

Lobbying in the EU Demystified

... and what does it all mean for Serbia?

We hear a lot about Commissioners and MEPs reinventing themselves into lobbyists and working for the private sector following the end of their mandate. We also hear a lot about the influence that the corporate interests have on European Union policies with little regard for the common citizen. But is it all as bad as it is covered? CEP Associate Sofia Tzortzi wrote some time ago a [commentary](#) explaining what lobbying is, what activities it constitutes and who the people who lobby in the EU are. Not to repeat her arguments, she rightfully concluded that lobbying represents a broad range of activities that aim to influence policy making and a particular policy, and that therefore everyone lobbies – trade associations and consumer organisations, non-profits, foundations, private actors, governments of member states as well as third countries, etc. Still, lobbying remains a dirty word in the vocabulary across the Union since it is regarded as the defence of corporate interests at the expense of the public and civic interests such as the environment, or women's and workers' rights. This article seeks to open the discussion on how malicious

Lobbying remains a dirty word in the vocabulary across the European Union, as it is regarded as the defense of corporate interests at the expense of the public and civil interests.

As the European project extended beyond the strictly market-related policies, the citizens began to understand that the regulatory policies of the EU concern them. Ever since, the debates on democratic legitimacy of the EU decision-making have heated up and the system saw itself constantly justifying its existence.

lobbying is in reality and reflect on a few interesting studies that looked into the issue of whose interests prevail and through which mechanisms, in order to have a more nuanced picture of what is actually going on in the lobbying world in Brussels and how it is relevant for Serbia.

How did the lobbying story come about?

To give a background of this already hyped story on transparency of EU governance, let's first of all remember when the issue came to the public eye. The European Community was for a long time considered to be an elite project, where the clear lines of accountability and responsibility were not in the hands of the citizens. However, as the European project extended beyond the strictly market-related policies, the citizens began to understand that the regulatory politics of the EU concerned them. Ever since, the debates on democratic legitimacy of the EU decision-making have heated up and the system saw itself constantly justifying its existence. Common allegations are that the EU is run by the executives,¹ while the role of the Parliament is limited in policymaking.²

The true breaking point in terms of transparency was the fall of the Santer Commission in 1999, as the European Commission needed to regain the trust of European

¹ The Council of Ministers comprises national governments' representatives, while the Commission is regarded as a bicephalous European executive of sorts.

² Following the extension of the ordinary legislative procedure to the majority of policy areas and the EP's institutional powers with the Treaty of Lisbon, this remains arguable.

citizens and (re)build its own and the Union's legitimacy. As a response, the Prodi Commission introduced in 2001 the famous White Paper on European Governance. [CEP, and I personally](#), wrote on the relevance of this White Paper for setting the guidelines and giving the momentum for a more consolidated and open policy making in Brussels. Individual Directorates-General took up consultations with external stakeholders and introduced various participatory tools such as expert groups, civil society dialogue, as well as online consultations and issue specific platforms.

The lobbying rules in the Union differ depending on the institution in question. While the Parliament regulated the relationship with lobbyists through its Rules of Procedure in 1996, the Commission only in 2008 adopted a self-regulation model and non-binding register of interest representatives. The two approaches were merged following the Interinstitutional Agreement on the Transparency Register in 2011, which remains voluntary, but is connected to the obligatory requirement for access authorisation to the EP. The beauty of it is its breadth as it gathers consultancies, law firms, trade association, in-house lobbyists, NGOs and think tanks. As already noted, the Council has not yet joined the bandwagon, but there have been numerous promises on the part of the Commission that such a development is in the pipeline. Additionally, Commission President Juncker put focus in his Political Guidelines on the transparency of the work of his Commission and now the meetings with lobbyists are publicly available. The consensus is that meetings take place only with actors who are signed up to the register and have provided information including the investment in lobbying activities. Still, the criticism does not cease and the Commission remains particularly at the forefront of these attacks as the institution attracting the majority of lobbying activities.³

Commission President Juncker put focus in his Political Guidelines on the transparency of the work of his Commission and now the meetings with lobbyists are publicly available. Still, the criticism does not cease and the Commission remains particularly at the forefront of these attacks as the institution attracting the majority of lobbying activities.

The media does not help to clarify this issue, and give nuance to the story of lobbying in Brussels, as the focus is placed on scandals which are rather an exception than the rule.

The media-induced (mis)understanding

The media does not help to clarify this issue, and give nuance to the story of lobbying in Brussels, as the focus is placed on scandals which are rather an exception than the rule. An example is the overblown estimate of the number of lobbyists in Brussels ranging from 15,000 in 2006 to the most recent figure reaching twice as much. An estimate of the College of Europe Professor Justin Greenwood is that [this figure amounts to merely 4,125](#). Recently, POLITICO introduced a weekly email newsletter called *Brussels Influence* where it covers lobbying in the EU capital in a manner [demonstrating the institutions' corporate bias](#). It even offers [an interactive tool to track the Commissioner' meetings](#) for the past 6 months. According to this picture, most of the meetings (70.62%) take place with business and corporate actors, which is followed by NGOs and NGO associates with a mere 18.28%. In terms of individual actors, BUSINESSEUROPE is leading the chart with as much as 42 meetings so far. Another tool is the [map of the whereabouts of the lobbyists in Brussels and their proximity to the institutions](#), which perhaps conveniently misses that the European quarter is also a hotspot for the NGOs. For instance, the European Youth Forum is located in the central Mundo-J building. An interesting fact is also that Finance Watch occupied the premises on the same corridor as the Association for Financial Markets in Europe, which is a lobby group with the highest spending declaration on the [Transparency Register](#).

³ Again, following 2009, it is impossible to influence a policy without getting the Parliament's support.

Analysis of the stakeholder consultations under the proposal for the Directive for Women on Boards in DG JUST shows that the Commission actually did not opt for the views pushed for by the companies, but instead took up the arguments of the non-governmental organisations (European Women's Lobby).

Beyond location and number of meetings: what is the influence?

I analysed the stakeholder consultations under the proposal for the Directive for Women on Boards in DG JUST. My conclusion was that the Commission's final proposal leaned towards the solutions put forward by the non-profits, albeit in a watered down manner. The public consultation was organised online for three months, and gathered 324 contributions out of which 53 from non-governmental organisations (NGOs) also incorporating trade unions. A larger number of companies participated (79), however their views did not align with what the Commission envisioned, and were, therefore, not sufficiently influential to have a greater say in the proposal. For instance, the aforementioned association with the greatest number of meetings with Commissioners – BUSINESSEUROPE – advocated “the respect for the freedom to conduct a business”, while the European Women's Lobby (EWL), sought to set the quota at equal representation 50% and extend it to non-executive/supervisory board members in all companies with more than 50 employees and all public enterprises. EWL is on the same list as BE, but with 8 meetings – five times fewer. Finally, the Commission brought a proposal incorporating a 40% target quota and 33% objective of all boards, binding rules on the merit-based selection, applying only to EU companies under EU stock exchanges i.e. around 5000 companies both privately and publicly owned, with sanctions to be defined proportionally by the member states themselves. Therefore, the Commission opted for a more stringent regulatory framework and took up the arguments from the NGO side in the final proposal.

All these things considered, my goal here was to break the myth of the predator corporate interests overpowering victimised public interests. The institutional

framework of the EU is most conveniently regarded as network governance and multilevel governance which is built upon the principles of checks and balances and based on consensual politics. In return, this means that no single interest can hijack the system in its favour but competing interests need to be reconciled for the process to move forward. The Commission, therefore, regards civil society in a very broad manner which encompasses in a way all non-state actors active on the EU plane. Still, the Commission does not ignore the disbalance in financial interests between the private and non-profit sector and provides access points for diffuse interests and financial support (it is even said that the Commission lobbies the lobbyists to lobby it). The degree of influence of a particular interest group depends of the policy area, the competences of the EU, the level of salience to the public etc. and is therefore subject to a case-by-case result. Finally, truth be told, the Commission is quite the pioneer in the EU regarding its initiatives on transparency and participation in its work, with the exception of the Nordic states. And while the picture may not be all rosy, it is far from black and white as presented in the media's witch hunt.

Conclusion: Why does this matter for Serbia?

Lobbying is a tricky subject for EU member states as well, as a significant number has only mid-2000 began the discussions over the possible solutions and policy options. Looking at the international experiences, there are low regulated systems such as France, Germany, Poland and the EU, and the highly regulated ones, such as the US and Canada. There is a significant number of EU member states that do not have any statutory rules governing lobbyists such as for instance Austria, Belgium, Estonia etc. In Serbia, awareness has slowly been on the rise particularly since 2009, as the Serbian Lobbyists Association emerged with the goal of bringing the issue of lobbying to the attention of authorities. The issue was eventually taken up

Truth be told, the Commission is quite the pioneer in the EU regarding its initiatives on transparency and participation in its work, with the exception of the Nordic states. And while the picture may not be all rosy, it is far from black and white as presented in the media's witch hunt.

by the GIZ Legal and Reform Programme, which helped placing it higher on the political agenda. Recently, the expert working group of the Ministry of Trade which gathered also representatives of the General Secretariat of the Government, Ministry of Justice, Anti-Corruption Agency, Lobbyists Association and Law Faculty finalised the draft law. The Council of Europe's Group of States against Corruption (GRECO) is currently in the process of issuing a preliminary evaluation of the alignment of the draft law with the European standards in this field. Next, the draft is going to be presented to the public.

The regulation is not only relevant as part of the anti-corruption strategy in fostering rule-abiding behaviour, but also from the perspective of accession negotiations. As I previously mentioned, everybody in Brussels lobbies, and in order for the views and concerns of Serbian companies, regional representations and NGOs etc. to have a reverberation beyond the borders of the country and impact EU policy making, the representation of interest needs to be demystified and taken up as an ordinary practice of getting one's voice heard. Currently, the topic remains taboo in Serbia. Therefore, the benefits are twofold. A more transparent and legally certain regime, which would not be excessively confining, and would distinguish commercial from non-commercial activities promises to start building the culture "at home". It is very important how lobbying will be defined, so that access to public officials is not prevented for those who are not registered lobbyists, but actually seek to represent citizens' interests and influence a policy as part of civil society. Additionally, by getting involved in associations and platforms at EU level, Serbian actors will be "learning the ropes of the business", and start building inter-EU practices and networks which will serve post-accession. It took old member states and companies a long time and quite some losses to realise the importance of being *in medias res* and working on establishing ties with the institutions and understanding the intricate competences and legislative procedures of the EU. The Serbian state and non-state players now have the benefit of previous experiences and the do's and don'ts of lobbying behavior as well as the opportunity to test and improve their strategies prior to membership when it will start to count on a much larger scale.

Amanda Orza is Researcher for the Good Governance Programme Area at CEP.

A more transparent, legally certain regime, which would not be excessively confining, and would distinguish commercial from non-commercial activities promises to start building the culture "at home". By getting involved in associations and platforms at EU level, Serbian actors will be "learning the ropes of the business", and start building inter-EU practices and networks which will serve post-accession.

About European Policy Centre

www.europeanpolicy.org



www.facebook.com/EuropeanPolicyCentre



@CEPBelgrade



EuropeanPolicyCentre



[linkd.in/1Gj7VKc](https://www.linkedin.com/company/european-policy-centre)

European Policy Centre - CEP - is a non-governmental, non-profit, independent think-tank, based in Belgrade. It was founded by a group of professionals in the areas of EU law, EU affairs, economics and public administration reform, with a shared vision of changing the policy making environment in Serbia for the better – by rendering it more evidence based, more open and inclusive and more substantially EU accession driven. Profound understanding of EU policies and the accession process, the workings of the Serbian administration, as well as strong social capital combine to create a think-tank capable of not only producing high quality research products but also penetrating the decision making arena to create tangible impact.

Today, CEP organises its work into four programme areas: 1) Good Governance, with a strong focus on horizontal policymaking and coordination; 2) Internal Market and Competitiveness; 3) Regional Policy, Networks and Energy; 4) Europe&us. For more information, visit us on www.europeanpolicy.org.