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Coronawash alert! How corporate lobbyists are cynically exploiting the pandemic

The coronavirus pandemic is affecting the lives of billions across the globe; yet corporate lobbyists in Brussels are determined not to let a good crisis go to waste. Lobbyists from a wide range of industries are opportunistically using the crisis to their advantage, and re-packaging old lobby demands: from delaying or killing regulations, to securing public bailouts while avoiding conditions. It is more crucial than ever that EU policy-makers defend the public interest and refuse to allow the crisis response to be co-opted by self-interested corporate lobbies.

The novel coronavirus may have brought normal life to a screeching halt across much of the European Union; but for some corporate lobbyists it appears to be business as usual.

As the pandemic spreads, the numbers of infections and deaths rises, public health systems and workers face unprecedented pressure. In the background, large swathes of the population are working from home, and many others struggle with unemployment, or are forced to work with low to no protections. All of this while a serious economic crisis looms larger on the horizon. Yet while corporate lobbyists may not currently be able to use all the tricks of the trade (from cosy lunches to large events), they are trying everything to turn this crisis into an opportunity to achieve their lobbying goals. The terrible irony is that in times of the coronavirus crisis, many of the regulations in the lobbyists' sights – from financial regulations put in place to prevent bank collapses, to making our food systems more secure and sustainable, to ensuring affordable medicines – are more necessary than ever.

Lobby meeting logs¹ from Commissioners and their cabinet members show a flurry of activity from a variety of industry actors, from the expected – such as the pharmaceutical industry and big tech firms – to the less obvious including defence companies, fossil fuel producers, and car-maker associations. Meanwhile powerful corporate lobby associations such as BusinessEurope, the European Round Table of Industrialists, and Confindustria are also pushing the corporate agenda in meetings with the top officials from the European Commission during the lockdown.

The logs themselves reveal little of what was discussed. For that we need to turn to leaked letters and strategy documents, plus public position papers.

Using the corona crisis to delay climate action

A key demand repeated by various corporate lobbyists is that the current crisis means that environmental, fiscal, labour, and safety regulations either have to be delayed or actually weakened.

As the crisis hit, [BusinessEurope](#), the lobby association representing employers' associations plus big companies like Google, Bayer, Shell, and Facebook, immediately began an intensive lobbying campaign. In March BusinessEurope [wrote](#) to the European Council President Charles Michel in advance of a council video-conference asking, among other things, for “temporary derogations from normal regulatory requirements”.

The employers' association went even further, also [requesting](#) that all EU initiatives not directly linked to the health and economic crisis are put on hold. A second [letter](#) sent to Commissioners in April 2020 clarified which initiatives [BusinessEurope](#) thinks should be kicked into the long-grass: these include key elements of the European Green Deal such as the 2030 Climate Target Plan, and a delay to the Commission's proposal for a Climate Law, the very law that is supposed to enforce the targets with member states.

1 Meeting logs accessed from the official European Commission pages on 28 April 2020.

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They request all of this while insisting that BusinessEurope continues 'fully committed' to making the European Green Deal a success. While it might seem like a contradiction this is very much a classic tactic used by the big business association: offer political support when it costs them little or nothing, but oppose the concrete policy points that might require industry to change behaviour. This strategy was outlined by a leaked internal [memo](#) from BusinessEurope to its members in 2018, showing how their approach to the EU's Emissions Targets Plan was to "be rather positive as long as it remains as a political statement" but to "oppose the new increase of ambition" and "to challenge the process".

The pandemic seems to only have given BusinessEurope a new frame to continue their long-term project of delaying urgently needed climate action.

Carmakers and airlines oppose environmental standards

They are not the only ones. Carmakers – who have spent the last few years fighting new CO₂ emissions standards, even after getting caught cheating in [Dieselgate](#) – have jumped at the opportunity. On the 25 March, the European Automobile Manufacturers' Association ([ACEA](#)), and other producers of car-parts, sent a [letter](#) to Commission President Von Der Leyen making the case that the COVID-19 crisis meant car producers would not be able to comply with "existing and future EU laws and regulations within the applicable deadlines set in the regulations". [Transport and Environment](#) and [InfluenceMap](#) believe that some of these regulations include the much-discussed new standards for CO₂ emissions.

On the same day the letter was sent, the car-makers' corporate lobby group [ACEA](#) and parts suppliers [CLEPA](#) scored an online meeting with the Cabinet of Executive Vice-President [Timmermans](#), responsible for the European Green Deal, and the following day with Internal Market Commissioner [Breton](#), to discuss the economic impact of COVID-19 on the automotive industry, and one week later with the Cabinet of [President Von Der Leyen](#). We do not know exactly what was discussed.

The airline industry is also pushing the message that the pandemic should allow it to avoid upcoming environmental taxation. The airline companies have fought against new taxes at national and EU level for years. Blueprints for the European Green Deal published in December 2019 finally included the possibility that airlines should pay fuel taxes. It has long been seen as highly problematic that such an environmentally destructive sector should essentially be subsidised by the failure to tax jet fuel. Now, airline associations are not only [seeking](#) governmental bailouts, they are demanding that new taxation gets put on hold.

The [International Air Transport Association](#) (IATA) has taken the lead setting out a global lobbying strategy for its members, which it accidentally published on its website. The [Unearthed](#) blog discovered the strategy, which advocates for reducing impending environmental taxes and seeking to counter obligations to refund passengers whose flights had been cancelled, all while also seeking bailout funds.

In short order the airline lobby group also managed to ensure a meeting with EU Transport Commissioner Vălean which was merely [logged](#) with the subject "aviation" and one month later with Justice Commissioner [Reynders](#). In a recent [interview](#), Commissioner Vălean has shown that she is "sympathetic" to the airline industry and argues that it is the wrong time to attach climate and environment conditions to the public funding that will be pumped into the airlines. However, at least the Commissioner is [sticking](#) to the EU passenger rights legislation which forces airlines to refund consumers with cancelled flights.

Agribusiness wants to delay sustainability strategy for food production

The agricultural and chemicals lobbies are also looking to delay environmental and sustainability standards. COPA-COGECA which represents big farmers interests has [written](#) to the European Parliament's Agriculture committee chair and the [European Commission](#) to ask for a second postponement of the upcoming [Farm To](#)

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[Fork strategy](#). Farm to Fork is a key component of the upcoming European Green Deal which will set out to make the European food sector more sustainable, and cover everything from obesity to pesticides regulation. The farm lobby group [reportedly](#) even demanded an inception impact assessment to be done for both the Farm To Fork and the whole European Green Deal, further delaying them.

Similarly, ex-MEP turned Hume Brophy lobbyist [George Lyon](#) has [publicly](#) asked for the Farm to Fork strategy to be delayed. Hume Brophy is a lobby consultancy whose [clients](#) include Bayer, the Glyphosate Task-Force, and other agri-chemicals companies.

The industry position has garnered the [support](#) of the Christian conservative group in the European Parliament (EPP).

It is now nearly certain that Farm to Fork strategy will indeed suffer more [delay](#). The question is by how much, and whether that will lower its level of ambition.

Plastics producers try one last desperate shot

A particularly desperate attempt to harness corporate lobby demands to the pandemic has come from plastics producers who for years [fought](#) the EU's ban on specific single use plastics, agreed in 2019. Now plastics producers view this unprecedented public health crisis as an opportunity to at least delay implementation. In April 2020 the European Plastics Converters (EuPC) business association [wrote](#) to President Von Der Leyen claiming that plastic products were necessary for "ensuring hygiene, safety as well as preservation from contamination" from the novel coronavirus; and further argued that these products were essential in this public health crisis for material such as "protective equipment, medical devices and medicine".

Yet this attempt sounded hollow. The European Commission itself [responded](#) dismissing the argument that the Directive limited public health material as the Directive already includes exceptions for medical devices. The Commission spokesperson added: "With respect to the arguments raised by EuPC, good hygiene practices should be applied to all products, including substitutes of banned SUPs [Single Use Plastics]".

Getting out of post-financial rules in anticipation of a financial crisis

Environmental standards are not the only ones being questioned by industry because of COVID-19. The financial lobby is also getting in on the action. Representatives of the banking industry, [according to the *Financial Times*](#), have been asking central banks (including the European Central Bank) to relax or delay rules that were put in place after the financial crisis to limit potential new crises. The measures cover "everything from capital and liquidity to accounting and climate change". At the European level, a key concern seems to be the new BASEL IV, a requirement for banks to build up capital levels to be able to absorb shocks without collapsing, due to be implemented by 2027.

Basel requirements have been the [target](#) of banking lobbyists for years. Lobby meetings logs from the Von Der Leyen Commission show that Basel requirements were already a hot topic since the new Commission took over; making this look even more like opportunistic recycling of previous lobby interests. [IntegrityWatch.eu](#)² lists at least 29 encounters from January until March 2020 on these issues between the Commission and corporate lobbyists such as the Deutsche Bank, UniCredit, and Société Générale.

These are the protections put in place to prevent a new financial crisis from happening. To revoke them in the face of a potentially much worse crisis seems mis-guided.

2 Meetings data retrieved from IntegrityWatch.eu the 28 April 2020

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Defence and civil aeronautics companies ask for regulatory relief

A more curious approach comes from the defence and aeronautics industry. On 1 April 2020, Commissioner Breton and his cabinet met with a group of aerospace companies including defence, arms, and cybersecurity firms like Leonardo, Indra, SAFRAN, Airbus, and MBDA (missiles manufacturer), among others. The meeting was logged with the subject line "COVID-19 & impact on the Aeronautic (civil and defence) industry".

The interests of defence companies during the pandemic are not the most obvious but one of its trade associations, ASD, has publicly asked for financial aid from governments and the EU Institutions plus “relief on various technical/regulatory issues”. It is quite striking to see a highly profitable industry which is already due to receive substantial amounts of public funding via the [European Defence Fund](#), asking for further financial aid. Even worse is to see an industry most of whose products are designed for warfare and to violate the most basic human rights, seek regulatory relief.

Coronawashing boosts big tech's reputation

The pandemic is enabling big tech to portray itself as the solution. Internet connection and services have become essential in a time when overnight a big portion of Europe had to isolate themselves and work from home. Tech options have also become more seductive to a wide range of policy-makers, whether it's companies' [contact tracing apps](#), or the possibility of [AI analysis of health data](#).

This is a major opportunity for the big tech companies whose reputation has been steadily been chipped away by privacy and data protection scandals, critiques of how its business model contributes to dis-information, and high levels of market concentration. *The Economist* has even named big tech as one of the possible big winners of the pandemic. In the US this has even led some to wonder whether the [anti-trust](#) pushes against big tech might be dropped or softened.³

This dynamic has become very apparent in Brussels where big tech companies and their lobby associations seem to be amping up their own contribution to the pandemic solution. In doing so they are cleaning up the sector's image problem and advancing their pre-existing policy goals.

See for instance, [DigitalEurope](#), a trade organisations whose members include Google, Facebook, Amazon, Microsoft, but also non-tech corporate giants like HSBC and Bayer. DigitalEurope [wrote a letter](#) to the Presidents of the three EU institutions with its policy recommendations, which was presented in a [blog](#) entitled “The digital sector is supporting the fight against Coronavirus – here’s how the EU could help us”.

The recommendations were no surprise and, of course, include calls for more public funds towards digitisation of different sectors but also to speed up measures to: allow deployment of technology like 5G networks; speeding up the creation of a European health data space to facilitate sharing of data between public sector, researchers, and the private sector; and boost investment of artificial intelligence (AI) in the health sector.

Politico Europe reported that in an online debate with EU officials and tech lobbyists on the regulation of AI, a Google lobbyist suggested that the European Commission should re-consider some of the requirements it had set out in its February White Paper for AI, specifically when it came down to testing and the use of European data.

It is likely that more lobbying will be packaged this way by the tech sector. In the UK for instance, TechUK, the lobby group representing big tech companies such as Google, Amazon, and Facebook, was even more

³ While, of course, it could easily be argued that the role tech services play are exactly why the sector should be further regulated.

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straightforward in using the corona pandemic to ask the Government to re-consider the introduction of the [Digital Service Tax](#).

Big tech has also enjoyed a level of access in this period only comparable to the pharmaceutical industry.

MedTech, an early winner

A fast but controversial lobbying victory was secured by the medical technology industry, as represented by the lobby association [MedTech Europe](#), which in the midst of the response to the pandemic [asked](#) governments and the EU Institutions to delay the implementation of new Medical Devices Regulation (MDR). These standards were agreed in 2017 to increase oversight, market surveillance, and transparency on medical devices.

The many flaws with the EU's Medical Devices Regulation were painfully demonstrated by an in-depth investigation by the [International Consortium of Investigative Journalists](#). Their work showed how Europe's light-touch regulation of these devices meant that many products – which include everything from pacemakers, to hip replacements and breast implants – were being launched on the European market in spite of the lack of safety, or thorough tests, creating health complications for patients. The EU institutions finally considered reforming these rules after a scandal in France where a [company](#) sold approximately 30,000 breast implants which turned out to contain industrial silicone of the kind used in mattresses, and which could cause infection and possibly even cancer.

EU rules for these devices are much weaker than the [US equivalents](#), which has translated into higher numbers of product recalls and safety alerts in the EU. The [ICIJ](#) also found that these regulations had been shaped by the work of industry lobbyists, including MedTech Europe, who had managed to weaken proposals for increased transparency and better testing.

Now, two months before the new standards were to be implemented the medical technology industry – once again represented by MedTech Europe– [asked](#) governments and the EU Institutions to postpone them, arguing that answering the COVID-19 pandemic had made impossible to comply with the regulation in time.

This is spite of having had three years already to adapt to the new standards. Simultaneously MedTech [asked](#) that In Vitro Diagnostics Regulation (IVDR) also be delayed, even though that is only due to be implemented in May 2022.

MedTech Europe has been able to put these positions to top officials at the European Commission in five different [meetings](#) since the WHO labelled this crisis as a pandemic.

In line with MedTech's demands, the European Commission is now [decided to](#) postpone the Medical Devices Regulation implementation by a full year. So far, the May 2022 deadline for In Vitro Diagnostics Regulation has been kept.

In a [letter](#) to the Commission, consumer organisation BEUC “regrets the decision to propose a delay of the Medical Devices Regulation (MDR) just two months before its application date and without broader outreach to other affected stakeholders”. BEUC also urged the Commission to keep the 2022 deadline for the IVDR.

Pharma: public subsidies with no affordability conditions

The pharmaceutical industry is an important player in responding to this crisis, working together with governments and EU institutions to guarantee the delivery of essential medicines but also developing new treatments and vaccines. As such it is receiving large amounts of public financing and enjoying easy access

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to decision-makers. In Brussels, big pharma lobbying associations are working hard to ensure that this financing is as easy-going as possible while preserving the most industry-friendly intellectual property (IP) rules.

One of pharma's biggest lobby groups, the European Federation of Pharmaceutical Industries and Associations (EFPIA) has named as a priority "an IP framework that inspires long-term investment into our R&D infrastructure and a regulatory system that is stable, dynamic and effective". EFPIA doubled down on the intellectual property issue in a separate blog linking their preferred IP framework with a faster research and development process but also supposedly in order to compensate the financial risk for these companies.

Yet public health groups and consumer organisations have highlighted how this demand is prejudicial for the affordability and access of treatments and vaccines, especially for the most vulnerable communities and even countries. Already before the COVID-19 crisis, Europe suffered from a growing problem of pharma companies demanding extremely high prices for medicines, causing a major burden for public health budgets, and endangering access and affordability to life-saving medicines.

In a letter to the Commission, Parliament and national Permanent Representations in Brussels supported by 61 NGOs – including the European Alliance for Responsible R&D and Affordable Medicines, Doctors Without Borders, and Corporate Europe Observatory – highlighted that the EU institutions have since January 2020 allocated millions of Euros to promote research on COVID-19, including through the Horizon 2020 programme, the Innovative Medicine Initiative (IMI), and European Investment Bank (EIB) loans. Yet the EU hasn't taken the needed precautions to guarantee that "all these necessary medical tools are free of charge at the point of delivery, particularly for vulnerable populations" and, so far, the funding made available by the IMI has not included any affordability clause, nor has it excluded the possibility for restrictive and exploitative intellectual property which might slow down the availability of these medical tools.

Separately, the European Consumer Association BEUC has written to Research Commissioner Gabriel and Health Commissioner Kyriakides to raise concerns over lack of attention to affordability in EU research funding for COVID-19 treatments. In this letter, BEUC explained:

One way of ensuring affordability is by attaching conditionality to public research funding. Nonexclusive licensing can help achieve broader access to health technologies. When exclusive licenses are negotiated, adequate safeguards should be in place to prevent abuses. Grant agreements can also include specific commitments on affordability.

It seems that the position of industry and civil society are far apart. One big difference exists between the two: access to decision-making. Since the WHO declared the spread of COVID 19 a pandemic, the Commissioner for Health started having weekly video calls with "Pharmaceutical Industrial Associations and the European Medicines Agency to discuss possible shortages of medicines and medical devices for the Covid-19 outbreak". Participants have been stable: EFPIA, Vaccines Europe (a subsidiary of EFPIA), MedTech Europe, the European Coordination Committee of the Radiological, Electromedical and healthcare IT Industry (COCIR), and the Association of the European Self-Care Industry (AESGP).

Corona crisis exposes – once again – problems with EU's weak lobbying regulation

The above are just some examples of corporate lobbyists opportunistically using the pandemic to recycle old demands. There's likely a lot more lobbying going on under the radar than is outlined here.

The EU institutions have not escaped the new "working from home" reality. The European Parliament introduced its first measures cancelling all external events and prohibiting visits, including by lobbyists, on 3 March and within less than ten days, the Belgium Government announced social isolation measures and,

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soon after, all European [Commission](#) non-essential workers were told to work from home. At that moment, lobbying also went virtual.

While publicly some lobby firms have complained that virtual meetings limit their influence as it prevents [informal networking](#),⁴ reports detail how corporate lobbying has [taken](#) to messaging services such as WhatsApp and webcam meetings via Skype.

Věra Jourová, the Commissioner responsible for transparency, has publicly announced that even though meetings have become virtual, the same transparency requirements are still in effect. But in practice transparency requirements are far from sufficient. The COVID-19 crisis clearly shows why the EU's transparency rules are too weak to actually allow citizens to see what lobbying is taking place.

For one, only Commissioners, their cabinet members and Directors-General have to publicly disclose their lobby meetings – that is fewer than 300 out of 30,000 estimated Commission officials. But a check done on 28 of April clearly shows that a substantial number of Commissioners had not logged any meetings since early March. It could be because they held no meetings but it is not uncommon for these logs to be severely out of date.

There are further inconsistencies. For instance, EFPIA has [announced](#) it had video-conferences with Commissioner Kyriakides and Commissioner Breton. Yet only Kyriakides has logged these meetings. Similarly, Commissioner Gabriel only updated her lobby meetings after [Politico Europe](#) reported that she failed to log a meeting with CureVac. Commission President Von Der Leyen has also [admitted](#) she has been having lobby meetings frequently but has not fully updated her lobby logs.

Inadequately enforced as this requirement is, even worse, none of the lobby meetings with the large majority of EU Commission officials are required to be logged at all. Rules in the Parliament and access to the meetings are even harder to analyse and Council still has virtually no transparency.

At the same time, the EU's Transparency Register is almost useless as companies don't have to update their lobbying disclosures until long after the lobbying happened. This means that only in one or two years will we get to see their lobby budgets and how they increased or decreased during the pandemic. And even that remains a self-declaration. By comparison, in the US companies need to file quarterly disclosures which already allows us to see that the corona crisis has led to a [corporate lobbying boom](#).

There's also a new hurdle created by this crisis: with EU officials and policy-makers having to cancel participation in public events and meetings, and with them working from home, it has become even harder for under-resourced and now isolated journalists, citizens, NGO's, and SMEs to understand what is happening and how to reach them.

In times of uncertainty, being well-connected and having invested in relationship building over the years pays off. Undoubtedly big companies with access to expensive lobby firms, hires via the revolving door, and multiple trade and cross-sectoral lobby associations, are in a unique position to exploit this crisis.

Coronawashing and cynical opportunism

The examples of corporate lobbies opportunistically using this public health crisis to repackage their demands are piling up. Environmental, labour, fiscal, and health standards seem to be under attack. It is more important than ever for EU policy-makers and officials to be careful and question the information and requests put forward by lobbyists.

⁴ Other lobbying consultancies have [argued](#) that “lobbying remotely” can be just as efficient.

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Green MEPs have already [asked](#) the European Commission to “ not to give in to the lobbying of industrial associations” . GUE MEP Aubry has also [highlighted](#) the problem and committed to not let large French companies take advantage of COVID-19 to hamper climate action.

It is also essential for EU policy-makers to actively reach out to other voices such as academics, NGOs, and citizens. Speed is of the essence when handling a crisis but if these consultations don't take place, measures taken in the meantime might end up lowering the standards and protections we need to get out of this crisis, and worsen our chances of addressing the climate crisis and delivering a more just society.