



European Parliament's Report on Lobbying

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On 8 October 2007, Mr. Alexander Stubb (MEP, PPE-DE) from Finland, Vice-Chairman of the European Parliament's Internal Market Committee introduced the topic 'Lobbying in the European Union' in front of the Constitutional Affairs Committee since he's been designated as the 'Rapporteur' on Lobbying. The first draft of the report will be discussed in November with the final report to be voted on in a plenary session in December.

For the record it may be useful to give a brief recital of the presentation of Vice-President Siim Kallas to the same Committee on 18 July 2007:

"Some lobby organizations have challenged the initiative, saying it suffered from a "fundamental misconception that money equals influence. We have never said that. Of course, there's no direct, proportional link between money and influence. Indeed, corporate lobbyists say they spent millions of Euros lobbying on REACH, but still consider they "lost" the political battles to the NGOs. Without taking a position on, whether this is true or not in the particular case, I certainly agree that you can spend money and have little or no influence. But if the lobbying professionals question that money does bring influence, I wonder why they are in business at all? And why does this business appear to be growing? In fact, if spending money on lobbying gives no influence, I wonder what the lobby professionals say to their clients when they bill them? Nobody would pay real money for lobbying without expecting "something" in return, and that "something" is influence. Financial disclosure will be a useful rough indicator of the forces at play.

Another point of criticism from the public affairs consultancies in particular is that the Commission is allegedly asking for excessive and discriminatory financial disclosure. But for financial disclosure, we are not asking for fees or events to be declared. We're simply asking the public affairs consultancies for an estimate expressed in relative weight per client, on behalf of whom they lobbied in the past year. Frankly, this is very light self-regulation, compared to the reporting requirements that some of the same companies are subject to when lobbying in Washington DC. Our proposal is not discriminatory. We have followed the broad

consensus that the register should apply to a very wide scope of actors, including public affairs consultancies, corporate and “in-house” lobby units, NGOs, think tanks, trade associations and trade unions, and law firms.

Personally, I believe you can spend money on lobbying without having any influence and you can receive money from the public without losing your independence. But the Commission’s idea is that everyone should be allowed to make their own assessment. Transparency is not itself a judgement.

The Commission register will open in the spring of 2008. Some future registrants ask us to ensure that the register would be a joint Commission-Parliament one. We would be pleased to offer everyone such a “one-stop shop”. We would therefore be very keen to hear what your requirements for a joint system would be. The Commission’s Secretary-General stands ready to work on this with the Secretary General of the Parliament.”

Back in 30 August 2007, in an op-ed in the European Voice, Mr. Stubb presented his own views on lobbying:

“Lobbying does not always have a positive connotation. Many see lobbying as some kind of shady activity in a smoke-filled room. This description is unfair and outdated. Most lobbyists are experts in their field, representing interests in a professional manner. Of course you might not agree on what they all say, but democracy is all about competing views, pluralism. It is up to the decision-maker to listen and draw his or her own conclusions. There is a misconception that money equals influence. NGOs with limited resources can be as influential as rich multinational companies. Lobbying on the REACH chemicals regulation or software patents, for instance, was much more influential from the public than the private side. Some lobbyists spend a lot of money without any noticeable influence. For most politicians, power lies in the argument, not in whom and how much money is behind it. My starting point is simple: all lobbyists should be treated equally. Greenpeace and McDonalds represent their own interests. A public interest claim is not automatically better than a private interest claim.”

“The European Parliament has an extensive register of lobbyists, mainly for security purposes. They all have to sign a code of conduct, which gives them entry to the buildings. Before every meeting the lobbyists tells the MEP who he or she is representing. In my opinion the Commission should avoid creating a system which is too much like its equivalent in the US. We do not need to go overboard. In the US lobbying is directly linked to political decision-making through funding. In Europe there is no such link. EU lobbying is not US lobbying.”

“Lobbying is all about interest and information. In Brussels, European Commissioners backed by thousands of civil servants and advisers are the champions of information. Ministers in the Council form their positions with the help of permanent representations and ministries. But a member of the European Parliament is less lucky. He or she has to survive with a few assistants and civil servants. No matter how talented they might be, an MEP is also dependent on the information provided by lobbyists. Good lobbyists can be a vital source of information, although bad lobbyists will receive short shrift from most MEPs.”

“Lobbying rules in the Parliament have worked in the past. There is no reason why they should not work in the future for the other institutions too. Perhaps lobbying rules should follow Aristotle’s golden rule: “Nothing in excess except moderation”.

Conclusion

At this stage it looks far from certain that the European Parliament will follow the Commission's example, let alone show the way as a frontrunner on transparency. While many MEPs are very clearly committed to support and go beyond the Commission's initiative, others seem inclined to preserving the status quo.

ALEEP holds the view that effective disclosure of lobbying efforts will help increase public understanding and acceptance of the lobbying profession and enhance public integrity of decision-making processes through the European Union. We fully support the European Transparency Initiative (ETI) and the disclosure of who is lobbying, for whom they are lobbying, who is being lobbied, what issues are involved and what is being spent for such lobbying. We sustain, however, that certain principles must be followed in the articulation of lobbying rules: We consider that they

- must be fair, even-handed and non-discriminatory;
- must be clear and unambiguous so persons subject to the requirements can readily understand what is necessary;
- must not infringe on citizens' rights to communicate their views directly or through a professional advocate to appointed and/or elected public officials;
- must not unduly restrict the rights of those engaged in lobbying work to practice their profession;
- must not impose penalties that are excessive or unreasonable in view of infractions involved and
- must not impose unnecessarily burdensome record keeping, reporting and compliance mandates.

My proposal (although extreme) would be to create a new body in the legislative branch: The Chamber of Interest Groups to complement the European Parliament representing EU citizens. This new chamber would be charged with bringing attention to important issues and offering new policies to the European Parliament, much as lobbyists currently do, but it would be in broad daylight. Any group that could show a number of members would have the right to a seat; industry groups could buy a seat, with the money going into the general fund. Other seats could be awarded by acts of the European Parliament. Before anything could be forwarded to the European Parliament, it would be debated in the Chamber of Interest Groups and opposing parties would have an opportunity to submit alternative opinions and evidence, or even work with each other and reach a compromise amongst themselves before it reaches the European Parliament. In return for an officially sanctioned place inside the legislative branch, interest groups would no longer have the right to petition the European Parliament directly. That would be reserved to the people. With their schedules cleared of lobbyists, MEPs could actually have time to hear the concerns of the only people they're actually supposed to listen to: their constituents.

There would still be interaction between interest groups and the European Parliament, but it would be in Committee hearings when an MEP subpoenaed a member of the Chamber of Interest Groups for clarification on policy officially submitted to the European Parliament. An interest groups could still appeal to citizens to talk to their MEPs, they just couldn't go directly to an MEP as a professional representative of a larger group.

Of course, I realize that the above proposal will never materialize. The point I want to make is that the EU is comprised of competing interests. If we provide for equal access and fewer private connections disturbing the democratic equilibrium, we can all work productively towards the compromises we need to live in the EU.