

## **WEB HUNGARY**

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Lobbying in Brussels centres around obtaining and analysing information. Forget the suspicious figures with brown, money-filled envelopes: these, it seems, are the stuff of fiction. It is time-consuming work, and it is the person who finds solutions to problems in the face of an opaque system and unfeasible amounts of information who wins the day. Though, of course, everyone has a trick or two up their sleeve.

Aat Petersen has had a good day. The environmental lobbyist had a difficult time arranging for an official from the Government of California to make the short trip to a hearing at the European Parliament in Brussels and lend support to the European Union's projected emissions directive. This would have forced car manufacturers to reduce the CO<sub>2</sub> emissions from cars from 160 g/km to an average of 120 g/km. California has just been experimenting with similar regulations, and Petersen, who was working for the green lobbying organisation known as Transport & Environment, thought it might be good to know Arnie and co were on his side in the war against the hostile, heavyweight automobile industry lobby.

But Petersen's good mood proved short-lived when the Californian called back to say there was a problem at home. The American car lobby had invoked a 19th century law preventing state officials from advising foreign authorities and had filed a suit at a court in California. The official decided it would be better to call off the trip to Brussels, and Petersen was left disappointed. 'I don't know why it was suddenly so important for the American car industry to rush to the aid of their European counterparts. I'm sure it was all just a coincidence', the lobbyist told [origo] with a cynical smirk.

## No brown envelopes

The most remarkable part of this story is that it shows the most brutal face of Brussels lobbying: it is an extreme and not particularly representative example. Contrary to the commonly held view in Hungary, the EU's decision-makers are not swayed or convinced – even when the stakes are highest – by brown envelopes containing money or embarrassing photographs being slipped discreetly into the hands of important politicians. EU lobbying means keeping track of decision-making and acquiring and evaluating information. Influence is in most cases achieved through the judicious use of the information obtained, and only rarely through brute force – and, as far as can be ascertained, not by bribing the decision-makers in question.

According to the legendary Brussels lobbyist Daniel Guéguen, director of the European Training Institute and representative in Brussels of such daunting sectors as the sugar industry and the agricultural lobby for decades, 'The best way of messing up in this job is by trying to corrupt someone'. The system does, indeed, seem surprisingly untainted: the biggest lobbying scandal to have emerged in Brussels in the last ten years involved two colleagues of the commissioner for trade, who accepted tickets from a company for a rugby match. There was an anti-dumping investigation going on into the company at the time.

## No campaign financing

According to the dozen or so representatives of Brussels sectors, lobbyists, experts and civil servants interviewed by [origo], there are three principal reasons why the system is untainted. 'First and foremost, there is no European party funding. Corruption money is nearly always needed for election campaigns, but in the EU there are no election campaigns', said Gergely Medgyessy, a director of the European Public Affairs Consultancies Association, the largest umbrella organisation for European lobbying. The majority of the Union's decision-makers are not elected, and not even an MEP's seat really costs money, at least not campaign money – for that you just need to get on the party list in your country.

This is markedly different from the American system, in which there are elections every two years and the campaign expenses for a representative's seat run into millions of dollars, with a presidential campaign requiring as much as a billion dollars

all told. So American politicians are constantly scrabbling around for money, and this makes them an easy target for lobbyists – hence the lobby scandals which erupt from time to time. ‘In Europe you don’t need lots of money to become a major player’, says Carlos Almaraz, an employee of Business Europe, which represents the interests of major industries.

Figures supplied by SEAP, a Brussels lobbying association, show that in 2004, American companies spent EUR 2.4 billion on lobbying; the best available estimate gives a figure of no more than EUR 90 million for Europe. In June, the European Commission introduced a voluntary lobby registration system where lobbyists must state who they work for and how much they earn, but this has received universal criticism, and the system is by no means certain to continue. Registration is mandatory in the European Parliament, where there are around five thousand lobbyists on the register, with some 15 thousand in Brussels as a whole.

Too complicated, which is a good thing

The other reason for the complexity of decision-making is the intricacy of interests. A piece of Union legislation is the result of consultation in which all 27 commissioners and almost the whole EU machinery takes part. And this is just for the proposal, which must then be approved by the MEPs and Member States. ‘You can buy off one, five, ten influential people, but you still won’t get anywhere. And they sit on decisions for years’, said a Commission worker, who asked to remain anonymous, as members of the administration are not allowed to make statements to the press. ‘In Brussels you can’t do things just like that, as people tend to think – there are too many different interests. If you have understood what is happening and what is in your interest, you might be able to join a winning coalition’, added Gergely Medgyessy.

Some things are also far too over-regulated for them to be scuppered from the outside. ‘People here try all kinds of dodges, of course, but there is a limit to what they can do’, says an MEP of the industry lobbyists, who deals with judgments on company mergers. ‘We have an administrative-legal procedure with clearly defined rules. They can talk about what the interests of the shareholders are, but we have virtually no room for manoeuvre. And when we’ve finished, the legal services still have to approve everything.’ The European Commission’s competition body does not look as if it is open to bribery. Its professional reputation is beyond reproach, and it locks

horns with such fearsome beasts as Microsoft, which it recently fined EUR 1.7 billion for anti-competitive behaviour (roughly 2% of Hungary's GDP).

Tedious

So what do lobbyists do? 'Look, it isn't a particularly interesting job: I sit down at the computer at quarter to seven in the morning and in the evening I go home', replied Guéguen laughing when we asked for a good anecdote. 'The effectiveness of a good lobbyist depends on three things: a precise understanding of how the EU works; knowing the right people, by whom the lobbyist is also accepted (trustworthiness – this is very important); and knowing how to obtain information. They can also construe sound technical arguments from the information'. A good lobbyist will spend years keeping a close watch on the legislative procedure and will find out who takes the decisions, providing the latter with information and setting out reasoning which will promote the lobbyist's own interests – if, that is, they can work out precisely what their interests are: often a difficult task in the complex web of the EU legislative environment.

Being readily accessible, it is the MEPs who are the most exposed to the lobbyists. The technical nature of EU legislation means they are always hungry for information, so that they rely on a number of lobbyists for background material, data and reasoning, and often for amendments. This might, of course, distort the procedure. 'We even give the MEPs the voting lists [showing which way they should vote on individual legislative amendments]', commented a lobbyist who chose to remain anonymous. 'The problem is that they also get them from everyone else'.

According to Dávid Korányi, advisor to an MEP, 'the Hungarian sugar lobby, for example, was a slick outfit. They provided a one-page summary in Hungarian, English and French setting out precisely what their problems were with the sugar regulation in its current form and how exactly they wanted to amend it, all backed up with expert reasoning. Some corporate lobbyists complain when something is not right but then fail to come up with a reasonable alternative. We generally have nothing to do with these, as we do not have time'. MEPs are under constant pressure, floundering among the fifty matters demanding their attention, and a great deal can be achieved with them through constructive reasoning and data. As Guéguen says, 'a good lobbyist is one who offers a solution to a problem.'

## More sinister methods

All this does not, of course, mean that there may not be more sinister methods. Deceit is not common: whoever turns out to be using defective data quickly loses credibility, which is bad. But information can be presented in a one-sided way, and this often happens. Lobbies with financial backing – such as the car industry – do not shrink from flexing their muscles. ‘Last year they threatened MEPs that if they approved the exhaust directive in its original form, thousands of jobs would be lost and production would be moved away from Europe. This was virtually blackmail – and it wasn't even true’, says Eric Wesselius, who works for the Corporate Europe Observatory, an NGO which monitors corporate lobbying.

But it is significant that this is the most serious story that Wesselius can cite. ‘You hear lots of stories, but really they are just there to scare people, and the many credulous MEPs believe everything’, said Chris Davies, a British MEP who favours green issues and is thus particularly exposed to attacks by the heavy industry lobby. ‘I have no complaints: you have to listen to them as well. They keep inviting me to places, but usually I don't go as I don't have time’.

The car lobby's huge economic significance means, of course, that it can gain access to people where others cannot, to the French President, the German Chancellor and the President of the European Commission, for example. A Belgian communications lobbyist admitted to [origo] that he had once arranged for an important MEP to be connected to ADSL at home *ex gratia*. MEPs are entertained by the lobbyists as a matter of course, and the latter pay (openly) for various professional events; but according to Wesselius, this does not go against the ethical rules currently in force. Some MEPs are inclined to be linked to a particular lobby (concerned with industry, green organisations or consumer protection, for example), but such connections are, it seems, dictated primarily by personal preference or their past careers.

## How it works

But the main thing is that this is, quite simply, how the EU works: the whole decision-making system relies on lobbying. From the moment of conception of legislation, interested parties are involved in the procedure (at least, this is the aim), simply because there is no other way of working – the European economy and society

are too complex and technical. ‘We try to sound out everybody – the whole process is one big market research exercise’, is how an official from the European Commission put it. ‘The whole procedure is transparent: anyone trying to decide something here without holding fifty open consultations beforehand is crazy’.

The greens and consumer protection people are, of course, always complaining that the industry/commerce lobby carries more weight in decision-making than they do. This is sometimes true, but it is difficult to say whether it is really the case overall. Criticisms of the EU as being too industry-friendly are rare; in fact, the opposite is more usually true. In the case of key laws such as the Services Directive adopted in 2006, the unions moved skilfully to remove the industry lobby from the picture (chiefly by means of a neat little campaign of hysteria, in which the distortion of facts played a key role). And the emissions directive mentioned at the beginning of this article will probably be one of the strictest environmental protection laws in the whole world, in spite of the huge industrial lobby.

According to Edit Herzog, MEP, the main problem with EU lobbying is that Hungarian companies have not yet realised its importance, given that the majority of laws on industry, energy, the environment and consumer protection are decided on in Brussels and not Budapest. ‘The main thing with lobbying is not being able to change the law but being the first to know how it will change and how to be ready when it does: how to turn the new situation to your own advantage. The good lobbyist, like the smart company, is the one who can anticipate developments, as leaving it to the last minute means you miss the boat. Hungarian companies simply do not understand this. They do nothing, whereupon their ignorance means they pay a hundred times more for their preparations later (in the chemical, service and energy industries), when they finally realise what is happening. They are the only ones who can solve this problem - no one else’.