



ANNUAL REPORT 2016

In 2016, Corporate Europe Observatory not only grew in team members, but also published an unprecedented number of research reports and articles. The following pages provide an overview of the highlights from our transparency and advocacy work and our research campaigns this year.

Thanks for supporting us!



Margarida



Kenneth



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Pascoe



Theresa



Nina



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Roel



Olivier



Pia



Nicolas



Martin



Lora



Erik

The Power of Corporate Lobbies



Margarida



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Greater transparency and more accountability

LobbyFacts.eu

You may already be familiar with our [Lobbyfacts.eu](#) website, which helps anyone browse, filter and rank data from the official EU Transparency Register with added ease. Since 2016, it also offers an even better filtering tool to find the most relevant entries, and contains a unique tracking feature that shows data changes over the years. Going back all the way to 2012, the website lets you check if and by how much a registrant's lobby spending, number of staff and number of access passes for the European Parliament have fluctuated. Another new feature now included is a list of each lobby actor's meetings with high-ranking European Commission officials since 2014.

Want to see, for example, how the lobbying data of the Coca Cola Company, Apple or Bayer have changed, and which Commission officials their lobbyists have been meeting? Start typing the name of any lobby actor into the [search bar on the website](#) to access their respective data cards. For an example analysis of year-to-year spending changes, take a look at our article on [Google's 2012 vs. 2015 lobbying expenditure](#).

A legally binding EU lobby register

For years, Corporate Europe Observatory has campaigned for a strong, legally binding transparency register to replace the weak voluntary scheme currently run by the European Parliament and the European Commission. In spring 2016, the Commission finally responded with a public consultation for such a mandatory register, which [we responded to](#) in collaboration with our partner organisation [ALTER-EU](#) and encouraged many civil society groups to do the same, even offering a template response for this purpose.

Despite receiving 1,758 submissions, the European Commission's September 2016 proposal for a mandatory lobby register included few improvements to the status quo and was [still mostly unambitious](#). Following up on some of our most vital asks, Corporate Europe Observatory had more than 15 meetings with Members of the European Parliament as well as with the Council secretariat, to explain the importance of our recommendations before all three institutions were to

negotiate the Commission proposal. Our partner organisation [ALTER-EU](#) has likewise continued to amplify civil society's call for a legally binding register.

Broader pro-active lobby transparency

Only after much criticism from Corporate Europe Observatory and other pro-transparency groups did the European Commission start to publish information about some of its meetings with lobbyists in 2014. But a big caveat remains: only top-level Commission officials have to disclose this information – that is Commissioners, Director Generals and members of their cabinets. The lower-level civil servants drafting reports and policy proposals are not covered by the requirement, even though they are prime targets for those who want to influence decision-making.

To strengthen our case for a broadened pro-active transparency regime at the Commission, we showed in 2016, for instance, how [limited transparency requirements helped pave the way for the dangerously weak EU emissions regulation](#), which made headlines in the context of the Dieselgate scandal.

Stronger public consultations

Many civil society organisations, including Corporate Europe Observatory, regularly contribute their policy recommendations to the public online consultations run by the European Commission. These consultations are one of the main channels through which civil society can provide input on ongoing legislative processes at the Commission.

Unfortunately, the Commission too often fails to make public consultations fully transparent, prevent privileged access, ensure that all relevant stakeholders are reached and that criticism is given full consideration.

Our 2016 report "[Commission CON-sultations](#)", highlighted numerous examples of flawed consultation procedures and made concrete suggestions for reforms that would strengthen this tool.

Complaints to raise political pressure

Transparency Register Secretariat

Of course, we continued to expose secretive lobbying and violations of the lobby register's code of conduct in 2016. Cases that also led us to file formal complaints with the secretariat maintaining the EU Transparency Register included lobby consultancy [Hume Brophy brokering Commission meetings with unregistered representatives of the World Coal Association](#), as well as an informal [MEP-industry forum on water](#) policy issues, which despite no longer being officially recognised, continued to use the logo of the European Parliament in its communications.

European Ombudsman

The end of the year also brought a strong conclusion to Corporate Europe Observatory's 2014 [complaint](#) about the Commission's failure to implement UN rules around tobacco lobbying: wrapping up her investigation into the issue, the European Ombudsman [found that the European Commission was breaching its international legal obligations](#) set out by the World Health Organisation's Framework Convention on Tobacco Control (Article 5.3). She decided that "[t]he

Commission's refusal to publish online details of all meetings which its services and its staff have with the tobacco industry constitutes maladministration".

Research and Campaign updates

Member states as lobby targets

In cooperation with the Alliance for Lobbying Transparency and Ethics Regulation (ALTER-EU), we published a report on the corporate lobbying targeting Permanent Representations of EU member states in Brussels. "[National representations in Brussels: open for corporate lobbyists](#)" confirmed the issue of secrecy in decision-making between member states, showing that significant numbers of lobby meetings with corporate interests are held at Permanent Representations, with most governments unwilling to provide any information on these.

Corporate lobbies' privileged access to the European Commission

Since 2014, the highest-ranking officials at the EU Commissions have to publish certain information about their meetings with lobbyists. While far from enough civil servants at the institution are covered by this pro-active transparency requirement so far, the available data already shines a light on the stark imbalance of lobby meetings held by Commission officials: One of our reports from 2016, for example, illustrated the [dominance of corporate lobbyists in meetings with EU Climate and Energy Commissioner Cañete, Vice President for the EU Energy Union Šefčovič or their respective cabinets](#). Excluding their meetings with public authorities, 71 per cent of all other get-togethers with interest representatives saw them meeting industry lobbyists.

To be able to analyse the lobby meetings of Commission officials and civil servants not covered by the pro-active declaration requirement, we also submitted a large number of access-to-documents requests via www.asktheeu.org throughout the year, the responses to which we will use in upcoming publications.

Conflicts of interest I:

The 'revolving door' at the European Commission

We have [continued to investigate so-called revolving door cases](#), where former EU officials – or officials on sabbatical leave – join the industries affected by the legislation and regulation of their previous departments. When the revolving door swings the other way, former corporate employees join the European Commission as policy experts in fields closely linked to their previous industries.

2016 was a particularly important year for our revolving door research, as April marked the end of the 18-month 'cooling-off period' for European Commissioners who were in office during the 2009-2014 Barroso-II Commission. The end of this ban on lobbying activities and the need to seek authorisation for new employment was quickly followed by some of the most scandalous revolving door cases so far.

In July, [former Commission President Jose Manuel Barroso joined investment bank Goldman Sachs International](#). He became chairman and adviser at the very same financial institution that had played a key role in the 2007-08 banking crisis and the economic crisis that followed.

Likewise subject to much controversy were the move of former Digital Economy Commissioner [Neelie Kroes to US tech firm Uber](#), enabled by the approval of the Commission's own Ad-hoc Ethics Committee even before the 'cooling-off period' had ended, as well as former Trade Commissioner [Karel DeGucht's transition to mining corporation ArcelorMittal](#).

If that seems fishy, the Ethics Committee's later [consideration of Barroso's move to Goldman Sachs as legally unobjectionable stinks to high heaven](#). Building on previous concerns with the set-up, informality and limited authority of this Ethics Committee, Corporate Europe Observatory explained why the Barroso [scandal must drive a reform of the way the Commission takes decisions on Code of Conduct issues](#) regarding (former) Commissioners.

As part of the Alliance for Lobbying Transparency and Ethics Regulation (ALTER-EU), we [wrote to Commission President Juncker](#) to express our concerns about the institution's weak ethics rules and its shameful handling of revolving door cases concerning former commissioners and collected the signatures of over 63,000 citizens from across the EU, who likewise called for tougher rules and oversight.

A [full overview of the Commission's 2016 ethics failures](#) has been compiled by ALTER-EU.

Conflicts of interest II: The 'revolving door' at EU agencies

The European Commission is not the only EU institution struggling with conflict of interest issues. As we have documented, the EU Food Safety Authority (EFSA) has been facing similar problems. While we have included more information about the agency's apparent struggle to appoint independent external experts to its panels in the [Agribusiness & Food Safety](#) section of this report, EFSA also had one high-profile revolving door case in 2016 which deserves a mention here:

Should a former food industry representative be allowed to become the voice of an EU agency supposed to regulate this very industry? We think not. In spring 2016, EFSA still disregarded any potential conflicts of interests, and went on to appoint Barbara Gallani, former director at the UK Food and Drink Federation, as its new communications director. Her appointment took place with [no cooling-off period and little transparency](#), and was subject to [very weak conditions](#).

Conflicts of interest III: Members of the European Parliament with second jobs

The Members of the European Parliament (MEPs) are the only directly elected EU decision makers, representing over 510 million people living across the European Union. This makes it extremely important to ensure the parliamentarians do not have any conflicts of interest, and debate and vote on policy proposals on behalf of the EU citizens who elected them.

MEPs with second or third jobs may be subject to a conflict of interest between their duties as public lawmakers and their gainful employment in private sectors on which they are supposed to legislate. One MEP at the focus of our attention in 2016 was Angelika Niebler, due to her simultaneous employment at a law firm offering lobby services. Alongside Friends of the Earth Europe and LobbyControl, we [urged then Parliament President Martin Schulz to investigate MEP Niebler's case for possible conflicts of interest](#).

As part of ALTER-EU we highlighted the [Parliament's hypocrisy around ethics issues](#), after it voted to avoid a clear ban on MEPs holding additional jobs or other paid work during their mandate.

Corporate dominance in expert groups

After years of claiming there was no need to reform the rules that govern its advisory 'expert' groups, the European Commission got ready to replace the guidelines in 2016. Although the Commission resisted [pressure from Corporate Europe Observatory and other NGOs to open a public consultation](#) on the issue, we did secure a [meeting with Commission Vice-President Timmermans to share our recommendations](#) together with other NGOs.

When the Commission finally published the reformed rules, however, it became clear that they had taken on little civil society advice: the [updated regulations continue to neglect the issue of big business dominance in many expert groups](#) and the risk of corporate capture this creates.

Although there is now a formal policy on conflicts of interest for advisory group members, there are still too few concrete provisions in the text to ensure a balance of interest representatives and experts in such expert groups.

This oversight came just a few months after the Commission had been [forced to close an industry-dominated advisory group on fracking](#), following a Corporate Europe Observatory complaint to the European Ombudsman – apparently there were no lessons learned.

That makes it so important to continue pressing for tougher, more explicit rules to limit conflicts of interest in advisory groups and balance the participation of industry, academy and civil society. We are pushing especially hard for a line that will prevent industry representatives with conflicts of interest from writing reports or taking on decision-making roles in expert groups – a solution that has been pioneered by the World Health Organisation.

How think tanks facilitate corporate lobbying

Think tanks work all around the institutions of the European Union, but how they work, who funds them and who they work with is often less clear.

So we set out to shine a light on these supposedly impartial hubs of expertise, and highlight how the think-tank status has become a convenient vehicle for corporate lobbying activities in our '[Thinking allowed?](#)' report.

NEW! Capture of Council decision-making

We have started to look into corporate lobbying at the Council of the European Union, which brings together the governments of the EU's currently 28 member states and plays an important role in supporting, adapting or blocking policy proposals made by the European Commission.

Nevertheless, it is the most opaque of the three main EU institutions, not participating in the EU Transparency Register, not publishing records of lobby meetings and not subject to the working methods and ethics guidelines of the European Commission.

In Brussels, each member state delegation at the Council works closely with its government's Permanent Representation to the EU, which receive instructions from the national capitals but are also subject to heavy corporate lobbying.

As part of ALTER-EU, we published a first [piece of research to scope just how much corporate lobbying takes place at the permanent representations](#) as the primary links between member states and the EU level.

Although we asked 17 national representations for a list of meetings held with lobbyists in the previous 12 months, only four governments (Ireland, Romania, the Netherlands, and Poland) were able to provide all or some information that related to our access to information request, even though all member states except Cyprus have national legislation providing for a right of public access to such information.

The data we received from the Netherlands, Ireland, Romania and Poland showed that many lobby meetings take place with staff at the permanent representations, most of them with corporate lobbyists, which gives big businesses significant access to promote corporate agendas at yet another front.

The power of lobbies illustrated

NEW! Brexit

In the run-up to the UK's referendum on EU membership, we compiled [all relevant Corporate Europe Observatory publications on the issue](#) in one place, to help nurture a fact-based debate and to show that neoliberal policies are not only the fault of the EU, but have also been strongly promoted by the UK government and UK corporations, in particular financial industry actors.

We published a [reflection on the outcome of the referendum](#), in which we expressed our view of the Brexit vote as a wake-up call for the EU institutions to "roll back corporate power and break free from the neoliberal ideological straitjacket". We confirmed, once again, the importance for a united Europe "rebuilt on the principles of social and economic solidarity, democratic accountability, and environmental sustainability."

Weak EU emissions rules & Dieselgate

Corporate Europe Observatory has been investigating the ever-expanding emissions cheating scandal brought to light by the 'Dieselgate' affair, and has analysed the role of car industry lobbying in the creation of weak EU emissions regulation.

Our most significant 2016 publications on this issue were:

- An investigation on the European Commission putting the [scandal-hit car industry in the driving seat for new emissions regulations](#)
- Our analysis of leaked documents, which showed the [Commission giving inside information on new emissions tests to car industry lobbyists](#)
- An article on the way a [new leak exposed the Commission's attempt to delay the policing of diesel emissions](#)
- [Our assessment of the European Parliament's Dieselgate report](#) slamming the Commission and national governments for maladministration

In June 2016, Corporate Europe Observatory's research expertise on the issue also saw our colleagues Olivier and Pascoe being invited by the European Parliament's inquiry committee on the Dieselgate scandal to share evidence of excessive car industry influencing and to provide recommendations for curbing such undue influence in the future.

Interactive

Throughout the year, we organised more than 55 of our 'lobby tours' for groups of journalists, NGO campaigners, visitors of Members of the European Parliament, as well as for members of the general public. During these guided walks through Brussels' EU quarter, we explain the functioning of corporate lobbying at the EU-level, outline who are the main lobby targets and the main lobby actors, and provide many engaging examples from our research work.

If you are interested in joining us for such a tour, please sign up to our newsletter for supporters and/ or follow us on Facebook, to receive alerts about upcoming events.

We also started to compile a completely overhauled version of our popular Lobby Planet guide to the Brussels' EU quarter this year. The new edition will be available as of mid-2017, and allow all activists, journalists, politicians and members of the interested public to critically explore over 130 corporate lobby actors and targets , while discovering Brussels on foot.

Agribusiness & Food Safety



Nina



Martin

Research & Campaign updates

Glyphosate and the EU Food Safety Authority

Our 2016 research on the EU Food Safety Authority's (EFSA) flawed handling of the risk assessment for glyphosate, the world's most-used herbicide, highlighted once more what is wrong with the EU's procedure for assessing the safety of pesticides.

The World Health Organisation's cancer institute had concluded in 2015 that glyphosate does "[probably cause cancer in humans](#)" – a result at which they arrived through a transparent assessment process using published scientific evidence, which took into account both glyphosate and glyphosate-containing herbicides – the products that we and especially farmers are exposed to in the real world.

Our 2016 research showed that EFSA - applying EU rules - had glyphosate analysed as an isolated substance rather than as part of a formulation, that it [withheld key evidence in its risk assessment](#), used national-level experts of which [more than 80 per cent refused to have their names disclosed](#), and worsened its conflicts of interest problem by [hiring a lobby consultancy that also works for the pesticide industry](#).

Regardless of this, the European Commission extended the current EU market authorisation for glyphosate for another 18 months in June 2016. Our [analysis of this temporary extension](#) provides a summary of the back and forth that led to the postponing of the final decision until 2017.

At the end of the year, we finally managed to [gain access to the raw data of the pesticide industry-owned and -commissioned studies](#) that form the basis for EFSA's safety assessment for glyphosate. Even though large sections of the data remain redacted, we hope that the available information will enable independent scientists to scrutinise the evaluation of the substance that was carried out by EFSA and EU Member States.

And because this is just one of many cases in which study data at the heart of EFSA safety assessments is not - or only partially - disclosed, we have continued our broader campaign for the publication of such studies to make EFSA evaluation processes more transparent. The same goes for our campaign on EFSA's independence policy in general, which currently condones, for example, expert panel members with financial ties to the companies whose products they are supposed to assess.

Corporate lobbies shielding hormone-disrupting chemicals

Endocrine-disrupting chemicals (EDCs) are contained in many everyday products – from plastics and cosmetics to pesticides. Because of their ability to interact with the hormonal (endocrine)

systems of living organisms, they are suspected of having serious health and environmental impacts, and should be subject to strict EU regulation.

In previous years, the EU had failed to even establish scientific criteria for identifying EDCs due to pressure from several industry lobbies. Ahead of the European Commission's long-awaited June 2016 announcement of the criteria, Corporate Europe Observatory [summarised how this industry lobby campaign affected the EU's rule-making process](#).

The scientific criteria that were eventually announced reflected pressure from industry, rather than concern for public health, as [we highlighted at the time](#). Against standard classification practice for similar substances, the Commission proposal requires an impossibly high burden of proof to demonstrate a link between an endocrine mode of action and an adverse effect on human health, which implies a wilful gamble with EDC-inflicted harm, disability and loss of life.

Food lobby vs. EU sugar regulation

In our summertime publication "[A spoonful of sugar](#)", we took a look at the way food industry lobbyists have been derailing effective sugar regulation in the European Union. While the title may evoke memories of famous literary nanny Mary Poppins teaching a lesson in how to make light of a task, the research behind it reveals just how seriously the sugar lobby has been taking its mission to undermine existing laws and derail much-needed measures vital for tackling Europe's looming health crisis.

The International Monsanto Tribunal

In time for the International Monsanto Tribunal at The Hague in October, we published a [comprehensive guide](#) to pesticide company Monsanto's lobbying strategies and tools, illustrated with examples from different parts of the world.

After the tribunal had taken place, we offered a [summary of the judges' conclusions](#), who found that Monsanto has violated human rights to food, health, a healthy environment and the freedom indispensable for independent scientific research. Following from this, they argued that 'ecocide' should be recognized as a crime in international law.

New GMOs

Existing techniques for the genetic modification of fruits, grains, vegetables and other food and forage crops have attracted much criticism and resulted in relatively strict EU guidelines. The biotech industry has been trying to avoid and undermine these EU rules since they were first instated. The new generation of genetic engineering techniques could be exempted from existing regulation, although they could also be used to modify animal organisms. In an [in-depth article published in early 2016, we took a closer look at these new GM techniques](#), identifying their potential dangers and shining a light on the role of industry lobby group New Breeding Techniques Platform.

We also zoomed in on the rather surprising recent phenomenon of 'eco-modernist' [green campaigners jumping aboard the GMO band-wagon](#), a trend analysed in one of our 2016 [guest articles](#), which also rebuts many of the claims made by those environment activists who have recently come out as GMO-proponents.

Economy and Finance



Kenneth

Research and campaign updates

The European Central Bank's investment in climate-changing corporations

In June 2016 the European Central Bank (ECB) activated another programme intended to boost the Eurozone economy. In recent years, large sums have been spent in an attempt to spur growth – so-called ‘quantitative easing’ – with cheap loans made available to banks and the purchase of sovereign bonds, among other measures.

This time around, the ECB has taken its programme a step further and has started to buy corporate bonds – essentially, giving cheap loans to corporations, a kind of subsidy to some of the biggest players in the European marketplace.

Corporate Europe Observatory [decoded the list of beneficiaries of the European Central Bank's corporate bond purchasing scheme](#). The results are disturbing, unless you think oil, fancy cars, motorways, champagne, and gambling are good places to put public money.

UK banking sector lobbying in Brussels

When ‘Brussels’ is blamed for unpopular rules and regulations associated with the EU, critics often neglect to acknowledge just how much influence certain corporate sectors from member states have over EU policy-making.

Germany’s car industry is one example, the UK’s financial sector is another. To contribute to an informed debate in the run-up to the Brexit vote, we published a [piece of research on the financial firepower of the UK banking lobbies](#), which spend over €34 million a year to influence EU laws on financial regulation.

The European Central Bank stays close to corporate megabanks

Despite a 2015 scandal over the proximity of the European Central Bank (ECB) and megabank representatives in the so-called Group of Thirty, the ECB’s involvement with the powerful financial interest group intensified the same year.

Neither the scandal, nor the ECB’s subsequent new rules on when and how to associate with financial lobbyists and representatives of financial corporations seem to have affected the way the ECB’s top brass deals with the quasi-lobby Group of Thirty.

Apart from [researching the continued close co-operation](#) between the ECB and the group of megabankers, Corporate Europe Observatory also [filed a corresponding complaint to the European Ombudsman, which was taken up in January 2017](#).

Climate and Environment



Pascoe



Belén

Research and campaign updates

Oil corporations vs climate

After former US President Obama rejected the controversial Keystone XL oil pipeline project, Canadian company TransCanada wanted to sue the US for over US\$15 billion in damages under the North American Free Trade Agreement (NAFTA).

[Our briefing on the case explained why this and many similar cases have set off alarm bells](#) about the extreme power which neoliberal trade deals – including EU agreements like TTIP and CETA – grant corporations.

Canete, the disputed EU climate commissioner

We have been following the controversies around Miguel Arias Canete [ever since he was first nominated](#) to become EU Climate and Energy Commissioner in 2014.

Since his appointment, he has become [entangled in yet more scandals, which we summarised](#) to underline why we think he is untenable for the office of Climate and Energy Commissioner:

Commission and Big Energy keep cooking the climate

Although EU Commissioner for Climate and Energy, Spain's Miguel Arias Cañete, claims to have played a key role in securing the 'historic' Paris climate deal, Commissioner Canete, his boss Vice President for the Energy Union Maros Šefčovič, as well as their cabinets have not shown ambitious climate action in their lobby meetings since the deal was struck.

Our [analysis of their official lobby meeting statistics for the first half of 2016](#) shows that 71% of their lobby meetings took place industry representatives – only 17% of their meetings were with NGOs, 8% per cent were with think tanks and research institutions and only 5 per cent were with trade unions.

INTERACTIVE! Kicking big polluters out of climate policy

While the EU's climate policy chiefs failed to balance their stakeholder consultations between corporate interests and civil society representatives, the [annual UN climate talks have likewise been subjected to the active presence of some of the most polluting companies in the world](#).

In the months before the 2016 UN climate negotiations, the ‘COP22’, we got together with you, Corporate Accountability International and Reclaim Power to [call on world leaders to kick big polluters out of climate policy](#).

We no longer allow the tobacco industry be involved in public health policy because of the clear conflict of interest, so why should Big Oil and Gas and other fossil fuel companies be allowed anywhere near climate policy?

Rio water privatisation to finance 2016 Olympics

A few weeks after the May coup against Brazil’s former president Dilma Rousseff, Brazil’s ‘interim’ government, under Michel Temer, signed an emergency loan to the State of Rio de Janeiro to help finance infrastructure for the 2016 Olympics – in particular for a subway line connecting the sports venues.

The bailout was conditional to selling off the State’s public water supply and sanitation company, the *Companhia Estadual de Águas e Esgotos* (Cedae).

A few months before, [we interviewed City Councillor and chair of Rio’s Special Committee on the Water Crisis Renato Cinco, who warned of severe privatisation threats](#).

Ineffective EU emissions trading continues

A central pillar of the EU’s policy response to climate change has been the so-called EU Emissions Trading System (EU ETS), which is supposed to reduce greenhouse gas emissions by charging polluting companies for their emissions. However, the resulting ‘carbon market’ on which pollution permits are traded has been flawed to a degree that renders it ineffective – with some of its features even aggravating the pollution.

First launched in 2005, the EU ETS will merge into its fourth trading period in 2021, in time for which a reform of the system has been proposed. To better explain the system, follow the negotiations around the reform, as well as to critically assess the proposals, Corporate Europe Observatory launched a new blog series in 2016: “[The ETS Files](#)”.

Key observations from the blog posts also informed our big report on the way that big polluters are planning to profit from the ETS reform, “[Carbon Welfare](#)”, which was published at the end of the year.

Aviation emissions rules that miss the point

Autumn 2016 saw the agreement of the world’s first global deal to curb pollution through aviation emissions in a new United Nations accord supported by 191 nations. Although much overdue, the deal turned out to be an act of window dressing – a risk of which Corporate Europe Observatory had warned beforehand.

Although the aviation industry is the world’s fastest growing source of greenhouse gas emissions, airlines will not be subjected to a cap or fees for emitting, but will be asked to help fund an offsetting scheme to support carbon-reducing projects like the planting of trees. Until 2027, participation in this new system will be voluntary.

In “[Climate Con: why a new global deal on aviation emissions is really bad news](#)”, we explain why the deal is a cop out that allows airlines to carry on polluting. For an industry that is the world’s fastest growing source of greenhouse gases, “carbon neutral growth” is simply impossible.

International Trade



Pia



Lora

Research & Campaigns

TTIP & CETA as threats to democracy

The EU trade deals with the US (Transatlantic Trade and Investment Partnership Agreement - TTIP) and Canada (Comprehensive Economic and Trade Agreement - CETA) were front and centre of our trade team's research and campaign efforts in 2016.

Our central concerns have been the deals' promotion of regulatory co-operation, and their undemocratic approach to investor-state dispute settlements, which would give corporations the power to sue states.

Risky regulatory co-operation

Environmental, climate, public health and social rights safeguards would all be up for "harmonisation" across the Atlantic, at risk of being eroded to the lowest common denominator in a regulatory race to the bottom. Many of the rules protecting us against everything from toxic chemicals and unsafe foods, to unrestricted speculation by banks could get hollowed out via regularoty co-operation.

Worryingly, the envisaged procedures would give stakeholders, like corporations and their lobbies, the [right to submit proposals for new regulations applicable on both sides of the Atlantic, and pioneer a particularly industry friendly type of impact assessments](#). In the past, similar approaches to weighing the costs and benefits of new legislation have been used in highly political ways, for example to water down, delay or abandon laws which might run counter to business interests.

To break down this complex issue, we got together with partner organisations to make a [short video explainer about the features that make regulatory co-operation a threat to democracy](#), and to [flag these concerns](#) to the EU Trade Commissioner Cecilia Malmstroem.

Giving corporations the power to sue states

Both the TTIP and CETA negotiations have featured a big push to anchor investor privileges in the deals. Most severe is the leverage over legislation to be given to corporations: if legislative proposals for public-interest laws may negatively affect corporate profits, the corporations concerned would be given the right to sue the relevant government for damages – to be paid from tax payers' money.

Despite a large-scale pan-European public outcry over this highly undemocratic approach to settling investor-state disputes, the EU's position on the issue has barely changed, as we highlighted in a joint report published with many civil society allies: [The zombie ISDS – rebranded as ICS, rights for corporations to sue states refuse to die](#).

In a bid to [show just how bad the EU Commission's revised position still is](#), we checked five of the most controversial investor-state dispute settlement cases against the provisions in the new

proposal: all five cases of corporate attacks against governments trying to pass laws for the public good would still be eligible under the 'new' settlement system, which clearly fails to safeguard governments' right to regulate.

Given the stubborn persistence of such anti-democratic provisions in this new generation of trade deals, we also [took a look at the driving forces behind the push for investor privileges](#). One of the culprits: the influential and well-connected lobby group The European Services Forum, which represents global services companies including Deutsche Bank, Microsoft, and IBM, among many others.

Cutting through the CETA spin

Together with many allied organisations and under the lead of the Canadian Centre for Policy Alternatives, we published [a full assessment of the original text of the Canada-EU Comprehensive Economic and Trade Agreement \(CETA\)](#), only to find that the EU- Canada deal contains many of the same flaws of the – currently frozen – TTIP agreement. We also published an in-depth analysis of how CETA's investment chapter essentially boils down to a [trading away of democracy](#).

At the same time, those in support of pro-corporate trade deals have learned a lesson from the public backlash against TTIP and have increased the spin around CETA, even though our findings reveal that this deal, too, presents a major assault on democracy, workers, and the environment. To show just how shallow the defense of the agreement's advocates is, we [zoomed in on six of the most wide-spread CETA swindles and debunked them one by one](#).

Democracy for Sale – around TTIP talks

Although currently on ice, the negotiations on a Transatlantic Trade and Investment Partnership agreement between the EU and the US probably witnessed the heftiest corporate dominance of such talks ever.

In autumn 2016, Corporate Europe Observatory, Friends of the Earth Europe and WeMove.eu therefore [mobilised over 45,000 people from across Europe to decide which corporate lobby was most 'deserving' of naming and shaming for its meddling in the negotiations](#) – the pesticide industry, big pharma, the car industry?

Over 15,000 votes were eventually cast in favour of pesticide lobby groups the European Crop Protection Association and CropLife America, which were then awarded the tongue-in-cheek "Democracy for Sale" award. A trophy they were not exactly happy about.

'Trade secrets' protection threatens whistleblowers

Corporations view their commercially sensitive, internal information as 'trade secrets', which may under no circumstances be published. Time and again, companies have attempted to prevent or criminalise the publication of documents using this argument, even if the publication is very much in the public interest. That can be the case, for example, to [enable the scrutiny of industry-owned studies used to make EU pesticide safety assessments](#)

on substances like glyphosate, or because the documents contain incriminating evidence against the companies or their staff, as with both the [LuxLeaks](#) and [PanamaPapers](#) scandals.

Nevertheless, the EU in 2016 paved the way for a new piece of legislation to create excessive rights for business secrecy, which can be used to prevent necessary public access to vital information. Corporate Europe Observatory actively followed the process and with a [broad coalition of other NGOs and trade unions](#) managed to limit the damage on many points, urging all legislators [not to approve the protection of trade secrets at the expense of whistleblowers and public scrutiny](#).

After the new Trade Secrets Protection Directive was passed, we got to work on a guide for national governments that will help them to uphold the directive's safeguards for journalists, employees, unionists and whistleblowers when transposing it into national law.

In and beyond the office



Kat



Theresa



Nicolas



Roel

While our campaigners were busy researching and publishing reports, a whole team of people held the fort and ensured our publications were accessible to as many people as possible: our office administrator Nic, our editor Kat, our media officers Theresa and David, our webmaster Erik and our accountant Roel.



Erik

Staff changes

Our former media and communications lead David was replaced by Theresa, who joined us from the Oxfam EU office.

Former CEO intern Margarida became a full-time part of the team as our newest researcher and campaigner on transparency, accountability and ethics issues.

Our 2016 intern Marijke majorly drove our research into corporate-funded think tanks and stayed on in a consultancy role for a little while, in which she supported our work around gas-industry lobbying and EU gas policy.

**The annual report is not an exhaustive list of CEO's 2016 activities, but provides an overview of many of the campaign and research highlights from across the year. **

Corporate Europe Observatory (CEO) is a Brussels-based 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.



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