Submission from the Campaign Against Arms Trade to the Public Administration Select Committee for its Inquiry: to examine the business appointments rules and the Advisory Committee on Business Appointments

1. The Campaign Against Arms Trade (CAAT) in the UK works to end the international arms trade, which has a devastating impact on human rights and security, and damages economic development. CAAT believes that large scale military procurement and arms exports only reinforce a militaristic approach to international problems. Established in 1974, CAAT receives around 80% of its funding from its individual supporters.

2. The chair of the Advisory Committee on Business Appointments (ACoBA), Lord Lang, in his message on the home page of the ACoBA website, says that "it is in the public interest that those with experience in government should be able to move into business". CAAT does not think this is self-evident.

3. There should be a clear distinction between work in the public service, where the needs of the UK people must come first; and that in the commercial sector, where the ultimate goal is shareholder profit. Moves from the public to the commercial sector need to be more tightly regulated with much longer waiting periods to ensure the public interest is not compromised by commercial and personal interests. CAAT sees the threats to the public interest mainly coming from the prospect of future employment and the lobbying of former colleagues.

4. There is significant public suspicion regarding the relationship between government, both elected politicians and civil servants, and large businesses. CAAT thinks this demands a wholesale review, not only of the business appointments system, but of the implications generally of encouraging movement between the sectors. Such a review should look at the negative effects, as well as the undoubted benefits.

5. It is in this broader context that rules for employment of former ministers and civil servants and the body to administer and enforce them should be determined.

Arms trade

6. Looking more specifically at your current Inquiry, CAAT has an interest in the business appointments rules and ACoBA since many of former ministers and civil servants moving to the private sector are from the very departments concerned with the arms trade. Some of examples, from 2010 and 2011, of those moving into posts with the arms industry follow.
* July 2011 - **Air Marshal Peter Ruddock, formerly** Director General of the MoD's Saudi Armed Forces Project which exists to sell arms to Saudi Arabia, **became** Director of Business Development for **Lockheed Martin UK** (Private Eye, 5.8.11, and ACoBA);
* May 2011 - **Geoff Hoon**, formerly Defence Secretary, who awarded AgustaWestland a billion pound order without competition, **became** senior Vice-President of international business of **AgustaWestland** (Financial Times, 16.5.11 and Times, 25.3.05);
* February 2011 - **Sir Sherard Cowper-Coles**, formerly UK Ambassador to Saudi Arabia who pressured the Serious Fraud Office to drop its investigation into BAE-Saudi arms deals, became International Business Development Director of **BAE Systems** (Guardian 18.2.11 and Daily Telegraph 18.2.11, 14.3.11);
* January 2011 - **Graham Wright, formerly of** the Cabinet Office's Office of Cyber Security & Information Assurance, took "key leadership roles in the UK" for **Northrop Grumman** (Northrop Grumman, 4.1.11);
* January 2011 - **Air Chief Marshal Sir Glenn Torpy, formerly** Chief of the Air Staff, **became a** Senior Adviser to **BAE Systems** (ACoBA);
* December 2010 - **Baroness Taylor of Bolton, formerly** Minister for Defence Equipment and Support, **became** a member of the advisory board of **Thales Corporate Services** (ACoBA);
* October 2010 - **Air Marshal Iain McNicoll, formerly** Deputy Commander-in Chief, **became an** Associate Partner of **Defence Strategy & Solutions LLP** (ACoBA);
* September 2010 - **General Sir Richard Dannatt, formerly** Chief of the General Staff, **became a** consultant to **Control Risks Group** (ACoBA).

7. Looking at the ACoBA report in 2010/11, of the 38 civil servants who applied to ACoBA, ten were from the Ministry of Defence (MoD), three from the Foreign and Commonwealth Office, five from the Department of Business, Innovation and Skills and its predecessors, and one from UK Trade and Investment (UKTI). This is half the total of all applicants. Between them they accounted for 32 of the 64 individual applications. The ACoBA figures refer only to ministers and the most senior civil servants, middle and junior civil servants will also have moved to the corporate sector.

8. Some private sector people are temporarily brought into the public sector with a view, usually, of returning to the private sector. This has always been true of the Government's arms sales unit, now the UKTI Defence and Security Organisation. More recently, it has also been true of the unit's political bosses, Trade Ministers Lord Digby Jones and Lord Stephen Green. With them, there is the additional concern that, though overseeing a controversial area of government work, they are unelected.

9. The cumulative effect of the movement from the public sector to commercial bodies must inevitably reinforce the relationship between the two, giving commerce an influence over government which others with an interest in an issue cannot hope to emulate. For instance, those ministers, civil servants and military personnel moving from the MoD to military companies will certainly predispose decision-making, by way of their lobbying and contacts, towards solutions that involve spending on equipment, rather than on non-military alternatives.

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