Big Business Britain

Part Two: How corporate lobbyists dominate secret meetings with Brexit negotiators in London and Brussels

(Part One of this briefing, Big Business Britain - How corporate lobbyists are dominating meetings with trade ministers, can be found here)

Brexit negotiators in London and Brussels are far more exposed to business interests than the concerns of civil society. Official statistics, analysed by Corporate Europe Observatory and Global Justice Now, reveal that Brexit ministers in the UK had six corporate lobby meetings for every one with civil society groups. For the EU’s Brexit taskforce, headed by the Chief Negotiator Michel Barnier, the figure is three corporate lobby meetings for every one civil society group meeting. Big Finance and agriculture interests dominated the lobby meetings held in both London and Brussels.

Civil society groups have had far less access and opportunity to put forward their needs, concerns, and proposals. Small and medium sized businesses are also largely left out. Conservative Central Office donors, and corporations with revolving door links to senior party figures, are on the list of those holding lobby meetings with the Department for Exiting the EU (DExEU), including with Secretary of State David Davis.

The UK government’s inadequate approach to transparency on lobby meetings means that these figures for corporate bias may represent only the tip of the iceberg. Meanwhile, the agendas, minutes and papers for all lobby meetings held by both UK and EU negotiators are secret. This is highly problematic as it means it’s not known exactly who is in the room and what is being said.

Brexit is far more than a technocratic exercise to change a handful of UK laws. It will have a massive impact on the future of the UK, in terms of jobs, trade, energy, agriculture, social and environmental policy, and many other areas. For the EU, the UK’s exit will also mean a major readjustment. Yet the level of public consultation on these issues has been non-existent since the June 2016 referendum. Instead, policy and negotiating positions are
being decided behind closed doors, with corporate lobbyists providing the majority of external input, and the public almost entirely excluded.

The risk that the corporate capture of this process will lead to a ‘Big Business Brexit’ is high. And the current flawed approach will not be resolved by negotiators meeting with a few more NGOs. It is imperative that decision-makers in both London and Brussels are transparent about exactly who they are meeting and what they are discussing. They must also commit to fully opening up the debate to other voices to ensure that the post-Brexit future of both the UK and the remaining EU27 countries is a socially just and environmentally sustainable one.

Who do Brexit ministers meet?

The UK’s Department for Exiting the EU (DExEU) is responsible for “overseeing negotiations to leave the EU and establishing the future relationship between the UK and EU”. Our analysis of who DExEU ministers met in October-December 2016 and in January-March 2017 reveals the priority given to business voices over all others.

Corporate bias
Brexit is something that everyone has a view about, so you would expect civil society organisations, trade unions, and other citizens’ groups to be involved in helping to develop the UK’s position. Yet the figures of who DExEU ministers met between October 2016 and March 2017 reflect the priority given to business voices over all others. According to the collated dataset, of the 278 lobby meetings held in this period, 194 or 70 per cent were with business, and only 34 meetings or 12 per cent were with civil society. That means that for every one civil society group met, six corporate lobbyists were also having their voice heard. As we revealed in July 2017, this is a similar pattern to the lobby meetings held by ministers at the Department for International Trade, who are developing the UK’s post-Brexit trade relationships with the rest of the world.

DExEU’s figures are likely to underplay the predominance of the big business lobby. Fourteen roundtable meetings are listed (marked in blue on the datasheet) where there is no evidence given as to how many organisations attended and how many were business bodies. However, it is pretty safe to assume that corporate interests would dominate gatherings such as the National Trade Associations Roundtable, Inward Investor Roundtable, and the Professional Business Services Council. By contrast, there were only two roundtables for civil society (marked in green on the datasheet) where the numbers attending were unclear.

The finance lobby dominates
Finance and the interests of the City of London dominated DExEU’s lobby meetings, with 46 meetings held on this subject in six months, including with big-hitters such as lobby group TheCityUK (present in eight meetings), HSBC (six meetings), and Goldman Sachs (four meetings). By contrast Britain’s two biggest trade unions, Unison and Unite, had one
meeting each. Previous research by Corporate Europe Observatory has highlighted the intensive lobbying activities of the UK financial sector, including in Brussels.

Other sectors which met regularly with DExEU ministers in these periods included: food/agriculture (17), infrastructure (13), defence (eight), tech (seven), professional services (seven), and automotive (six). DExEU hosted at least 56 roundtables which were predominantly for business interests from these specific sectors. NGOs and trade unions did not figure heavily in these roundtables and only six roundtables were held with civil society, including sessions on the environment, zoos and museums.

Other voices don’t get much of a look in
Small and medium sized businesses do not seem to be a priority for DExEU ministers based on this analysis of meetings. While several lobby meetings did focus on small businesses, eg. the Cheltenham, Suffolk, Birmingham, Liverpool roundtables, or presumably those with local chambers of commerce, they were drastically outnumbered by the numbers of encounters with big business interests which command far greater resources for lobbying. The Federation of Small Business (FSB) was present in five meetings, but they were all roundtables. Yet small or medium-sized enterprises (SMEs) account for 99.9 per cent of all UK private sector organisations and they employ over 15.7 million people, or 60 per cent of all private sector employment in the UK. The FSB says that one in three (32 per cent) small businesses are involved in overseas trade as an exporter and/or importer, so their interest in the Brexit deal is going to be high. Yet this sector’s access to DExEU is low.

While civil society (NGOs, trade unions, think tanks) had a total of 34 lobby meetings, the range of organisations represented in this category is very wide. Right-wing think tanks such as Policy Exchange and the Legatum Institute, as well as Legatum’s Financial Services Negotiation Forum, each had a meeting, as did the British Horseracing Authority, the Chartered Institute of Patent Attorneys, and The Textile Institute. Considering their views and remit, some of these would share more in common with organisations in the business category and as a result, the space to discuss vital issues with DExEU ministers such as climate change, consumer protection, public services, and workers’ rights, was even more limited.

Lobbyists with friends in high places
There are several Conservative Party donors on the list of lobbyists met by DExEU ministers between October 2016 and March 2017. David Davis had two meetings in quick succession with the Arbuthnot Banking Group which gave Conservative Central Office a total of £267,470 between 2009 and 2017, according to data from the Electoral Commission. David Davis himself accepted £50,000 from Arbuthnot in 2005 to fund his unsuccessful Tory leadership campaign against David Cameron. In December 2016, JCB, the digger producer, met Davis via a roundtable meeting on automotives. JCB gave over £3 million to Conservative Central Office between 2001 and 2017 and has also been a very generous funder of several Tory MEPs and the Leave camp during the 2016 referendum. Additionally, Lord Bridges, a then junior minister at DExEU, had a meeting with Odey Asset Management in November 2016. While not a household name, Odey
manages billions of poundsworth of investments and the firm and its founder Robin Crispin William Odey have between them given £219,000 to Conservative Central Office in 2008-2011. More recently, Mr Odey gave £22,000 to UKIP’s HQ in 2014.

BlackRock, which secured participation in two roundtable sessions on financial services, recruited former UK finance minister George Osborne to its ranks; law firm Freshfields which Davis and two other junior ministers met in October 2016, later recruited the UK’s former EU Commissioner Jonathan Hill, who is also a Conservative peer; and there have been at least three meetings with Citigroup, which now employs the former Conservative foreign minister William Hague.

All these connections and donations contribute to the suspicion that senior Conservative figures have close ties to business elites, elites which are getting their voice heard clearly on Brexit.

**Absence of transparency**

DExEU performs badly on transparency issues. The lists of ministerial meetings were not published in real-time but three months after the fact, and the vast majority of DExEU officials are not covered by transparency rules, so it is impossible to find out what lobby meetings they have held, when, and with whom.

Many of the lobby meetings listed are given the inane purpose of “Discussion on Department for Exiting the European Union Policy” or “Discussion on impact of UK exit from EU” with no information provided on the precise topics covered. A Freedom of Information request tabled by Corporate Europe Observatory to receive the minutes and papers from some of DExEU’s earlier lobby meetings was blocked on the grounds that it would: prejudice UK relations with other states; prejudice UK economic interests; concerns formulation of government policy; and/or would prejudice commercial interests. This means that these meetings are held entirely in secret, so we have no idea what aspects of Brexit, for example, David Davis chatted to the vice-chairman of JP Morgan about in September 2016.

The argument that it is in the public interest of UK citizens to better understand how the UK’s Brexit negotiating position is being developed and how decision-makers are being influenced by lobbyists was not considered strong enough by DExEU to release the information.

Furthermore, there are at least seven organisations which met DExEU ministers in the period October 2016 to March 2017 and which are registered in the UK’s lobby transparency register. These are lobby firms Bell Pottinger and Pagefield; legal firm Griffin Law; and the Big accountancy four of KPMG, Deloitte, PriceWaterhouseCoopers (PWC), and Ernst & Young(EY). Registration is required for all those who carry out consultancy lobbying on behalf of clients; the register does not apply to those who lobby in their own name eg. corporations, trade unions and NGOs, which is just one of many reasons why the UK lobby register is regarded as being extremely inadequate. While those who register must list their
clients per quarter, it is impossible to know from either the register or the meetings data provided by DExEU whether a registrant attending a meeting with a minister was representing themselves or a client, and if the latter, which one.

At least two other law firms Freshfields and Baker & McKenzie both attended two lobby meetings with DExEU; another one, Dechert had one meeting. None of these are registered in the UK lobby register, which presumably indicates that they were representing themselves and not clients at those meetings.

DExEU ministerial meetings data October 2016 to March 2017 is available here.

Who do the EU’s Brexit negotiators meet?

When the UK voted to leave the EU in the 2016 referendum, Brussels responded by setting up a Brexit taskforce, headed by former EU commissioner Michel Barnier to lead its side of the negotiations. While technically part of the Commission, Barnier’s role is to front the Brexit negotiations themselves and ensure there is a coordinated position among the remaining EU27 member states.

Proactive corporate bias

Data for the lobby meetings held by members of the Brexit taskforce, including Michel Barnier, show that of a total of 151 meetings held in the eight months from October 2016 to May 2017, business lobbyists were present in 71 per cent of them. For every one NGO met, the taskforce met ten business lobbyists; for every one trade union met, the taskforce met 15 corporates. Even if you combine all civil society meetings together (including think tanks), the taskforce was still three times more likely to meet with business interests than with civil society.

Not surprisingly, two sectors dominated the meetings held: agriculture with 28 meetings, and finance with 26. These issues have been high-profile in the Brexit media debate in Brussels and London, as these and other sectors look to retain access to border-free trade. One of Brussels’ most influential lobby groups had the most meetings, BusinessEurope, with four, alongside think tank the Centre for European Reform (CER). Interestingly, Jonathan Fauli, a UK official with a long career in the Commission who led its pre-referendum ‘Task Force for Strategic Issues related to the UK Referendum’ from September 2015 for one year, recently joined the advisory council of the CER, which is funded by substantial corporate donations.

Other top Brexit lobbyists included the European Fisheries Alliance (EUF), which brings together non-UK fishing interests keen to preserve their access to UK waters. EUFA had three meetings with the taskforce during the period studied, two of which saw them accompanied by lobby firm Gplus. Despite assertions from the Commission that the Brexit taskforce would not meet with anyone who was not in the EU lobby register, (at the time of writing) EUFA itself is not in the register and while a number of EUFA’s members are listed...
on [Gplus' client list](#), EUFA itself is not, which appears to be a breach of the lobby transparency rules.

German trade interests were prominent in the list of lobby groups given more than one Brexit taskforce meeting in the period studied: BMW had three meetings, while the German Association of the Automotive Industry (VDA), Deutsche Bank, and the German Mechanical Engineering Industry Association (VDMA), were among those who each had two meetings.

**So much for transparency**

In April 2017, Commission President Jean-Claude Juncker promised that the EU’s transparency policy on the Brexit negotiations would be “unique and unprecedented”. But this does not appear to apply to EU-level lobbying on Brexit. The meetings of the Brexit taskforce (except Michel Barnier) are not published and could only be sourced via a freedom of information request. This [unpublished list](#) lacked the names of both the officials and the lobbyists involved. Minutes from these meetings were requested but were ruled exempt, as were the papers which lobby groups may have circulated at the meetings. The listed topic of the meeting also gave nothing away as to the content of the actual discussion. Lobby meetings were recorded as “Meeting with Task Force for the Preparation and Conduct of the Negotiations with the United Kingdom under Article 50 TEU”, or something equivalently opaque, or simply left blank.

In March 2017, the [European Ombudsman](#) told the Commission that it should outline how it “plans to secure and structure the input it needs from stakeholders to inform its negotiating position throughout the process. It would be useful to inform stakeholders in advance that their submissions will be published unless the sender gives justified reasons for confidentiality and provides a non-confidential summary for publication.” This implies that consultation should not solely be with those who approach it for a meeting, but should be far wider and more inclusive; and that submissions should be made available. This has yet to happen.

**A note on our methodology**

**DEXEU data:** The data for the periods October to December 2016 and January to March 2017 was analysed using the published data from the [DEXEU](#) website. Three meetings listed with media organisations were removed, with the assumption made that these meetings were interviews or media briefings, and had been wrongly published as lobby meetings. A further three meetings were removed from the DEXEU list which were recorded as the Foreign Affairs Council and the General Affairs Council (twice). These appear to refer to meetings held at the Council of the EU in Brussels. It may be that the same meeting appears several times on the list if it was attended by more than one minister. Organisations were categorised based on desktop research to identify the listed organisation. Where one lobby meeting was attended by more than one organisation,
the meeting itself was categorised to reflect the vast majority of attendees. DExEU ministers meetings data October 2016 to March 2017 is available [here](#).

**Brexit taskforce data:** The data for the period 1 October 2016 to 1 June 2017 was taken from two sources. While a list of lobby meetings held by Barnier is proactively published on the Commission’s website, the meetings of his wider taskforce are not published, and were only released to Corporate Europe Observatory after a freedom of information request. We collated these two datasets for the period 1 October 2016 to 1 June 2017 to provide a combined list of meetings held by all members of the Brexit taskforce. Some duplications of meeting may have occurred in the combined list. Organisations were generally categorised according to their EU lobby transparency register entries, unless those entries contained a clear error. Barnier and Brexit taskforce meetings data October 2016 to May 2017 is available [here](#).

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**Corporate Europe Observatory** is a research and campaign group working to expose and challenge the disproportionate influence that corporations and their lobbyists exert over EU policy-making.

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