



Petloones and other distortions why the EU lobby register needs fixing!

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Analysis of the European Commission's lobby transparency register by the Alliance for Lobbying Transparency and Ethics Regulation in the EU (ALTER-EU) shows that the data in the register is fundamentally unreliable. This briefing note looks at the top 50 corporate lobby organisations in the register and argues that tighter disclosure requirements and greater oversight are long overdue! Such improvements are not currently on the agenda of the High-Level Working Party preparing the joint Commission-Parliament register.

The Commission's lobby transparency register has already been shown to suffer from serious shortcomings that must be addressed in the new joint Parliament-Commission register that is being prepared.[1]

One key failing is the voluntary nature of the register which means that two years after it was launched, less than 40 per cent of Brussels-based lobby groups have disclosed details about their lobbying activities. Some of the biggest industry lobby players, such as the food and drinks lobby alliance CIAA, hedge fund lobby group AIMA, venture capital lobby EVCA as well as giant corporations like Nokia, Royal Bank of Scotland, E.on, Deutsche Bank, BMW and Nestlé continue to boycott the register, thus avoiding disclosure of their lobbying activities.

By making lobby transparency a strict condition for receiving Parliament access badges, the level of disclosure is likely to increase substantially. But those who want to stay out of sight will still be able to do so. **A mandatory register is the only way to capture all those who lobby the EU institutions and this should be achieved before the end of this Commission term (2015).**

Another key failing of the current register is the very limited amount of information disclosed in the register entries. What is more, much of the data in the register is unreliable. As a result, the register does not give a reliable picture of who lobbies, on whose behalf, on which issues or with what level of budget. Major improvements in the disclosure requirements are needed, as well as better checks on the accuracy of the data.

An analysis by ALTER-EU of the data in the lobby transparency register shows that five of the ten biggest spenders on EU lobbying, according to the register, are actually not big players.[2] At least 15 out of the top 50 biggest spenders should not be in the top 50 at all. Many of these appear big because they have misunderstood the reporting requirements or the purpose of the register. Others appear as major players because they have reported honestly, while a huge number of companies and industry lobby groups with far more substantial lobbying activities have chosen to under-report their lobby expenditure.

The two biggest spenders, according to the register, are WSP Environmental Ltd and Milan MXP Operators Users Committee. They report respectively spending € 247 million and € 182 million on lobbying in 2008, 20-30 times more than anyone else. This is probably just a mistake (company turnover instead of lobby expenses?), but the Commission obviously has not verified the reported data.

There are other examples of entries where something must have gone wrong, such as the European Committee for Standardization (7th in the league table, turnover 5,6 million euro), Prisma

Electronics (10th) and the fishermen from Vigo, Spain (11th). In fact, according to the register, the eighth-biggest lobbyist in the EU is Zaccheus Gilpin, a UK-based individual whose registration states: “I have pledged £5 million to UK Conservative party payable soon.”

The top 50 also includes the Zambian and South African-based firms G.M. Alphatech Enterprises and BVI Consulting Engineers, which report the highly unlikely EU lobby expenditure of more than 1 million euro. And then there is the entirely nonsensical registration for Sanctuary Medical Ltd, which is registered under the acronym Petloonie and says its remit is to “heal the planet and prepare for STARGATE 2012”.

With the probable exception of this last example, none of the above-mentioned entries are intended to deceive. They simply reflect the confusion about the purpose of the register and what to report. They also underline why the Commission should check and verify register entries – which clearly does not happen at the moment.

This list also reveals widespread under-reporting by industry lobby groups and companies. Major lobby groups like BusinessEurope do not show up in the list because they have chosen to report implausibly low lobby expenditure figures. Instead the biggest lobby group appears to be UEAPME (number 15 in the list), the alliance of small and medium sized companies, which reported lobby expenses of 1,561,000 euro. This is likely to be factual and honest, but because many big business lobbies underreport their expenditure, UEAPME looks far bigger than it is. The same goes for individual companies. Prisma Electronics (a small Greek company) and Sealed Air Corporation appear to have the highest lobbying expenditure in the EU, whereas real giants like British Petroleum do not even appear in the top 50!

The Commission and Parliament must act to ensure that the new joint register will be reliable. This means introducing clearer and more detailed financial transparency requirements and securing active checks and verification of the data reported. To ensure progress towards a transparency system that covers all those who lobby the EU, the Commission and Parliament should commit to making registration mandatory before the end of this Commission term.

Notes

1. See for instance “Sixty per cent of EU lobbying consultancies not signed up to European Commission’s lobby transparency register” (ALTER-EU, March 2010), “Lobbying in Brussels” (FoE Europe, April 2010) or “The Commission’s Lobby Register One Year On: Success or Failure?” (ALTER-EU, June 2009)
2. Please note that the data analysis does not include the NGO and think tank categories, because NGOs are not asked to disclose lobby expenses, only overall budgets (another weakness of the current register)

About ALTER-EU

The Alliance for Lobbying Transparency and Ethics Regulation (ALTER-EU) is a coalition of over 160 civil society groups, trade unions, academics and public affairs firms concerned with the increasing influence exerted by corporate lobbyists on the political agenda in Europe, the resulting loss of democracy in EU decision-making and the postponement, weakening, or blockage even, of urgently needed progress on social, environmental and consumer-protection reforms. See www.alter-eu.org

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