

Corporate Europe Observatory

Annual Review 2014



www.corporateeurope.org

Corporate Europe Observatory (CEO) is a research and campaign group working to expose and challenge the privileged access and influence enjoyed by corporations and their lobby groups in EU policy making. This corporate capture of EU decision-making leads to policies that exacerbate social injustice and accelerate environmental destruction across the world.

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Corporate Europe Observatory – Highlights 2014

Introduction

2014 was a great year for Corporate Europe Observatory and for campaigning against the corporate capture of EU decision-making. This report doesn't give an exhaustive account of our activity in 2014 but a general idea of the key issues we raised during the year.

Highlights included:

- Our research and campaigns contributed to making corporate capture a European Parliament election campaign issue in a significant number of EU countries;
- Over 180 elected MEPs signed the ALTER-EU pledge to stand up against the excessive influence of banks and big business;
- We helped expose the problematic pro-big business record of the Barroso Commission and the growing pressure on the new Commission to change course;
- Our publications and campaigning shone a light on the corporate agenda behind the EU-US free trade talks (TTIP), and in particular its proposed investor-state dispute settlement mechanism (ISDS). This helped create political controversy and strengthened the trade justice movement in Europe;
- We challenged industry's dominance of European Commission advisory groups, exposing Commission departments that continue to allow this scandalous bias (DG Tax, DG Enterprise, DG AGRI, etc.). The European Parliament froze the budget for expert groups to push the Commission to solve these problems;
- We monitored the European Commissioners and MEPs that left office during 2014 and exposed those going through the revolving door into industry lobbying positions;
- We contributed to the continued political pressure that forced the new European

Commission President Jean Claude Juncker to promise to replace the voluntary lobby transparency register with a mandatory register and publish lists of Commissioners' meetings with lobbyists;

→ We launched the lobbyfacts.eu website, which makes data on EU lobbying far more easily accessible to the European public;

→ We exposed corporate lobbying in the run-up to, and during, the UN climate summit in Lima, Peru, including how multinational corporations such as Anglo American undermine crucial climate policies and promote false solutions which allow them to profit from the climate crisis.

2014 was an election year. The **European Parliament election campaign** dominated the first half of the year while autumn saw the **new Commissioners** take up their roles.

As 'ammunition' for stimulating debate on these important issues we published – in the weeks before the elections - articles on banking lobby influence, tobacco lobbying, and MEPs with conflicts of interest. The biggest impact was created by an in-depth report titled **“The fire power of the financial lobby”** (April 2014), which was the first-ever attempt to quantify with hard facts, the size and influence of the financial lobby on the EU level. The report attracted mainstream media coverage in Germany, France, Italy, The Netherlands, Belgium and elsewhere. The report was a real eye-opener and created debate on the power of the financial lobby in several countries in advance of the elections. The launch event in Brussels (organised jointly with Austrian trade unions) was attended by over 200 people, featuring Olivier Hoedeman debating with several MEPs.



In the run-up to the elections we also published a comprehensive report titled **“The record of a captive Commission”**. This 'black book' summarised how the second Barroso Commission was deeply biased towards the interests of big business lobbies in virtually every policy area. The report was covered by several EU-focused media and sparked an angry – but unconvincing - reaction from the Commission.

CEO played an active role in ALTER-EU coalition's <http://politicsforpeople.eu/> campaign, contributing to the success of the campaign. This **Politics for People** pledge drive involved ALTER-EU groups and other partners in more than 15 countries, hosting election debate events and other activities to promote the pledge demands. CEO speakers contributed to events in Italy, Finland, Belgium and The Netherlands. Over 1400

candidate-MEPs signed the pledge “to stand up for citizens and democracy against the excessive lobbying influence of banks and big business”, of which more than 180 were elected. Corporate lobbying influence became an election campaign issue in Germany, Denmark, Austria, Spain and quite a few other countries. This created significant momentum for stricter transparency and ethics rules around lobbying in Brussels.

It might also have contributed to the surprise promise by Commission President Juncker in July 2014 to introduce a mandatory lobby **transparency register**. This was the first time ever that a Commission President makes such a promise and represented a u-turn compared to the previous Commission (which defended the voluntary approach, despite the clear failure to make the bulk of the lobbyists join the register). Already a few months later, however, it became clear that the Juncker Commission was shying away from introducing a legally binding lobby register, preferring a lighter approach that is unlikely to deliver genuine transparency. The European Parliament had in April 2014, in a resolution passed with an overwhelming majority, called for a mandatory register, calling for a legislative proposal to be presented before 2016.

New Commission President Juncker also made another surprising promise: to start publishing (online) lists of meetings that Commissioners, their cabinet members and directors-general have with lobbyists. This is a first success for the demand for pro-active lobby transparency from the Commission around its meetings with lobbyists, a demand CEO and other NGOs have been making for several years. When details about Juncker's initiative emerged in December it however turned out that the transparency around **lobby meetings** only covers less than 300 of the 30,000+ Commission officials, which is merely the tip of the iceberg. CEO is campaign for broadening the initiative so it covers all Commission officials that are being lobbied.

The new Lobbyfacts.eu website (jointly with LobbyControl and Friends of the Earth Europe) was launched in September. The website makes data about lobbying far more easily accessible, for instance providing automatic rankings of biggest lobby



spenders. We organised a well-attended workshop for journalists on how to use the new website. The launch generated significant media coverage and helped raising awareness around the reality of corporate lobbying in Brussels (including Les Echos, Stuttgarter Zeitung, Der Tagesspiegel, NRC Handelsblad, La Dernière Heure, Neue Zürcher Zeitung, NRC, De Standaard, Xinhua News Agency, Berliner Morgenpost, Die Welt, De Tijd and La Tribune). We have published a series of short articles on the **Lobbyfacts** website, including an analysis showing that almost 70% of accredited lobbyists at the European Parliament represent business interests.

Soon after the European Parliament elections we started tracking **candidate-Commissioners** being



discussed in the 28 member states and reacting to candidates with potential conflicts of interest. An example was the Czech government which considered Pavel Telicka, a former corporate lobbyist, as a candidate for the Czech Commissioner post. When all

candidate-Commissioners had become known we concentrated on a handful of the most worrying candidates, publishing indepth profiles and info-graphics on the conflicts of interest and other problems with these candidates. This included Jonathan Hill (nominated by the Conservative UK government) and Miguel Arias Cañete (nominated by the rightwing government in Spain), both of whom had very serious conflicts of interest that we exposed in detail. Despite strong controversy around these two candidates, they were approved as Commissioners by a majority of the European Parliament. The political pressure resulted in the portfolios of both Hill and Cañete being restricted (the issue bankers' bonuses was taken from Hill's portfolio and several of Cañete's issues were moved to Commission Vice-President Timmermans).

In October, shortly before the Juncker Commission took office, we published the report **"The crusade against 'red tape: How the European Commission and big**

business push for deregulation". The report analyses the European Commission's so-called 'Better Regulation' agenda, which is in fact an anti-environmental deregulation agenda. Officially intended to 'cut red tape', the Juncker Commission was considering to withdraw numerous pieces of draft legislation in the field of environment and social protection, lists of legislation that closely mirror industry lobby group demands. The new Commission created an internal governance structure intended to block new legislative proposals that could be perceived as 'red tape', with Commission Vice-President Timmermans in a key gate-keeper role. This creates dangerous new opportunities for corporate lobbyists to weaken, delay or even block important legislation, by labelling it as red tape.

Throughout 2014 we have campaigned to stop Commissioners and MEPs going through the **revolving door** into industry lobby jobs. With ALTER-EU we wrote to Commission President Barroso in January to demand stricter rules around the revolving door, with a press release warning against 2014 becoming 'the year of the revolving door'. ALTER-EU also sent another letter to all 28 Commissioners on the same issue, asking the Commissioners to refrain from moving into industry lobby jobs. The revolving door issue got high-profile attention in September when the European Ombudsman published the results of her own-initiative investigation, in which she slammed the Commission for "systematic maladministration" in preventing problematic revolving door moves. We have monitored the European Commissioners and MEPs that left office during 2014 and exposed those going through the revolving door into industry lobbying. We published more than 40 blogposts and revolvingdoorwatch profiles, which we highlighted through social media outreach as well as several op-eds. The case attracting most attention so far were ex-Commissioner Viviane Reding who went to mining company Nyrstar and media giant Bertelsmann and ex-MEPs like Turunen and Sharon Bowles (two out five MEPs from the powerful ECON committee that went into banking lobby jobs so far).



Throughout the year we have intensified the pressure on specific Commission departments that are running industry-dominated **expert groups** (DG Tax, DG

Enterprise, DG AGRI, etc.). We have published reports and campaign updates and acted on political opportunities that arose, for instance the LuxLeaks scandal (featuring PriceWaterHouseCoopers and other big accountancy firms that are part of Commission expert groups on tax evasion). One of the most important developments in this campaign was the European Ombudsman's decision to launch an own-initiative investigation and a public consultation on the problems with the Commission's expert groups. A major highlight was the decision by the newly elected European Parliament to freeze the Commission's budget for expert groups, demanding stricter rules to prevent industry dominance of the powerful groups. We also published an indepth report on conflicts of interest in the Commission's scientific committees that are advising the department for consumer and health protection (DG SANCO). The report found that two-thirds of scientists advising the EU on controversial substances have problematic industry links. The substances assessed included endocrine disrupting parabens and DNA-damaging titanium dioxide.

In October we launched a 10-minute video about the role of corporate lobby groups in EU decision-making The video was widely shared on social media and was viewed by over 7500 people in the first months. The video is online here: <https://www.youtube.com/watch?v=5pRyFhu1A08>

Our work to challenge conflicts of interests at the EU's **food safety agency** (EFSA) continued with a series of new studies exposing the problems at EFSA, advocacy to convince MEPs to continue insisting on change at EFSA as well as meetings with the EFSA leadership.



Two highlights this year were a

resolution by the European Parliament asking EFSA to formally cut ties with the agrofood industry, and the adoption by EFSA of a key transparency policy objective (reproducibility of their opinions). We also successfully published on and campaigned against new industry representatives being appointed on EFSA's Management Board. The candidate of the food industry's main lobby group in Brussels (FoodDrinkEurope) was finally not

appointed.

We exposed corporate lobbying in the run-up to and during the **UN climate summit in Lima**, Peru (December 2014). This blogposts, articles and press releases as well as an indepth report on how multinational corporations such as Anglo American undermine crucial climate policies and promote false solutions, which allow them to profit from the climate crisis.

Our work on EU **trade policy** during 2014 has probably been the most successful work in CEO's history. Building on our previous work on the threats emerging from investor-to-state tribunals (ISDS), we helped further increase the political pressure against the EU-US trade and investment agreement (TTIP) and also helped broaden the debate to areas such as 'regulatory convergence' (which gives big business new tools to lower environmental and health standards on both sides of the Atlantic). We published a large number of reports and articles on how ISDS would endanger environmental restrictions (such as on fracking), how existing ISDS in investment treaties is being used to demand billions of euros from crisis-hit countries in Europe, on the industry lobby influence over the EU's TTIP agenda, on the implications of the FTA talks for food and agriculture in Europe, the impacts on banking regulation, etc. Our publications exposing the massive corporate lobbying and its impacts on the TTIP negotiations helped create strong political controversy.

Our work contributed to the Commission's decision to halt the negotiations on this issue and introduce a new public consultation – and ISDS is now more politically controversial than ever before. We contributed to several important mobilisations against TTIP in Brussels: in March (together with Belgian farmers' groups), May (with trade unions) and in December (again with Belgian farmers). Mass media interest in our work on these issues was absolutely



unprecedented, especially in Germany, Denmark and France.

We have continued extensive publishing and outreach on the EU's flawed response to the **economic crisis** and the debt crisis that many countries are facing. We published reports such as "**Punishing the victims – a beginners guide to the EU and the crisis**" (translated into Italian and Spanish) and "The European Stability Mechanism – no democracy at the bailout fund". We also co-published several issues of the TroikaWatch newsletter (in six languages). In May we co-hosted a tribunal in Brussels on the Troika and economic governance with around 20 speakers from all over Europe. Throughout the year we have participated in the civil society network on the EU's neoliberal Eurocrisis policies and contributed to public events in Athens, Copenhagen, Frankfurt, Amsterdam and elsewhere.

We organised 50+ **guided tours** of the EU quarter during 2014, attended by over 1000 people (including groups of NGO activists, trade unionists, political party members, journalists, MEP assistants and interested citizens).



Media coverage of our publications and campaigning: over 600 mentions of our work in newspapers, TV and radio in countries across Europe (and elsewhere), including The Guardian, El Pais, Sueddeutsche Zeitung, New York Times, Le Monde, De Standaard, Liberation, De Morgen, BBC, Volkskrant, Der Spiegel, Le Soir, Die Presse, Huffington Post, The Wall Street Journal and many others.

Get involved and help us ! Corporate Europe Observatory (CEO) is a research and campaign group working to expose and challenge the privileged access and influence enjoyed by corporations and their lobby groups in EU policy making. We work with partner organisations and coalition networks, but we also welcome help and support from the wider public in opposing the overwhelming influence of corporations in EU institutions and agencies. Find out more about our work and get involved at corporateeurope.org