

# **Corporate Europe Observatory**

## **Annual Review 2012**



**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 2012



This year CEO, and by extension its critique of undue influence by lobby groups, have enjoyed unprecedented attention due to the release of the documentary "["The Brussels Business – Who Runs the EU?"](#)". The 90-minute movie features Olivier Hoedeman and Erik Wesselius from CEO and looks at concrete examples of industry lobby influence on EU treaties and policies from the 1980s till today. The movie had its premiere at an international film festival in Brussels in April and following that had a very successful run in a Brussels cinema. There have also been many other screenings of the film in Brussels, Amsterdam, London, Berlin and elsewhere combined with debates about the issues highlighted in the movie. In 2013, it will be shown on TV in Germany, France, Austria, Sweden, Belgium, Spain, Denmark and elsewhere.

2012 has been a very special year for CEO, not the least because of the large [conference](#) which we organised in May in Brussels, marking our [15 year anniversary](#). The conference, attended by over 300 people from across Europe, focused on the financial and economic crisis that has had Europe in its grip for almost five years now. On this occasion, we published a [series of research papers](#) exposing financial industry lobbying in the context of the Euro crisis. A network of academics, activists and unionists was created to steer coordination and actions to resist and propose alternatives to the neoliberal responses and corporate influence in solving the crisis in the eurozone.



We have continued to expose connivance between EU civil servants and the private sector creating conflicts of interests, revolving door cases, manipulation of scientific research and other undue influence, with a particular focus on the [EU Food and Safety Agency](#) (EFSA). We published in-depth reports followed by a campaign involving Members of the European Parliament and other NGOs, which for instance led to the [refusal](#) of a new EFSA board member coming directly from Monsanto.

CEO's work kept the issue of industry lobbying influence in the headlines, in Brussels and internationally, particularly during the summer when we criticised conflicts of interest surrounding the President of the European Central Bank, Mario Draghi, and filed a [complaint to the EU Ombudsman](#). We expect a decision at the beginning of next year.

Meanwhile, in cooperation with ALTER-EU, we published a [report](#) on the Commission's industry-dominated expert groups, followed by a short explanatory [video](#) which helped spread our message. For the first time an official representative of the Commission Department "Enterprise" acknowledged during a [press conference](#) that the selection of these groups did not reflect an equal balance among specific interests, i.e. admitting that corporations were over-represented.



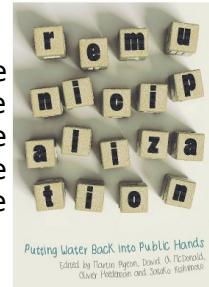
In early autumn, a scandal over tobacco industry lobbying led to the resignation of the Health Commissioner John Dalli, nicknamed the '['Dalligate' scandal](#)', provided strong new momentum for our demands for lobby transparency and ethics reforms. Much remains uncertain, but what is clear is that a tobacco industry

lobbying scandal resulted in the resignation of the EU's Health and Consumer Protection Commissioner. The scandal has opened many people's eyes to the need to curb privileged access and for far stricter rules around the relations between Commissioners and industry lobbyists. With the ALTER-EU coalition, we campaigned for a much stricter Code of Conduct for Commissioners, for pro-active transparency around Commission meetings with industry lobbies and – more generally – for an end to the Commission's close links to big business lobbyists.

The publication of an in-depth report about [international investment arbitration](#) garnered excellent worldwide media coverage, especially in the countries directly affected by this contractual legal system.

In addition to our regular campaigns, we also published successful reports on other issues, such as on [shale gas](#) and [pharmaceutical industry](#) lobbying in Brussels, the strategies of influence the [nuclear industry](#) adopted after Fukushima as well as agribusiness' influence on the reform of the [EU's agricultural budgets](#) (CAP). In total we published 14 major reports, 22 in-depth articles and over 70 shorter articles and blogs. We continued our policy of publishing short comment pieces on media websites, presenting the findings of our reports (e.g. Via the websites of [publicserviceeurope.com](#), [OpenDemocracy](#), etc.).

Together with other NGOs we published [a new book](#) on the remunicipalisation of water supply services. Finally, we had the chance to attend the [Rio+20 conference](#), in Rio de Janeiro in June, where we organised live coverage via blog posts to denounce the corporate capture of the UN and specific lobbying undermining effective governmental actions in favour of the environment.



2012 was also a year of digital change for CEO with a newly designed and user-friendly website, allowing better presentation and searches of our work, as well as on other popular platforms to increase our outreach to a wider audience: [Twitter](#), to spread news and react quickly; [Facebook](#), as a complementary outreach tool; and [Flickr](#), [Youtube](#) and [Vimeo](#), building a wider portfolio of images and videos that reflect CEO's work.

We have had one major change in the staff this year: Rachel Tansey replaces Vicky Cann during her maternity leave. At the end of the year two long-term colleagues announced they were leaving (both choosing academic careers), Yiorgos Vassalos (who will be replaced by Pascoe Sabido) and Helen Burley (replaced by Ester Arauzo and Katharine Ainger).

# Lobbycracy

Working with the Alliance for Lobbying Transparency and Ethics Regulation (ALTER-EU), CEO has successfully raised awareness of the extent of the problem and the democratic deficit of the lobbycracy. We campaigned to convince the EU institutions to improve standards.

## Highlighting conflicts of interest

After the European Parliament's cash-for-amendments scandal in 2011, a **Code of Conduct for MEPs** entered into force at the end of March. This year we have focused on ensuring strict implementation and we started [testing the new rules](#). This included a complaint against Belgian MEP Jean-Luc Dehaene, who was not only an MEP but also chairman of Belgian bank Dexia, sitting on the board of numerous other corporations and who had not disclosed stock options worth up to five million euro. We have had to fight several major battles to prevent the new rules from being watered down, in particular the rules around gifts from lobbyists.



In June we submitted a [formal complaint](#) to the European Ombudsman against **European Central Bank** President Mario Draghi over conflicts of interest. Draghi's membership of the 'Group of Thirty' – a banking lobby group – is at odds with the ECB's rules on ethics. The Ombudsman's investigation into the case sparked the biggest media success in CEO's history, with hundreds of mentions in newspapers from around the world, including Bloomberg, El País (Spain), Le Monde (France), Reuters, Wall Street Journal, The Telegraph (UK), etc. Earlier in spring we had also submitted an Ombudsman complaint about the banking **lobby group IIF** attending crucial EU summits about the eurocrisis and bailouts of banks.

Our campaign for new rules to curb EU officials going through the **revolving door** into industry lobby jobs has this year focused on the review of the EU's Staff Regulations. This resulted in the creation of a multi-party consensus among MEPs on the need for stricter rules, including a one year cooling-off period. While we would have liked a longer cooling-off period, it is an important breakthrough that MEPs so clearly want to halt the flow of Commission officials moving into corporate lobbying jobs. We made a large number of complaints to the European Commission, which formed the basis of a [53-page complaint to the European Ombudsman](#) in November.



## The Commission's corporate advisors

Our campaign on the lack of balance in the composition of European Commission advisory groups (jointly with the ALTER-EU coalition) achieved an important new success in May 2012 when the Budget Committee of the European Parliament confirmed and prolonged its decision to block part of the Commission's expert groups budget. In July we [published a report](#) (with ALTER-EU) on the expert groups at the Commission's DG Enterprise and Industry (DG ENTR), identifying a large number of problematic cases. At the launch debate DG ENTR acknowledged the problems and promised to solve the imbalance issue. The budget block was only lifted in October



when the Commission agreed to set up a joint MEP-Commission working group on the expert groups problem. The working group has identified a list of 50+ industry-dominated expert groups that need to be reformed and started discussing new rules for all Commission expert groups to avoid imbalance.

In the meantime the situation has changed further in DG MARKT and today there are only three corporate dominated groups left. The drastic decrease in corporate-dominate expert groups within this powerful Commission department is of course a major achievement.

## Lobby transparency

During 2012 we intensified our pressure on the European Commission (in particular Commissioner Sefcovic in charge of inter-institutional relations and administration) to improve the **EU's lobby transparency register**. On the occasion of the one-year anniversary of the new transparency register (25 June 2012), we launched a new ALTER-EU report with the title "**Dodgy Data – time to fix the EU's lobby transparency register**". One of the more positive findings of our analysis of the register is that the rate of registration has increased very significantly for several categories, such as Brussels-based lobby consultancies and large companies with Brussels lobbying offices. For these categories compliance rates are now 75-80%. The main reason is that registration has become a condition for receiving an access pass to the European Parliament. Other categories – such as law firms that do lobbying – are however still poorly represented in the voluntary register. The report presented the main problems with the current register in hard figures: many lobbies remain unregistered and the data disclosed by those that are registered are often unreliable. On the basis of these findings we are calling for a mandatory register with high-quality data, a message that was widely covered in the media, both the EU-focused media and newspapers in The Netherlands, France, Belgium, Germany, Bulgaria and Italy, to mention some examples. The Commission carried out a civil society consultation about the register over the summer, during which the membership of the ALTER-EU coalition was mobilised to submit critical remarks and demand for a better register.



# EU response to the crisis

The EU's response to the financial crisis and the escalating eurocrisis have exposed more clearly than ever before the degree to which EU decision-makers are blinded by neoliberal free-market ideology. Instead of rethinking economic policies, EU decision-makers insist on intensifying austerity and imposing sweeping neoliberal reforms of European societies. The result is a dream come true for corporate lobby groups, who see many of their longstanding demands implemented overnight as part of the EU's shock therapy.



In the run-up to CEO's 15 years conference on May 5-6, we published several in-depth reports analysing the EU's neoliberal crisis response, including "Automatic Austerity", "Addicted to risk" (on banking regulation), "What are bankers doing inside summits?" (on the eurocrisis rescue packages) and "Lobbying to kill off Robin Hood" (on the proposed financial transaction tax), all of which reached a large audience. Additionally, we published a dozen or so essays on these issues written by activists, academics and other experts.

The conference themes included regulatory capture and the excessive influence of the banking industry as a factor in the financial crisis, but also the growing democratic deficit emerging from the EU's crisis response. Over 300 people participated in the conference and we had two very successful days of discussion and strategising. The participants were from a very large number of countries and represented a very diverse range of movements, including trade unions, Occupy/Indignados and environmentalists. We had seven action planning workshops, many of which had very concrete results, such as the demonstrations in front of Irish embassies that happened in Brussels, The Hague, Vienna, Madrid, Copenhagen and other capitals in the weeks before the Irish referendum about the new EU treaty (the Austerity Treaty). As a follow-up to the conference, a network was launched that will work to counter the EU's neoliberal crisis policies. It focuses on very concrete pan-European campaigning against the undemocratic transfer of powers over economic and social policies to unaccountable institutions on the EU level eager to implement neoliberal reforms. We were heavily involved in the preparations for Firenze10+10 (an initiative which gathered about 4000 European activists in November 2012, to bring back to life the European social movement and agree on actions to challenge the EU austerity policies and the financial power). We co-hosted workshops on the EU's crisis policies, on corporate capture vs democracy, privatisation and other issues.



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In May and October, we co-published open letters signed by dozens of NGOs from across Europe protesting against the Commission (as part of the Troika) imposing water privatisation on Greece, Portugal and other countries under structural adjustment. The letters got the support of Green and Left MEPs, sparked media coverage, including German TV's Monitor news program in December, and an intense public debate on EU water policies in Germany, Austria and other countries.

# Agribusiness

Corporate Europe Observatory's work on the agribusiness lobby in Brussels focuses on attempts by the biotech, food, animal feed, agrofuel and pesticide industries to weaken regulations and to boost subsidies. In 2012, CEO continued to focus primarily on industry influence at the European Food Safety Authority (EFSA), our work on GM food and feed, and the use of the EU's research and agriculture funds.

## Conflicts of interest at the European Food Safety Authority

After exposing many conflicts of interests at this EU agency, we launched a campaign for an overhaul of the agency's rules and procedures.



In February we released an in-depth report exposing [conflicts of interest at EFSA](#), documenting the flaws in its functioning and the factors resulting in decisions that are often dangerously biased in favour of biotech, agribusiness and the food industry in general. It received very good media attention and has been extremely effective in [convincing MEPs](#) to take action. In March 2012 EFSA introduced new rules on conflicts of interest which should apply to the new panels. The rules cover many of the concerns that we have expressed in our campaign, but also leave some problems unsolved.

In May the European Parliament refused to approve the EFSA's budget due to the many conflict of interest problems at the agency. The Parliament demanded that EFSA cuts its ties with the [International Life Sciences Institute](#) (ILSI), a corporate lobby group. ILSI has since been removed from the EFSA's stakeholder forum. Serious criticisms were raised when it was revealed that the chair of EFSA's management board, Diana Banati, went through the revolving door to become Executive Director of industry lobby group ISLI. In another success, the European Parliament and the EU Council were [convinced to reject](#) the of an ex-Monsanto employee who had been put forward to join EFSA's management board. Later the EFSA also distanced itself from Banati's move, a sign of the changing mood at the agency.

After the groundbreaking study by Professor Seralini was published in September (exposing the health risks of Monsanto GM maize and Roundup), we published several articles about the [PR offensive](#) of the biotech industry aiming to discredit Seralini, as well as on the [EFSA's superficial assessments](#) that concluded the Seralini research was not relevant.

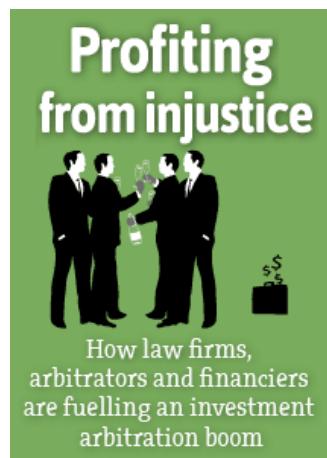
Finally in November we co-hosted a [civil society conference](#) in Parma, Italy, on the occasion of the EFSA's tenth anniversary in which we presented our [demands](#) for an overhaul of the EFSA's founding regulations (which will be a priority for our campaigning in 2013). This triggered an invitation from the EFSA's Director to meet and discuss our concerns.



## Europe's trade lobby

CEO continued to work on EU trade policy in 2012, highlighting the damaging impacts of the EU's competitiveness agenda and focus on opening up new markets through free trade deals.

Focusing on the issue of democracy in trade policy-making, we co-organised two sessions on democratising EU trade and investment policy which have taken place as part of the [Alternative Trade Mandate](#) process (ATM). Each were attended by 30-40 NGO representatives and a consensus document was produced.



A major achievement in this field was the publication of a 73-page report (["Profiting from injustice"](#), jointly with TNI) on how law firms and financiers are fuelling an investment arbitration boom, and are shaping (and abusing) international investment rules to enlarge the scope of lawsuits by their corporate clients against governments (over laws and policies that are considered a violation of corporate rights). With the TransNational Institute (TNI) we designed an intensive media outreach strategy, focusing on those countries with the strongest cases. This resulted in a good amount of initial coverage, for instance in Sweden, Germany and Austria, but we expect more articles to follow in the coming weeks and months.

This year we also began challenging the corporate capture of the EU's market access groups (the equivalent of expert groups for trade issues) by publishing articles for magazines in [Germany](#) and [France](#).

Finally we are expecting our court case against the European Commission to enter its decisive phase beginning in 2013 with a court session in Luxembourg. This case sets out our complaint that the Commission did not follow its own rules by refusing to publish any documents related to the negotiations for the free-trade agreement between EU and India, and failing to involve stakeholders other than big European corporations.

## Energy and climate

In February we published another report on the failures of the EU's emission trading system (ETS), “[Paying the Polluters](#)”, followed by a [report](#) on the Commission's intimate relations with the carbon traders' lobby group IETA. We are actively involved in the new NGO network against 'financialisation of nature', which we successfully encouraged to focus on the ETS as a prime example of flawed financialisation of environmental policies. This could be a breakthrough in the long overdue building of a civil society coalition to end the EU's reliance on emissions trading as the basis of its climate policies. During a pan-European strategy meeting in October, it was decided to jointly campaign in 2013 for the abolition of the ETS. We also co-hosted a [public debate](#) on the ETS, featuring a Commission official and the chair of the European Parliament's Environment Committee.



We published a report on the [shale gas lobby](#) in Brussels in the run-up to the decisive vote in the European Parliament, and began researching the upcoming lobby offensive by the [F-gas industry](#), the producers of extremely dangerous, potent greenhouse gases used in refrigeration. Alternatives exist but the producers want to keep their profitable products on the market for as long as possible and therefore are fighting back against proposals for phasing out these gases.

Two weeks before the Rio summit, we co-organised with FoEE and TNI a [conference](#) “Is the EU's pursuit of the green economy a solution for Rio+20?”, with panelists including the Chair of the Parliament's Environment Committee, a senior Commission official and Pablo Solon, chair of Focus on the Global South. CEO published two reports in the weeks before Rio, one of which focused on the [EU's agenda for the summit](#) and how this has been influenced by big business lobbies. The second report focused on the campaign by big business [lobby groups to shape the summit outcomes](#) as well as the wider problem of corporate capture of UN negotiations. Blogging from Rio, we covered the way these issues unfolded during the summit itself. After Rio we started investigating the EU's push for biodiversity offset trading, modelled after the failed ETS (expected in early 2013).



## Lobby tours



CEO continued to offer its ever-popular lobby tours in 2012, guiding more than 40 groups of students, journalists, activists and members of the public, with a total number of more than 1000 participants, on a tour of key lobby haunts in Brussels' EU quarter.



This year saw a number of themed tours, focusing on specific lobby sectors - climate, bioengineering, finance and **austerity** - and tours in different languages (English, French, German, Greek and Dutch).



Following up the publication last year of our new edition of the **Lobby Planet**, CEO's guide to where to find the Brussels' lobbyists, our colleagues from Lobbycontrol finalised a **German version** which was successfully launched in Brussels and Berlin. The French and Spanish versions are planned for the beginning of 2013.

## Public events

We spoke at more than 15 public debates connected with screenings of *The Brussels Business*, the documentary featuring CEO's work on challenging industry lobbying influence. CEO staff also spoke at more than 30 other public events in cities across Europe during 2012, including in Firenze, Cologne, Copenhagen, Gent, Den Bosch, Utrecht, Parma, Amsterdam, Zagreb, Liege, Paris, Berlin, Athens, Bordeaux, Marseille, Antwerp, Luxembourg, etc.

## Get involved !

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.