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Comments on Kumi Shigehara's Issues Note on "The Future of Policy Advice by Intergovernmental Institutions: Lessons from the UK's EU Referendum Leave vote"

By

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Kumi Shigehara suggests that inter-governmental institutions, policy advisers and economists need to reconsider, in the wake of the UK's Brexit vote, how they approach the dissemination of analysis and policy recommendations if they wish to reach a broader public and influence voting and other political actions. In this note, I shall focus on the strategic challenges that intergovernmental organisations face for effective communications in a post-Brexit environment.

There are three basic rules for successful communications: Target your audience. Be credible. Sound sincere. Recent challenges to the OECD's impartiality in Britain's fraught Brexit debate throw these three commandments into sharp relief.

Re-reading OECD Secretary General Angel Gurría's remarks at the London School of Economics on April 27 2016, two months before the fateful June 23 referendum, one is struck by the conviction with which he argued in favour of Britain's continued membership of the European Union.¹ There can be no doubting his sincerity when he spoke about his memories of Britain in the early 1970s, when he was a student at Leeds University, contrasting those times with today's more prosperous society and the benefits that Britain has derived from being part of the EU.²

But neither his conviction nor his sincerity was sufficient to save the OECD from accusations of partisanship in support of the UK Treasury. And the location chosen for delivery of his message, the London School of Economics, was easily identified by anti-EU campaigners as part of the pro-EU establishment that they were out to defeat.

In his communications strategy, the OECD Secretary General gave priority to interviews with establishment media such as the BBC Today programme and the Guardian newspaper, rather than focusing on trying to reach potential Brexit voters by addressing the non-élite, mass-market and regional media. With hindsight, that can be seen as a tactical error. The audiences reached through these media were broadly pro-EU, whereas the people who needed to be convinced were the waverers who ultimately voted for Brexit.

Talking to ordinary people has never been easy for the OECD. For much of its 55 years of existence, it prided itself on being an intergovernmental organisation that spoke only to governments, with the consultative roles of BIAC and TUAC being seen as a necessary but

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tiresome adjunct. Attitudes began to change in the late 1990s, following the Multilateral Agreement on Investment (MAI) debacle. Since the turn of the century, the OECD has shown far greater openness to dialogue with external partners from environmental lobby groups to offshore financial centres.

In parallel, and arguably as a result of this more open communications policy, the OECD's public profile and influence have risen significantly. But a technocratic fondness for figures continues to characterise much of the OECD's external communications. In the case under review, rather than emphasising the very real losses that a Brexit would entail in such areas as environmental and social policy, Mr. Gurría chose to highlight predictions painstakingly prepared by the OECD's Economics Department on the basis of models and forecasts but easily open to challenge. In communications terms, the identification of a possible £3,200 "Brexit tax", calculated as the annual loss per household in terms of lower GDP by 2030, with the potential for it to be as high as £5,000 in the worst case scenario, turned out to be, not the clinching piece of the OECD's argument, but its Achilles' heel.

Snapping back, media opponents of Britain's EU membership lost no time in pouring scorn on the OECD's predictions. The Daily Express, under the headline "Do NOT trust 'improbable' claims Brexit would have NO benefits to UK economy, say experts" drew on comment from the executive director of the Adam Smith Institute, Sam Bowman.³ The normally staid Daily Telegraph rubbished the OECD's analysis in a column by a consultant, Michael Sinclair, who at the time worked for a firm called Europe Economics and who labelled the OECD warnings as "scaremongering" and "a little crazy".⁴ (Sinclair moved soon afterwards to a communications firm, Westbourne Consulting, where he describes his role as "helping clients in a range of sectors to overcome their communications challenges, particularly where they need to make a persuasive economics case to policymakers and in the media."⁵)

The ease with which pro-Brexit campaigners could dismiss the OECD's analysis was illustrated still more forcefully weeks later by the then Justice Secretary, Michael Gove. In an interview with Sky News, without naming any specific body, he attacked "organisations which are distant, unaccountable, elitist and don't have (the British public's) interests at heart". Blustering under the pressure of the interviewer's questioning, Gove came up with an assertion that set a hallmark on what remained of the referendum campaign: "I think that the people in this country have had enough of experts ... in organisations with acronyms saying that they know what is best and getting it consistently wrong."⁶ The Financial Times, in its headline, put Gove's statement even more succinctly: "Britain has had enough of experts, says Gove".⁷

So where does that leave the OECD and other international bodies with similar roles? Their expertise is their lifeblood, and needs to be defended – and promoted – fearlessly. And yet, as those who know the OECD are aware, it does, on occasion, go out of its way to publish analysis in support of policies being pushed for by one or another of its member countries' governments. That's not to question the good faith of the staff members who produce such analysis. But where models and forecasts, rather than hard facts, are the basis of assertions, there is always room for scepticism and doubt.

In a troubled world, predictions cast in figures, that will then be open to revision or rebuttal, create hostages to fortune. That, ironically, is exactly what happened in September, when the

OECD published an upwardly revised 2016 growth forecast for the UK in its Interim Economic Outlook in September. The pro-Brexit Daily Telegraph crowed about a supposed OECD U-turn⁸. So, perhaps surprisingly, given its generally pro-EU membership stance, did the Guardian.⁹ One of the few British journalists to draw attention to the OECD's halving of its UK growth forecast for 2017 was the economics editor of the Financial Times, Chris Giles,¹⁰

In what commentators are now referring to as Britain's "post-truth" political environment, expert analysis will continue to be the butt of politicians' venom. Michael Gove was at it again recently in his new role as a columnist for the Times of London with an attack on "technocrats", aimed at Bank of England Governor Mark Carney but which also included European Central Bank President Mario Draghi.¹¹

That is the price of influence. More measured commentators recognize the role of intergovernmental "organisations with acronyms" as an essential bulwark in defence of rational debate. Amid the fray, however, the OECD and other such bodies would do well to protect their credibility by making clear how they arrive at their forecasts and what margin for error these entail. They must also be prepared to address interlocutors outside their established spheres of action and to couch their messages in terms accessible to all. As the reception of the OECD's recent Interim Economic Outlook shows, the likelihood that a message will be misunderstood and even wilfully be distorted must be taken on board at the start of a communications exercise, rather than being left to be the subject of subsequent regrets.

Cynics will note that sounding sincere, in such an environment, does not necessarily mean being sincere. But all the sincerity in the world will not carry the day for a statement that fails to reach the right target audience and whose credibility can too easily be cast into doubt.

¹ <http://www.oecd.org/economy/to-brexit-or-not-to-brexit-a-taxing-decision.htm>

² As a UK voter sharing his conviction, I voted Remain in the referendum.

³ <http://www.express.co.uk/finance/city/664998/OECD-Brexit-claims-do-not-trust>

⁴ <http://www.telegraph.co.uk/business/2016/04/27/beware-the-oecd-and-its-faulty-assumptions-on-brexit/>

⁵ <https://www.linkedin.com/in/matthew-sinclair-4a102ba>

⁶ <https://www.youtube.com/watch?v=GGgiGtJk7MA>

⁷ <https://www.ft.com/content/3be49734-29cb-11e6-83e4-abc22d5d108c>

⁸ <http://www.telegraph.co.uk/business/2016/09/21/brexit-not-as-bad-as-feared-says-oecd-as-it-performs-u-turn-on-2/>

⁹ <https://www.theguardian.com/business/2016/sep/21/oecd-does-a-u-turn-over-brexit-warning-as-it-revises-growth-forecast-for-britain>

In contrast to the Guardian's generally pro-EU editorial line, the author of this article, Larry Elliott, who is the Guardian's economics editor, is a self-declared Brexit voter. See:

<https://www.theguardian.com/commentisfree/2016/aug/20/brexit-eu-referendum-economy-project-fear>

¹⁰ <https://www.ft.com/content/d349300e-8000-11e6-bc52-0c7211ef3198>

¹¹ <http://www.thetimes.co.uk/article/experts-like-carney-must-curb-their-arrogance-jkffvjlm>