

The Politics of Persuasion - is Science necessary?

John White

Good morning and thank you Daren, thank you Paul.
Thank you too to the Society for asking me to kick off the spring Conference –
Putting the Science Back into Baking.

Aldous Huxely once described the tragedy of science. It was, he said, 'the slaying of a beautiful hypothesis by an ugly fact'. I take the point, and it's a lovely quote, but only one half of scientific methodology. Facts can lead to theories too. Or put another way, evidence can lead to a good approximation of the truth. Now I don't want to debate truth today other than to say it is often, like beauty, in the eye of the beholder. It often depends on where you stand. Only half the population of Banbury were pleased with the famous ride of the naked Lady Godiva. Why? She rode side saddle!

But facts can provide a way of getting beholders to agree. And science deals in facts.

So why am I here? I am no scientist.

I am, amongst other things, a lobbyist; a persuader; an advocate (although others have been less complimentary). My environment is political. That means deals and manoeuvres; trade-offs and power games. It's Sir Humphrey mixed with Alain B'stard mixed with the local parish council. It is not always rational and it very often seems to produce public policy that the public doesn't support. It's imprecise - not a science but an art.

And isn't science the antithesis of the very characteristics I have just identified? Science is definitive, precise, accurate and predicative. I am pretty sure that when I throw a ball in the air it's going to return to earth – a phenomena explained by Newtonian physics. I know, all other things being equal, that adding ascorbic acid to my bread mix will produce a fuller loaf because of the chemical interactions taking place in the dough.

Science deals in facts, politics in capricious humanity. As Noam Chomsky said 'as soon as questions of will or decision or reason or choice of action arise, human science is at a loss'. The question is can they ever mix?

What I want to do today is look at this interface between science and politics and lobbying.

But first I want to say a few words about the Federation of Bakers (FoB).

The FoB represents the nine major bakeries in Britain, plus the now single independent plant bakery in Northern Ireland. That gives 98% coverage of the market place. That market, essentially the bread market, is comprised of my members with an 80% share by volume, in-store bakeries with a 17% share and the retail bakeries with a 3% share. We employ 22,000 people and have a turnover over £2 billion at retail sales in bread alone. That represents 9 million loaves freshly delivered every single day.

The market as you know is challenging, with powerful retailers competing intensively on price. At the same time consumption of bread, particularly in the home has sunk to record lows despite 99% penetration.

Despite this decline, and consistently difficult trading conditions, the industry has been spectacularly good at new product development and this has helped to move the market further into the premium sector. For example, organic products, the crusty ranges, functional breads, white breads that are brown, long-life loaves, etc. (and I have to say as an aside that I fully recognise the role science played in getting those products to market).

And what issues are we dealing with? I will mention just two as I want to use them later.

Firstly salt. As you will only be too aware some people would categorise salt as a Class A drug! Well there are a lot of scientific papers linking salt to, principally, hypertension. On the other hand there are a lot of scientists who dispute the evidence.

Which reminds me of the company Chairman who told his HR department to employ a one armed economist. When the perplexed HR Director tackled him about this

bizarre request the Chairman replied tetchily that he was fed up with being told on the one hand this but on the other hand that.

Whatever the truth, the Food Standards Agency and the Government take the view that salt consumption is too high in the population. As a result they have set a target reduction in salt consumption from on average 9g per day per person to 6g. And bread contains on a population consumption basis a lot of the salt people eat – just under a quarter on National Food Survey consumption data but probably between 14 – 17% based on urinary sodium excretion measurements the Federation conducted a few years ago.

As a result bread and particularly sliced bread because of its visibility, have been under constant attack. These attacks have added to the list of media sexy issues that say bread is not a good thing to eat. It's fattening (it's not); wheat is bad for the millions of wheat intolerant people out there (there are not millions); carbohydrates should be excluded from the diet (nutritionally you should base your meals around carbohydrates), and so on. More recently we have been told that bread makes you blind. Well so does something else, and there is about as much evidence for that theory too!

Now the strategic aim of the Federation is to contribute to an improvement in the perception of the value of sliced bread. Obviously we need therefore to get out from under the cloud of persistent criticism. A solid communication strategy and good issues management for the Federation are key to doing this. And I will talk about the way we do this later.

The second issue is persistent below cost selling. The sale of the cheapest-on-display loaf by the retailers at a price less than they bought it for has been going on for around four years. We all remember the 7 pence loaf! The retailers say it is their business at what price they sell their own label bread – and any other bread for that matter. And of course the consumer benefits from low prices.

On the other hand, if the industry wants to improve the perception of the value of sliced bread it doesn't help to have a loaf priced, as it is now, at 19 pence. It also disrupts the whole price architecture of the category and upsets all the price points. That in turn inhibits the returns the industry should be seeing which holds back investment. That is not in the consumers' interests.

But more importantly, and as the Competition Commission found last year, the practice acts against the public interest, confirming acres of competition law jurisprudence. Basically as bread is a Known Value Item, and the retailers compete vigorously on price, smaller shops cannot compete and lose valuable foot-fall. This in turn leads to a decline in their economic viability and ultimately can lead to their closure. This means a reduction in competition and in small towns and villages across the country a loss of amenity. For the old and immobile that can be catastrophic. Yet the Competition Commission failed, unusually, to recommend to the Secretary of State any remedies. They argued that the two possible remedies would create more harm than good. We disagreed.

Firstly they considered allowing retailers to buy bread at the below cost price from each other. The prospect of Terry Leahy popping round to Sainsbury's with a large trolley to stock up on bread did not seem a very sensible idea to me either. More realistically they considered recommending a ban on the practice, which is the case in a number of European countries. Whilst the idea of a ban runs contrary to current political orthodoxy (and was therefore something the Federation would not advocate) the Commission considered the evidence in favour of a ban rather briefly and tendentiously.

They did recommend a Code of Practice to control the retailers' tendency to behave rather harshly with some of its suppliers. It seemed obvious that a clause on below cost selling could have appeared here. They didn't think of that.

Where does that leave the Federation on this issue? Well we still want to see an end to the practice. We don't see a ban as a realistic, but maybe we can move the retailers, and maybe we can get something in the Code of Practice. If the recommendations of the Curry Report are followed that will be in two years.

As with the salt issue how we go about this is something I will come back to .

But first I want to recount a story which illustrates a number of good practice points for political lobbying and then introduce them to the way in which the Federation is going about dealing with the two issues I have just described.

This example is not from the food industry but comes from the amusement machine industry in which I previously worked.

Back in the early 1990's, fruit machines were taxed by the government through something called Gaming Machine Licence Duty. In the 1995 budget, then held in November, the Chancellor, Kenneth Clarke, completely out of the blue said he was going to tax all types of amusement machines. This would be videos, pinballs, and similar, as well as the fruit machine. It was a very serious matter. Not least because I was driving up the M6 to our annual conference and nearly swerved off the road as I heard the announcement on the radio.

So what did we do? First of all took a deep breath. One of the biggest mistakes you can make in lobbying is going in with a steadfast position. You need to be a master of the facts and flexible in your approach. There is always a long way to go before a resolution is reached. Having given to the media the necessary holding statements, which had to be instantaneous, identifying that this was a very serious matter for the industry, we set about doing two things.

Firstly we had to understand what these tax changes would actually mean on the ground. For that we employed an independent and well-regarded firm of accountants to do the analysis. In the pre-Enron days 'well-regarded firm of accountants' was not an oxymoron.

Secondly we built a coalition of interests. I maintain that when you want something done you need a voice of the coalition, but as in this case, when you want to oppose something you need a coalition of voices. And that's just what we put together. We wanted to give the impression that the government's plans were roundly damaging. We got people from the Victorian Society worried about piers, Student's Unions worried about their crèche facilities, working men's clubs worried about the price of a subsidised pint and so on. Representations were coming into MPs and Ministers from all over the place.

We also had to build a grass roots campaign with MPs. The political environment at the time was very different to know. The Major government had a majority of just 18. This gave backbench MPs a great deal of influence and there was quite a bit of discontent around within the Tory party at the time. The whips were on overtime sniffing out potential embarrassment, so a lot of focus was on getting individual constituents to personally go and see their MP. Treasury post bags were soon bulging with letters passed on by constituency MPs, and coupled with the usual PQs and EDM's we got the pressure right up.

With our accountant's prediction of widespread damage to the industry resulting in many job losses and a decline in tax revenues we were able to get to work in two further areas (although I have to say all of this work was overlapping). Firstly, getting the civil servants to work with us in supporting a politically acceptable way out. Government wanted an increase in revenues and to be able to say they'd listened but not undertaken a U-turn.

Secondly we had to work the system. That is to say make sure we managed to force debate on our amendments to the Finance Bill in the way we wanted. This meant a lot of lobbying and briefing of both government and opposition MPs on the committee. That is not easy. I didn't appreciate the intense pressure brought to bear by the whips on our sponsoring MP on the Finance Bill Standing Committee. So great in fact that he gave up the fight after the Government's first concession (which wasn't enough). He was new to Parliament and his future in the Party was questioned if he persisted with the fight. Needless to say we got hold of a longer toothed MP thereafter who saw the fight through to the end.

Finally, I just want to mention the negotiation, and that was what it was, with Ministers. Although never articulated we had put ourselves in a strong position. Ministers were looking for that compromise we were building with Civil Servants. It was a question simply of getting the detail sorted.

And, if you're interested at the end of the day, the tax was restricted to gaming machines as originally and only three types of amusement machine. This was at rates that were bearable and there were a number of exemptions that reduced the number of machines affected to a relative handful.

The point of me telling that story is to identify one key element of the whole exercise. In reflecting on the campaign it is evident to me that no matter how clever we were as lobbyists, no matter how well connected we were, no matter how sophisticated our sophistry, no matter how febrile the political situation, we would have got nowhere without a robust economic case. And that's where I come back to science. Although not pure science the economic case operated similarly. It was solid evidence based on analysis, measurement and theory which could give a pretty good prediction of what would happen in different circumstances.

And that is what the Federation of Bakers recognises as it takes its issues forward.

On persistent below cost selling, we have commissioned a leading academic to look at the economic impact of the practice on the business. Initial reports are that this will confirm the damage the practice causes but also extended it. It will be launched at our conference in May. We will be using that evidence to persuade. It will add to the work we are doing in Europe to amend the Sales Promotion Regulation to restrict to the short term the use of sales below cost as a sales promotion. We may have persuaded the rapporteur to table an amendment, but when it comes to the horse-trading in the Council I want to be on the strongest ground possible. I therefore need the evidence.

Likewise on the salt issue. The Scientific Advisory Committee on Nutrition is currently reviewing the literature on this issue examining whether the advice to reduce the target consumption from 9 to 6 grams should be revised. Whatever view they take it will be based on science. What we will do is look to the positives, also based on science. The response to the anti-salt brigade, who will no doubt herald the expected advice to preserve the status quo as some kind of ringing endorsement of their position, is to point to all the scientific evidence that says why bread is so good for us.

That is not to say we should not respond when asked to do so by Government on this issue. Plant bakers have reduced the amount of salt they use by nearly a quarter since the 1980's. The latest reduction of 10% initially questioned by the FSA (Food standards Agency) was recently confirmed following their own scientific survey. There it is again – robust evidence from an independent and credible third party.

The FSA's confirmation of what we said has helped us tremendously in our lobbying efforts. For there is one thing good evidence does that I haven't mentioned – it enhances your credibility giving more weight to your views on a whole range of issues. Following the campaign on Amusement Machine Licence Duty, government looked to us for a view on machine taxation, used out statistics and modelling during the budgeting process. Following the salt survey the FSA seems much more open to talk about the industry's wishes on for instance fibre claims and the current fashion for wheat intolerance.

I said in my introduction to this talk that science was definitive, precise, accurate and predicative compared to politics which is the opposite. I have shown that because science possesses those characteristics it can provide powerful support for public policy development.

But one does have to sound a note of caution. Science does not always provide an answer. It often throws up more questions. It often demonstrates that a two-sides-to-the-argument approach is inadequate to encapsulate the complexities of an issue. Having added those caveats it still does not diminish my central point that if you want to influence public policy you cannot proceed without robust evidence and axiomatically that means good scientific evidence whether or not it's pure or social science. Also it seems to me that understanding and accounting for those caveats makes any decisions based thereon more honest and supportable.

But there is also another angle to this discussion that is crucial in considering the interface between politics, science and lobbying. That is the public interest. It is the Government's job, within the context of their political persuasion, to govern in the public interest. Whether they do or not is clearly a matter for endless debate. And it seems to me that sometimes politicians' interest in staying in power gets mixed with the public interest. Isn't this what the current debate about spin is really all about?

But this is where science can be misused. Given all that I have said about its centrality in public policy development, it can be a powerful ally to the unscrupulous or disingenuous. We do not have to look further than the BSE crisis to appreciate this.

Here was a Government that was dogged with problems. A big public crisis was the last thing it needed. But it got one. Mad cow disease. The science base at the time was tiny and inconclusive. Rather than openly and honestly discuss the issue and in particular the possibility of the disease being communicable to humans, the Government misled the public about its knowledge of these possibilities. It used scientific evidence to reassure the public about the safety of beef without clearly identifying the limitations of the science. It also, for fear of the political comeback, kept referring to the science or the lack of it as a reason for inaction. Its genuine fear of melt down in the beef industry and a difficult political ride seemed to drive their actions. Further, as the Phillips Enquiry into BSE said, and very much in support of the point I made earlier about the credibility engendered by good evidence, and I quote: *'confidence in government pronouncements about risk was a further casualty of BSE.'*

So where does this leave us in answering the question I posed at the very beginning of this talk, is science necessary in the world of political lobbying? I hope I have demonstrated that my belief is a very clear yes. There is no way you will ever influence the political process without good evidence of your case. For those of us involved in lobbying that means the robust economic or scientific arguments the examples I used illustrate. But science is not perfect, and humans most certainly are not. There is the scope for bad things to be done with good science. The best way

of minimising these risks is, as the handling of BSE showed, to be as honest and open about the reasons for public policy decisions as you can. I think the FSA has led the way in this regard.

Having spent the best part of 30 minutes leading to the conclusion of the importance of science, I just want to end with an undoubtedly apocryphal but nevertheless entertaining anecdote about a scientist lecturing to his first year students about cause and effect.

'To demonstrate the link I have here a flea' he announced to his intrigued audience. Placing the flea on the lectern in front of him he called on the flea to jump. The flea duly obliged. Whereupon the scientist produced a scalpel and amputated the flea's legs. Replacing the flea on the lectern he then repeated the command for the flea to jump. Of course this time it remained stationary in front of him. In triumph the scientist proclaimed: 'Ladies and gentleman there you have it. We have proved conclusively that when the legs of a flea are removed it is rendered completely deaf!'

Ladies and gentleman I hope I haven't had the same effect. Thank you.