Bursting the Brussels Bubble

the battle to expose corporate lobbying at the heart of the EU
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The Alliance for Lobbying Transparency and Ethics Regulation in the EU (ALTER-EU) is a coalition of over 160 civil society groups, trade unions, academics, and public affairs firms concerned with the increasing influence exerted by corporate lobbyists on the political agenda in Europe, the resulting loss of democracy in EU decision-making and the postponement, weakening, and blockage, of urgently needed progress on social, environmental, and consumer-protection reforms.

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In the last 30 years, in the light of a series of new European Union treaties, thousands of lobbyists have flocked to Brussels, drawn by the increasing importance of EU-level decision making. Today on average 30–40 per cent of all national laws and regulations in the 27 EU Member States derive from EU rules and legislation; for environmental issues, it is more than 60 per cent.1

Lobbying is usually defined as seeking to influence legislation, policy, or regulation, usually in return for payment. A narrow understanding of lobbying focuses solely on direct representations by pressure groups to legislators. A wider and more realistic definition includes the different forms of communication and research activity that underpin, inform, and support the preparation of policy proposals before lobbyists put them to legislators and decision makers.

From the mid-1980s corporate lobbyists began to take an increasingly close interest in what the EU was doing, and how they could influence it. In 1985 there were reportedly 654 lobbyists in Brussels.2 This figure continued to grow and by 1992 it was estimated that more than 3,000 public and economic lobbies were active in Brussels.3 It is said that over 15,000 lobbyists are currently active influencing the EU institutions, most of them from offices in the four square kilometres around the European Commission headquarters and the European Parliament, the so-called European Quarter.4 Brussels now vies with Washington for the title of lobbying capital of the world.

The vast majority of the Brussels lobbyists work on behalf of business interests. Citizens’ groups and public-interest lobbies, on the other hand, are surprisingly thin on the ground. One estimate suggests that corporate lobbyists outnumber public-interest groups by a factor of five to one.5

1. brussels – a lobbying paradise?

William Dinan, Spinwatch and Erik Wesselius, Corporate Europe Observatory
Corporate lobbyists also have much more money at their disposal. While public-interest lobbies can benefit from the positive reputation of their organisations and the commitment of their staff, they are generally fighting an uphill battle. The uneven playing field between those lobbying for commercial interests versus the defenders of wider public interests is further skewed by the privileged access to decision makers that big business lobbyists enjoy. As a result, EU directives, regulations and other policy initiatives are often weakened by industry’s lobbying power, as documented elsewhere in this volume.

The Brussels lobby scene is populated by a bewildering variety of different organisations and individuals who engage in lobbying activities. Most of them are so-called ‘in-house lobbyists’, who are employed by corporations or other organisations like trade associations, charities, and NGOs. In-house lobbyists represent their employer’s interests to policy makers and regulators. They often cooperate with hired consultants, who work for a fee on behalf of a multiplicity of clients. Hired consultants usually work for specialist lobbying consultancy firms (often part of multinational public relations firms) or are lawyers working in the public affairs departments of large commercial law firms. The complexity of lobbying today means that we need to also factor in the role of media, public relations, and think tanks when analysing how pressure and influence are brought to bear on decision making.

Brussels has over 1,500 professional associations, representing almost every industry imaginable, ranging from the small Brussels office of the European Envelope Manufacturers Association to the 150 staff in the headquarters of the European chemical industry federation (CEFIC). Hundreds of public affairs firms are active in Brussels, big names like APCO, Burson-Marsteller, Hill & Knowlton, GPlus and Weber Shandwick, alongside smaller lesser-known consultancies such as Creative Strategies and the Polit Bureau. Together they employ over a thousand ‘hired-gun’ lobbyists who will work for any industry or company that can afford to pay them. In addition there are hundreds of ‘EU affairs’ offices run by transnational corporations, and numerous think tanks, often heavily dependent on corporate funding.

This lobbyists’ web provides a complex political echo chamber for pro-corporate messages to influence Brussels’ decision makers. The receptions and policy seminars organised by these groups, their publications, brochures, and policy papers all help to reinforce and repeat business-friendly messages in policy discussions. The scale of the propaganda effort (in terms of outlets, volume, and access to key officials and politicians) helps to cement the impact
of big business ideas and interests on decision making in Europe.

Despite its extent, there is still no meaningful transparency around lobbying of the EU. The launch of the European Transparency Initiative in 2005 (see Chapter 13) sparked much debate about lobbying disclosure but to date it has largely failed to make this vital aspect of the political process visible or accountable.

The Commission’s current voluntary register includes less than one third of the thousands of groups and firms that are lobbying the EU. The information in the register on lobbying expenses is incomplete and unreliable. Owing to the continued secrecy surrounding EU lobbying, enforced by the weak transparency system, it is simply impossible to know how much any organisation is spending on lobbying the EU institutions in any year. It is also impossible to tell precisely which issues organisations are lobbying on, or indeed, who is actually doing the lobbying. These vital ingredients for lobbying transparency are not included in the EU lobbying register. An industry insider estimated in 2005 that the annual turnover of corporate lobbying in Brussels was between €750 million and €1 billion. In Washington, where there are slightly more lobbyists than in Brussels, expenditure on lobbying amounted to $2.43 billion in 2005, rising to $ 3.47 billion (€2.6 billion) in 2009.

**Lobbyists in the European system – a brief overview**

A political reality has emerged within the EU institutions where professional lobbyists play a far greater role than they do in any of the EU Member States. While there is certainly a legitimate role for lobbying, EU lobbying risks becoming simply a vehicle for the capture of politics by commercial interests. At the EU level, government of, for, and by the people has been quietly eclipsed by private interactions between professional power brokers and decision makers, who often have very little contact with, or interest in, mere voters. One of the reasons why this system has developed is the absence of a genuine pan-European public debate and the relative weakness of European civil society networks and social movements at the EU level.

Lobbyists seeking to influence EU legislation usually make the Commission their starting point: only the Commission can initiate new EU legislation and it plays a key role in the implementation of existing EU law. The relatively small size of the Brussels’ administration is one of the reasons that Commission officials rely so heavily on outside ‘experts’ in drafting policy proposals and legislation. The entire European Commission employs
approximately 25,000 staff, with as many as a third of these in secretarial and translation posts. To fill gaps in its expertise, the Commission runs more than 1,000 advisory groups, many of which are crowded with industry experts/lobbyists (see Chapter 6). The Commission has in recent years faced criticism for granting privileged access to industry lobbyists, but has refused to acknowledge this as a major problem.

The Commission’s close relationship with business dates back to the early 1980s when then Commission President Jacques Delors entered a strategic partnership with the European Roundtable of Industrialists (ERT), a lobby group composed of top executives from Europe’s largest corporations.13 The ERT was founded with the express intention of creating a business-led Marshall Plan for Europe. It teamed up with Delors to lobby EU governments to support the creation of a single European market and the ceding of decision-making powers to Brussels in order to make Europe more competitive and business-friendly.

The Commission sets the political tone and temperature in Brussels. Its powers mean that it can influence politics and policy throughout the European Union, although member states still have national autonomy in interpreting EU directives. The Commission has shown itself repeatedly to be open to lobbying by business, preferring cosy consultations with corporations to the rather more fraught negotiations with other social interests: in effect big business has a privileged seat at the Commission’s table, while public interests (such as trade unions, environmental concerns, and other civil society interests) are under-represented and frequently excluded.

The Council of Ministers, made up of the governments of the 27 Member States of the EU, approves each piece of EU legislation, and is acknowledged as perhaps the most unaccountable of the EU institutions. National associations and individual companies often target the Council of Ministers by lobbying their member-state governments. Sometimes such efforts are coordinated on an EU-wide basis. As a result of such lobbying, national ministers or their civil servants often act as the mouthpiece for powerful corporate interest(s), presenting it as a ‘national interest’ when involved in intergovernmental negotiation in Brussels.

The European Parliament is important, not simply because it is the only directly elected EU institution, but because in recent years its powers have grown significantly. On many issues it now has the power to approve, block, or adapt proposals coming from the Commission, comparable in some ways
to the role of the Council of Ministers. The Parliament has therefore attracted a growing number of lobbyists, with some 4,500 now holding access badges for the Parliament – the equivalent of six lobbyists for each MEP.

Former EU Commissioner Mariann Fischer Boel recently called the European Parliament a “lobbying paradise”. One German MEP described his daily experience of lobbyists: “They phone me, they pick me up downstairs, they write me a hundred letters a day. It is not possible to get from here to the entrance and not see any lobbyists”. In 2004 a lobbyists’ association complained to the parliamentary authorities that its members sometimes had to stand when they attended parliamentary committee meetings, as a result of the numbers involved. The European Parliament buildings are enormous but they are still not big enough to accommodate the thousands of accredited lobbyists roaming the corridors of power.

An indication of the level of lobbying pressure to which MEPs are exposed can be found buried in an annexe to the resolution on the EU Emissions Trading Scheme (ETS), adopted by the European Parliament in 2008. In an unprecedented move, Avril Doyle, the MEP leading the work (known as the rapporteur) published a list of the 168 lobbies that had contacted her on the issue. Doyle said she felt industry-generated pressure firsthand, but not only from lobbyists: her own party colleagues who had also been lobbied put pressure on her as rapporteur. This lobbying also had a national dimension. Jo Leinen, chair of the Parliament’s Environment, Public Health, and Food Safety Committee described how industry pressure was exerted across Europe: “The German government, the French government, the British government – they’ve all been lobbied like hell”.

In February 2009 Slovenian Liberal Democrat MEP Mojca Drčar Murko highlighted the role of pharmaceutical industry lobbyists during the EU’s so-called ‘Great Apes Debate’ on animal testing. In a dramatic move, Murko distanced herself from the resolution on animal testing for which she was responsible as rapporteur after the Parliament’s Environment Committee rejected almost all her proposals aimed at reducing the suffering of apes in scientific laboratories. Pharma lobbyists played a major role in this outcome. Murko observed: “A lot of colleagues were repeating the same arguments I heard all the time from the research community and pharmaceutical industry – the same arguments, and even the same words”. In protest Murko voted against the committee’s conclusions and openly distanced herself from them in a letter to the committee’s chair.
A recent study analysed amendments submitted to the Parliament on the regulation of climate-destabilising F-gases and on the REACH system for registration and testing of chemicals. In both cases a lot of the amendments were either identical, or very similar to, industry lobbying position papers. On REACH the research revealed that well over 50 per cent of the amendments tabled by the conservative EPP-ED group on the relevant committees “could be traced back to a lobby source”, mainly from the chemical industry. Many of the amendments tabled by EPP-ED MEPs “used identical wording to that of a lobby group”. While the study shows that the chemical industry lobby had the biggest influence on the EPP-ED group, members from several other parties also tabled industry-inspired amendments.

Parliamentarians have become dangerously reliant on the information and ‘help’ on offer from lobbyists. As is the case with the Commission (with its very limited internal research capacity), so too the Parliament relies on advice and information from outside organisations. This represents a massive opportunity for lobbyists with the resources and interest to influence decision making by ‘subsidising’ the work of officials and MEPs in their preparation and scrutiny of legislation.

**David versus Goliath**

Industry lobbyists generally outnumber and outspend public-interest campaigners in Brussels. In his book about his experiences as an MEP, Jens Holm describes the debate over the revision of the Cosmetics Directive. The main lobby player on this issue was COLIPA, representing companies like Colgate Palmolive, L’Oréal, Procter & Gamble, Unilever, and Chanel. COLIPA employs 20 full-time staff at their Brussels offices, in addition to a number of hired consultants. At the European consumers’ lobby BEUC, only one person works on cosmetics issues. As Holm points out, “she is certainly capable, but against 20 fulltime lobbyists and contracted consultants the playing field is obviously unequal”. Cosmetics are just one example. The chemical industry lobby group CEFIC employs around 150 people in Brussels. The car lobby is estimated to employ more than 75 full-time lobbyists in Brussels. Lobbyists for the financial services, energy, and pharmaceuticals industries are among the most heavily represented sectors.

In the field of financial services, the imbalance has been particularly striking. In the midst of the financial crisis and the huge public bail-out of the banking industry, financial services lobbyists have mobilised to resist regulation and
scrutiny of their activities. Barely a week passes in Brussels without the opportunity for MEPs and officials to attend an event where they can hear the perspective of the financial services industry on the financial crisis and its preferred policy responses. There has been virtually no public-interest lobby to counter the constant pressure from the lobby of banks, hedge funds, insurers, and other financial industries.²⁴

In the debate about (the lack of) transparency around EU lobbying, commercial lobbyists have fought against disclosing what they spend on lobbying. José Lalloum, who chairs the European lobbying consultancies’ association EPACA, claimed that such financial information was only useful to “under-employed journalists [to] prove one thing or another”. He said it was “very dangerous” to focus on the money spent by lobbyists and that “linking money with influence sends the wrong message”.²⁵ It is not hard to imagine why those with superior financial means downplay the importance of money. Money does not always determine the outcome of lobbying battles, but financial clout clearly counts.

Looking at lobbying on EU climate policy, Norwegian researcher Anne Therese Gullberg found that the imbalance in resources between business and public-interest groups has serious impacts.²⁶ Business lobbies use their human and financial resources to engage in more comprehensive and prolonged lobbying than could environmental groups. Whereas environmental lobbies (often due to limited resources) mainly lobby decision makers with positions similar to their own, business groups target both ‘friends’ and ‘foes’. Environmental groups are forced to prioritise and focus on influencing key policy decisions, whereas business organisations are able to also invest in more long-term, general lobbying. This more general approach aims not only to set the agenda but also to frame the thinking about which policy options are feasible and which are not.

Gullberg points out that lobbying at the EU level requires more resources than at national level because it is difficult to attract attention given the number of different lobbyists and volume of lobbying activity in Brussels.²⁷ While strategic lobbying is important, the study finds that “strategy is not enough because resources decide which strategies can realistically be pursued”. In the case of climate policy, influence depends on having sufficient knowledge about the process as well as a network of contacts among decision makers. Such resources are costly and time-consuming, putting big business at an advantage.

Lobbying in Brussels is frequently described as being softer and more consensus-seeking than the aggressive approaches sometimes found in
Washington. Lobby consultants in Brussels like to compare the EU quarter to a harmonious village where everyone looks after one another. June O’Keefe from the lobbyists’ lobby group SEAP argued: “In the small Brussels village reputation is everything.” But this cannot justify the industry’s rejection of transparency and is in any case unconvincing. Likening Brussels to a quaint “small village” obscures the high stakes and far-reaching consequences of the decisions being made. Policy decisions in Brussels affect 500 million citizens, most of whom feel uninformed about EU decision making. The lobbying community in Brussels is utterly unaccountable to the wider EU public.

The lobbyists’ benign and Panglossian versions of reality inside the Brussels bubble are at odds with a rather more candid assessment offered by EU lobbying veteran Daniel Guéguen. He has predicted that the Brussels influence industry will become more ruthless. “I think we are moving towards tougher lobbying strategies, towards more sophisticated approaches to economic intelligence that will probably involve practices such as manipulation, destabilisation or disinformation,” he said.

For-profit lobbyists often claim that Brussels hasn’t seen any major lobbying scandals, as have been seen in the USA, suggesting this shows there is no need for mandatory transparency and ethics rules for lobbyists. But in a poll conducted in 2006, some 40 per cent of lobbyists polled indicated they thought a lobbying scandal could happen in Brussels unless measures were taken to avoid it. US scandals came to light as a result of transparency rules, and similar abuses in Brussels may well remain hidden. Is Brussels really an idyllic village full of conscientious lobbyists, or are manipulation, destabilisation, and disinformation the order of the day? At least with some system for compelling lobbyists to disclose their activities, budgets, and clients there is a much greater likelihood that malpractice can be identified and addressed.

Mandatory lobbying disclosure is a powerful means of informing citizens about the conduct of government and making the legislative process more accountable. When US courts forced the major tobacco companies to publish millions of internal documents, researchers were able to see evidence of the lobbying and PR strategies used by the industry to manipulate science and politics. One revealing story tells how a leading Brussels think tank, the European Policy Centre (EPC), helped British American Tobacco (BAT) and its corporate allies to fundamentally change “the way in which all EU policy is made by making a business-oriented form of IA [Impact Assessment] mandatory.” The result was an increased likelihood that the EU would produce policies that advanced the
interests of major corporations, including those whose products are damaging to human health. Think tanks are usually thought of as independent research institutes that specialise in policy development and analysis. However, most of the think tanks in Brussels are highly dependent on corporate funding and many engage more in advocacy than independent research (see Chapter 4). The researchers found that the European Policy Centre in the mid-1990s helped set up a Risk Assessment Forum, which brought together a range of large corporations to build “a large reservoir of informed and favourable opinion towards the project across the EU”. A key part of the project was to ensure that policy makers could not use the precautionary principle in legislation and would instead use impact assessments as a means of evaluating proposals.

**Conclusion**

The power and procedures of the European institutions, their reliance on outside advice and information, coupled with almost non-existent rules and regulations, make Brussels a lobbyists’ paradise. There is no proper oversight or scrutiny of lobbying and there is a shortage of investigative journalists and inquisitive media in the Brussels bubble. All this combines to allow lobbyists to go about their business unfettered by any concerns for public accountability. The result is anti-democratic because those who can spend most on lobbying have the best chance to influence EU decisions.

The only way to begin to get to grips with this democratic deficit is the introduction of a mandatory lobbyists register – but transparency alone is not a panacea to the problems associated with lobbying in Brussels. Examples described throughout this book show how corporate interests regularly use questionable lobbying tactics like scaremongering, flawed impact studies, delay tactics, deception and misinformation, and the use of front groups and third parties to advance corporate interests in policy and legislation. The privileged access and influence enjoyed by big business remains a key problem. These are symptoms of a political culture adrift, lacking a participative and engaged public.

ALTER-EU has consistently promoted an emphasis on ethics and the integrity of public life. We believe that robust rules and regulations regarding lobbying and ethics are needed to secure the probity of the EU system. The culture and assumptions that currently dominate the Brussels bubble are simply not fit for purpose – assuming that the purpose is not simply the corporate capture of EU decision making.


Corporate Europe Observatory, “Academia: a partner for advancing the corporate agenda?”, Corporate Europe Observer 12, August 2002.

Trade associations exist to represent the political and commercial interests of a particular business sector. They are a significant sector within the Brussels lobbying scene.

http://www.fepe.org

http://www.cefic.eu


http://www.opensecrets.org/lobby/index.php


Annex to Avril Doyle (rapporteur), EP report on improving and extending the EU’s greenhouse gas emission allowance trading system, 15 October 2008.


Ibid.


Ninety per cent in ENVI, 61 per cent in ITRE, and 51 per cent in IMCO. [Craig, op. cit.]


A quick search of the Commission’s Register of Interest Representatives (RIR) for the term “bank” returns 29 entries, all of which are banking and financial services lobbies except a tiny organisation called BUBEBA (Build a Better Bank), which has a declared operating budget of €359.


Anne Therese Gullberg, Strategy counts, resources decide: Lobbying European Union clim ate policy, (PhD thesis, University of Oslo, Department of Political Science, 2009).

Ibid.


“PA veteran calls for professional body to scrutinise Brussels lobbyists”, Euractiv.com, 4 May 2005.

For example, Jack A. Abramoff was an infamous ‘super-lobbyist’ with close links to the Republican Party who pleaded guilty to “defrauding Indian tribal clients of millions of dollars, conspiring to bribe members of Congress and evading taxes”. He was convicted of fraud and corrupting public officials and was jailed for over five years for these crimes. Taken from the article on Jack Abramoff on www.sourcewatch.org
