

# euinsight

## Lobbying in the EU: An Overview

Lobbying—attempting to influence the outcome of legislation or administrative rules and regulations—is a legitimate part of any democratic system, whether it is carried out by individual citizens or companies, civil society organizations and other interest groups, or firms working on behalf of third parties.

As the European Union continues to grow and evolve, the role of lobbying is also expanding dramatically. In the past decade, EU jurisdiction has broadened to include areas of consumer, social, and environmental policy, and the advent of the euro has raised numerous economic and monetary issues within the euro zone. Studies estimate that approximately 80 percent of national laws in the European Union originate at EU level.

The resulting increased need for information on complex issues now offers interest groups more opportunities than ever to influence EU legislation. Unlike the United States, which has strict regulations governing the activities of lobbyists and their interactions with lawmakers, the EU has to date taken a less formal approach. Each of the key institutions—the European Commission, the Council of the European Union, and the European Parliament—has developed its own system for working with interest groups.

The **European Commission**, the executive arm of the European Union, charged with proposing legislation and overseeing its implementation, offers the greatest access to lobby groups via its Directorates General (DGs). DGs are distinct departments, comprised of Commission staff, that are responsible for specific tasks or policy areas. DGs frequently consult with experts and interest groups when researching specific issues falling within EU jurisdiction. In June 2008, the European Commission launched a voluntary register of lobbyists (or "interest representatives") who seek to influence EU decision-making.

The **Council of the European Union**, which comprises the ministers of each Member State and is the main decision-making body of the EU, is the least accessible of the main EU

institutions in terms of lobbying. The Council maintains no register of lobbyists and refers contact with interest groups to the European Commission. However, national ministers frequently maintain relationships with relevant local and regional lobby groups under the aegis of the national lobbying regulations of their Member State.

The **European Parliament**, a directly elected body that co-legislates with the Council, is a key target for interest groups. The European Parliament maintains a register of approximately 5,000 accredited lobbyists who subscribe to a specific Code of Conduct and receive special passes to access Members of the European Parliament (MEPs). In 2008, the European Parliament proposed the development of a single register for lobbyists, which would be common to the Parliament, the Commission, and the Council of the European Union.

Current estimates indicate that there are approximately 15,000 lobbyists and 2,500 lobbying organizations in Brussels. Lobbyists in the EU generally fall into one of three major groups: industry associations, non-governmental organizations (NGOs) / interest groups, and regional representations. Much like their American counterparts, industry associations and interest groups concentrate on influencing decision-making processes for the benefit of their members, while also gathering and disseminating useful information. In contrast, regional lobby groups represent regional and local authorities within EU Member States, and focus not only on direct lobbying, but also on networking, informing and marketing their regions throughout the EU apparatus.

A key difference between the lobbying cultures of the EU and the U.S. lies in the approach to funding interest groups and NGOs, as well as political campaigns. In the EU, non-profit organizations representing civil society are often the recipient of financial support from the European Commission. In contrast, the American system rarely provides government funding to support lobbying organizations or

interest groups—the money generally flows in precisely the opposite direction.

Lobbying in the EU is not without its challenges. Interest groups must address the shifting balance of power among EU institutions, such as those changes outlined in the Treaty of Lisbon (pending ratification). Additionally, the growth of the lobbying industry has led to more regulation, both by lobbying groups themselves and by EU institutions. The European Transparency Initiative and the new European Commission lobbying register and accompanying code of conduct are just two examples of EU efforts to better monitor the emerging lobbying industry and the deepening relationships between lobbyists and lawmakers.

### European Transparency Initiative

For any public institution, transparency goes hand in hand with legitimacy. Political decision-makers are ultimately accountable to the public and must be open to public scrutiny. Citizens have a right to know how their taxes are being spent and how the power entrusted to political bodies is handled.

In order to increase openness, accountability and transparency, in 2005 the European Commission launched the European Transparency Initiative. The program is designed to increase the transparency of lobbyists and interest group representatives who seek to influence EU decision-making, and includes the EU's new European Commission Lobbying Register and the Commission Code of Conduct for Lobbyists.

Additionally, the initiative seeks to make information about the beneficiaries of EU funds more readily available to the public, and to develop and adopt a set of common ethics rules and standards for public officials.

# Lobbying: A U.S.–EU Comparison

	WASHINGTON	BRUSSELS
<b>Lobby registration</b>	U.S. Congress: Compulsory	European Commission: Voluntary European Parliament: Mandatory for accreditation
<b>Ethics regulations for officials</b>	U.S. Administration: Yes U.S. Congress: Yes	EU Commissioners and staff: Yes MEPs and staff: Yes
<b>Code of conduct for lobbyists and lobby organizations</b>	Congressional legislation places restrictions on lobbyists Lobby organizations often have their own codes of ethics	European Commission: Yes, as part of the voluntary register European Parliament: Yes, as part of the accreditation process
<b>Levels of lobbying</b>	Multi-level system Legislative branches: • U.S. Congress • State legislatures Executive branches: • Federal • State	Multi-level system EU and national levels Multiple EU institutions (executive and legislative branches): • Commission • Parliament (directly elected) • Council
<b>Funding of non-profit organizations</b>	Privately funded; very little if any federal funding, with none for lobbying	Many funded—sometimes even created—by the European Commission
<b>"Revolving door" phenomenon</b>	Former lawmakers and government officials frequently become lobbyists (increasing restrictions)	Less frequent
<b>Corporate funding of political campaigns</b>	Common, but with caps Funding: Private sector → public sector (politicians)	Not common; viewed as unethical Funding: Public sector → private sector (civil society)
<b>Transparency</b>	Strict regulations and enforcement Lobbying Disclosure Act of 1995 requires lobbies to list clients and financial sources	Minimal regulation and enforcement No formalized standards, but European Transparency Initiative seeks to improve this
<b>Role of local issues</b>	Senators and Members of Congress rely on local issues to get elected Lobbies representing local issues are highly influential	MEPs are more distant from local constituencies Lobbies representing local interests are less influential Local and regional interests are considered through the EU's Committee of the Regions, composed of representatives of regional and local authorities.



EU Insight is published by the Delegation of the European Commission to the United States.

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ISSN: 1830-5059

Catalogue No: IQ-AB-08-07-EN-C

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Issue No. 22, September 2008

## Details of the New EU Lobbying Register and Code of Conduct

A key component of the European Transparency Initiative is the new European Commission register of interest representatives, launched in 2008 for a trial period of one year. The voluntary register aims to clearly delineate a separation between business and politics, and govern transparent and legitimate relations between the two.

Registered organizations indicate their objectives and missions, as well as the policy areas in which they have a particular interest. Registrants are also required to disclose financial information by estimating their costs associated with the direct lobbying of EU institutions, based on their most recent annual accounts.

Additionally, all registered organizations must agree to comply with the register's code of conduct, which contains rules for interest representatives in their dealings with Commission staff, or by another professional code that sets comparable standards. Details on the latter must be provided to the Commission upon request.

The code of conduct includes seven basic rules, stating that interest representatives shall always:

- Identify themselves by name and by the entity they work for or represent;
- Accurately represent themselves so as not to mislead third parties and/or EU staff about their status;
- Declare the interests, including clients or members, which they represent;
- Ensure that, to the best of their knowledge, information which they provide is unbiased, complete, up-to-date and not misleading;
- Not obtain or try to obtain information, or any decision, dishonestly;
- Not induce EU staff to disregard rules and standards of behavior applicable to them;
- If employing former EU staff, respect their obligation to abide by the rules and confidentiality requirements which apply to them.

For more information: [www.eurunion.org/euinsight](http://www.eurunion.org/euinsight)