore, any interest group wants to hire those who get "results."

It must be obvious to any unbiased observer that the lobbyist is the enemy of progress. People who spend their lives seeking political rent represent an enormous opportunity cost. Not only do they cause tremendous damage with their actions, which –most of the time– sabotage the market and competition, they also jeopardize the productive contribution to the material progress of society.

Their business is to take away from others, instead of creating for others. This is why any institutional regulation that reduces lobbying should be applauded. But, to tell you the truth, this issue should have never been allowed to happen.

## **EMERGENCE**

What is the origin of this profession? The 20<sup>th</sup> century was characterized by increasing centralization. Due to

the two world wars, economic control largely ended in the hands of the government, which redirected efforts towards the production of weapons, military aircraft, and tanks. This had a clear aftermath: the centralization of collection and budget decisions.

The most important lobbies correspond to influential economic sectors: The military lobby, for example, is very powerful in the United States. The pressure exerted by this powerful industry came to having geopolitical influence in the international decisions of the first power. Not counting other smaller wars where, since 1961, the US has spent some two trillion dollars on four major wars: Vietnam, the Gulf War, Iraq, and Afghanistan. As an example of the power of the military industry, the defense budget of the North American country exceeds 700,000 million dollars.

**The energy lobby:** energy companies have great power. Oil companies have traditionally been among the largest companies in the world, and even now they retain some of the power, amid the debate over the energy transition that is taking place worldwide. But not only oil companies, companies in the energy sector are powerful in general, because they allow *"the world to move."*

**The financial lobby:** its pressure managed to repeal the Glass-Steagall Act in 1999, promulgated in 1933 (precisely, after the Great Depression), by which commercial banking was separated from investment banking, to avoid speculation. And few years later, the Great Recession began, which sprouted after the fall of

Lehman-Brothers.

**The health/pharmaceutical lobby:** one of the items with the highest expenditure in any public budget is Health, and moreover, due to the increase in life expectancy, it will probably continue to grow in the coming years.

**The tech lobby:** Big tech companies contribute to and drive the advancement of society, with huge amounts of money to invest and handling billions of pieces of data.

**The automobile lobby:** another of the world's largest industries, with billions of dollars in investments, and millions of jobs generated, not only directly, but also indirectly, through ancillary industries.

In addition, there are other lobbies that do not operate by sectors, but are united for various reasons or are focused on several interests, such as the famous Jewish lobby in the United States.

Lobbyists try to influence politicians to change the laws in their favor, and many other times their job is not so much to exert pressure directly, but to generate a state of opinion in society that drives political authorities to be prone to what they aim at. Or at least, that the laws created can be open and interpretable enough so their demands can be met.

## **LOBBYING AND BIDEN**

Biden was a lobbyist. He took advantage of it before and now he has crowded his cabinet with lobbyists from a strategic consulting firm.

By choosing figures from a private consulting firm on geopolitical and military issues for the highest positions,

the last in the Pentagon, Joe Biden feeds a system of revolving doors for politicians in the interregnum from one government to another. The democratic progressive sectors go further and denounce the collusion of interests between the weapon industry and a more interventionist future Executive in the world.

The head of the Pentagon, General Lloyd Austin, is not only a director of the firm, but he is also one of the heads of WestExec's investment funds, Pine Island Capital Partners. He is also on the Board of Directors of Raytheon Technologies, the world's third largest arms contractor, and of Nucor, the largest US steel producer. And, like his predecessor, James Mattis, he has not served seven years out of the Army so he can go into politics.

The head of U.S. diplomacy, Anthony Blinken; Director of Intelligence Avril Haines, and former government spokeswoman Jen Psaki, co-found or have worked for the private consulting firm WestExec Advisors.

Biden chose to elect the first black to assume the position of Secretary of Defense in U.S. history, ruling out the favorite one and was going to be the first woman, Michèle de Flournoy. It so happens that the latter was also one of the co-founders of WestExec Advisors, in addition to –or perhaps because of this– a strong advocate of the wars in Afghanistan and Yemen, among other crisis scenarios.

The progressive sectors of the Democratic Party criticized his possible election in a public letter to the



Associated Press agency.

WestExec bills itself as a consultancy that provides *"unique political and geopolitical expertise to help business leaders."*

After four years of accusations of conflicts of interest in Donald Trump's term, Biden's decision to support his Cabinet in that private consultancy, which has close ties to the weapon industry, has triggered harsh criticism. Noah Bookbinder, director of the anti-corruption group Citizens for Responsibility and Ethics in Washington (CREW), has warned Biden and his cabinet that *"now it's their turn" to take strong action to avoid conflicts of interest. After the contempt shown by Donald Trump to the rules of ethics, I hope they have learned the lesson,"* he urged.

The WestExec company was created in 2017 to welcome former heads of the Executive of Barack Obama, after Trump's victory. It offers *"strategy advice"* services to companies on *"security and defense issues."*

Not a few see in the name and practices of that company a brazen form of lobbying, of using influence networks to convince political leaders, or in this case, to take over their positions, in order to modify laws favorable to interests of their clients.

In the U.S., lobbying groups are required to publicly identify their clients, but these rules, passed after a series of corruption scandals, do not affect consulting firms like WestExec and their clients.

The specialized magazine "The American Prospect" and

the newspaper "The New York Times" have managed to identify some of the latter, such as the drone manufacturer Shield AI, which has contracts with the Pentagon; Schmidt Futures, run by former Google boss Eric Schmidt, and the Israeli Firm Windward, specializing in artificial intelligence.

WestExec's investment fund, Pine Island, has invested \$283 million in arms companies. Anthony Blinken, and General Lloyd Austin are leaders of Pine Island.

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