

## All too often the revolving door between business and government can lead to ethical conflicts. A new statutory body to rule on appointments is needed.

*One feature of modern political life is the 'revolving door' between business, government, and the civil service. [Liz David-Barrett](#) argues that this close relationship can often lead to abuses of office and influence, and that our current system of self-regulation is no longer working.*



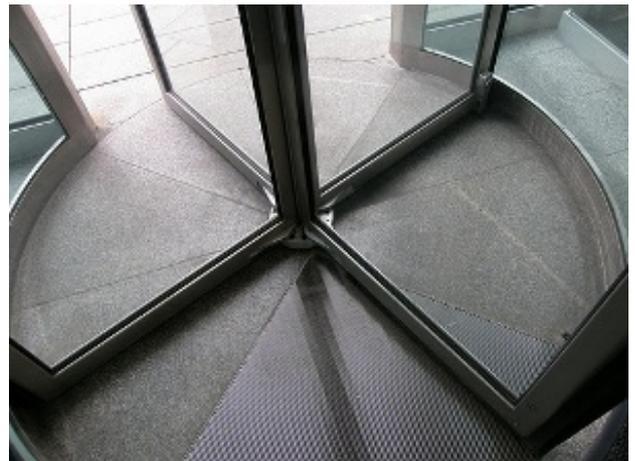
There are many good reasons for government and business to talk to one another, to understand how the other side works, and to learn techniques that can be transferred from one context to the other. But wherever such interactions occur, there is a potential conflict of interest. The risk is most acute where particular individuals have a foot in each camp. That is why a 'revolving door' between government and business, with individuals hopping between jobs in the public and private sector, is a key concern.

The current generation of civil servants, at least the high-fliers, rarely sign up for a lifelong ministry job these days. Rather they do a stint in the civil service, then transfer to the private sector to get some experience there, and might then be headhunted back. The civil service has come to regard business acumen as a key skill: getting a private-sector role on your CV can be the best way to get on.

Credit: Dan4th (Creative Commons)

But the door also revolves the other way. It is also increasingly common for career business people to be recruited into government, sometimes parachuting into ministerial roles as with Gordon Brown's Government of All Talents.

The risks are many. As I outline in my [recent report for Transparency International-UK](#), civil servants who are thinking about their next career move might be tempted to cosy up to possible future employers whilst they are being paid to serve the public interest – a clear abuse of office. Alternatively, having left office, they might exert undue influence on their old colleagues or exploit information that they gained when they were on the inside, to the benefit of their new employer.



Conflicts also occur where individuals leave public office to take up a role that requires them to oppose the government's position on an issue where he or she had previously represented the government. Should individuals be allowed to 'switch sides' in this way?

Civil servants often argue that they have a very strong professional ethic and that we should trust them to regulate themselves. But a few recent cases suggest that they – and perhaps especially their political counterparts, government ministers – are not managing to maintain the Chinese walls in their heads that ethical conduct requires.

Most blatantly, former cabinet minister Stephen Byers described himself last year – caught out in a sting operation by Channel Four's Dispatches team – as "sort of like a cab for hire". He offered to arrange personal meetings with Tony Blair and bragged about the ways in which he had (ab)used his influence and contacts in the past.

A [BBC Radio File on Four programme on the subject](#), last Sunday evening, looks into a recent case concerning Britain's search and rescue service. They find that a government plan to outsource the service collapsed when it emerged that one of the companies bidding for the contract received insider information from an individual who had previously formed part of the government team charged with evaluating the bids. The result: years of wasted work on the government side, tens of millions of pounds wasted by the bidding consortia, and no solution to the original policy problem.

Examples like these suggest that self-regulation isn't working. It is time to reform the system, starting with the Advisory Committee on Business Appointments (ACoBA), the body tasked with advising individuals on post-public employment.

There are three problems with ACoBA. First, it is weak and under-resourced. Transparency International-UK recommends that it should be replaced by a new statutory body that makes mandatory rulings on appointments, rather than just providing 'advice'.

Second, its composition – currently, four peers, two knights and a dame – is not representative of UK society. Members of civil society should be brought on board. Third, it needs monitoring powers, so that it can check that individuals abide by its rulings.

The coalition government has tightened constraints on lobbying by former ministers and senior civil servants over the past year, introducing a blanket two-year ban. But in cases where individuals have occupied high-risk roles, involved in procurement or in preparing to contract out government services, a ban on employment with potential providers of those services seems more appropriate.

Some argue that imposing tough constraints on our public servants is anti-competitive or even contravenes their right to freedom of employment. But business logic is inappropriate here. We can and should expect the highest standards of individuals tasked with serving the public interest. To do anything less is deeply disrespectful to the majority of public servants who manage to uphold high standards in a grubby political world.

*Download the Transparency International report, [Cabs for hire? Fixing the revolving door between government and business](#).*

*This article first appeared on the [Democratic Audit blog](#) on 29 July.*