

# Civil Society's Role in European Democracy

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**Friends of  
the Earth  
Europe**

## 1. Introduction

Civil society and NGOs have a key role in holding European governments, public institutions and corporates accountable. They carry out research and lobby work, they raise public awareness and give people a forum to express their views, and they develop solutions.

In the EU capital, Brussels, NGOs face a number of hurdles in their work: Hurdles for civic society and barriers to democracy.

## 2. Summary

- The balance of power between business representatives and NGOs in Brussels is extremely tilted – in favor of corporates.
- When it comes to communicating content, NGOs are fighting against companies that can afford to air TV commercials and plaster print and web-based media with misleading messages.
- Some companies have crossed an ethically-loaded line and finance an NGO with the misleading name Green Facts.
- Business interests use “Corporate Social Responsibility” (CSR) as a hollow and cynical tool for public relations – and the EU is supporting this.
- The EU proposal on CSR focuses mainly on improving the competitiveness of the industry; it does not seriously tackle the negative impacts of business on the environment and society.
- Business lobbies have privileged access to information and often meet EU officials behind closed doors, as NGOs are too often excluded from discussions between business and officials on planned EU legislation.
- The EU Commission has published a Green Paper on a European Transparency Initiative (ETI) that does not include mandatory registration for all lobbyists nor a requirement for information to be made public about the issues, clients and lobby budgets involved. The incentive for signing on voluntarily, as proposed by the Commission, is insignificant and indirectly rewards bad lobbyists

### 3. Business vs. NGOs in Brussels

The balance of power between business representatives and NGOs in Brussels is extremely tilted. An estimated 15,000 lobbyists work in Brussels, of which around two thirds represent business interests. And the business lobby has enormous resources at its disposal. Take the European Chemical Industry Council (CEFIC), the lobby group of the European chemical industry. Its 150 employees and annual budget of 40 million Euros enabled it to significantly weaken the EU chemicals directive REACH. As a comparison, not more than 15 people work in Brussels on REACH at CEFIC's main opponents WWF, Greenpeace, Friends of the Earth Europe, European Environmental Bureau and the Health and Environment Alliance.

When it comes to communicating content, the European NGOs are fighting against companies that can afford to air TV commercials and plaster print and web-based media with misleading messages, systematically distracting from the problems they are causing (BP: "Beyond Petroleum"; ExxonMobil: "Driving for efficiency"; Chevron: "Human energy"). The online information portal EurActiv.com is, for example, sponsored by Shell, Total, ExxonMobil and Dupont, among others. The strong presence of sectors like oil and chemicals trying to polish up and green-wash their image with massive PR-measures is striking.

In one recent case of disinformation, CEFIC placed an advertisement in the October 19th edition of the European Voice, distorting facts about the planned mandatory substitution of dangerous chemicals when alternatives are available. The ad included a picture of a sick African child with cynical arguments promoting the use of the highly toxic insecticide DDT – even though pesticides like DDT do not actually fall within the scope of REACH, and safer alternatives to DDT like mosquito nets are available.

Some companies have even crossed an ethically-loaded line: An NGO with the misleading name *Green Facts* was founded with financial support from the chemicals company Solvay. Later, other companies and associations such as Total, Ferrari, CEFIC and the 'European Crop Protection Association' (the association of GM crop companies like Monsanto and pesticide producers like Bayer and BASF) joined the league of sponsors.

*Green Facts* assures that its only aim is to make complicated scientific and consensus-orientated reports on health and environment accessible to non-experts – i.e. Eurocrats and media representatives. But *Green Facts* systematically blurs the line between NGO and business by publishing supposedly non-biased reports on the positive benefits of GM-food and nuclear power. When quoted in the media, most readers assume *Green Facts* is an NGO like any other because hardly anyone would check on its website to find out more about its backers. Surely [greenfacts.com](http://greenfacts.com) would be a more appropriate web address than [greenfacts.org](http://greenfacts.org)?

Another tool used by corporates, especially by the biggest polluters, is "Corporate Social Responsibility" (CSR). CSR is often communicated via sustainability reports that include activities corporates would implement anyhow to cut costs (like saving energy in oil drilling and industrial operations) or because they have to (paying for the relocation of a community living above a gas field). CSR is, unfortunately, in most cases a hollow public relations activity. Surprisingly enough, corporate managers and PR agencies believe that people buy it.

In a regular PR event, the business network for corporate social responsibility "CSR Europe" gives awards to companies which have implemented the best CSR solutions. Last June, an environmental award was given to the French oil corporation TOTAL – a perfect example of hollow corporate PR at its most cynical, because TOTAL has been regularly exposed for its poor record on environment protection. It is one of the companies taken to court in 2005 in Nigeria for gas flaring, and it is currently

involved in an oil extraction project in Canada causing huge emissions of climate-damaging carbon dioxide (CO<sub>2</sub>).

In addition, TOTAL is indirectly funding the Burmese regime responsible for violations of human rights, by investing massively in the country. Last year, under the threat of a court case, TOTAL had to pay five million Euros in compensation to people who were forced to work at a TOTAL pipeline in Birma.

“CSR Europe” last June also gave the international accounting firm KPMG an award in “business partnership”, despite the fact that KPMG faced a scandal in the US in 2005 for having set up tax shelters for some of its clients. Hypocritical award ceremonies of this kind only prove that too many managers still refuse to accept the meaning of credible corporate social responsibility. They are too often using CSR to white-wash their image, while at the same time refusing to address the real issues of environmental, social and human rights protection.

The EU Commission is, unfortunately, not a big help on this issue. Last March, it set up an alliance with corporates to promote CSR – but only on a cosmetic level. The EU proposal on CSR, drafted by Industry and Enterprise Commissioner Günter Verheugen, was geared solely towards improving the competitiveness of the industry and did not seriously tackle the negative impacts of business on the environment and society.

The Commission does not even intend to check if the companies fulfill the promises they make in projects that would qualify for the alliance.

Friends of the Earth Europe has nothing against boosting the competitiveness of Europe's business. On the contrary, in fact. But we would love it if Mr. Verheugen would push the industry, for example, into long-term investments in clean energy technologies and non-toxic chemicals. This would create sustainable jobs and strengthen Europe's competitiveness worldwide.

We recommend that the EU-Business alliance:

- ensures accountability and liability of companies to their stakeholders
- includes social and environmental reporting requirements
- includes social and environmental duties for directors of companies
- uses public policy measures such as public procurement and public subsidies to stimulate responsible behavior
- implements international standards and principles
- involves stakeholders from the early stages of CSR strategy development
- ensures independent monitoring/verification

The EU must lead to ensure that European companies live up to the highest expectations wherever they operate in the world. This would stimulate the implementation of global high standards. Companies must be held accountable – not only to their shareholders but also to the public.

#### **4. EU lobby non-transparency**

If civil society and NGOs are to play their democratic role in Europe, then they need information and fair access to decision-makers. For this to take place, the EU has to significantly increase its transparency. Business lobbies are regularly granted privileged access to information and are invited to meetings behind closed doors. NGOs should not be excluded from discussions between business and Eurocrats on planned EU legislation. Furthermore, all lobbyists in Brussels should have to comply with strict ethical rules.

The EU Commissioner for Administrative Affairs, Audit and Anti-Fraud, Siim Kallas, attempted to tackle that problem and last May published a green paper on a European Transparency Initiative (ETI). Meanwhile, research by Friends of the Earth Europe, published in the report, "Transparency in EU decision making: reality or myth?", revealed a worrying lack of transparency in several key areas of EU policymaking. These problems would not be solved by Kallas' proposed ETI.

Major shortcomings are:

- Existing codes of conduct for lobbyists do not require transparency about who is lobbying for whom and how much money is involved.
- Compliance mechanisms for existing codes are ineffective: the codes are essentially voluntary, there are no independent and external complaint panels and sanctions are weak.
- Rules regarding 'revolving doors' - staff moving from the Commission directly into lobbying and vice versa - are inadequate. There is no "cooling-off" period upon leaving the Commission and rules on employment prior to working in the Commission are completely absent.
- The Commission's standards for equal consultation of all stakeholders are non-binding and aren't implemented properly.

The Commission only has vague guidelines on conflicts of interest. One recent example is that of a high ranking official of the Commission who was dealing with the Commission's antitrust case against Microsoft. The EU is claiming more than half a billion Euros from Microsoft. Now, the same official is going to work for a consultancy that boasts Microsoft as one of its major clients. How is the Commission going to prevent inside information about the Commission's strategy ending up on the computer screen of Microsoft's Bill Gates?

We recommend the following:

- Mandatory registration for all lobbyists, with a requirement for information to be made public about the issues, clients and lobby budgets involved. This is not at all unrealistic as such a system exists already in the US and Canada, and lobbyists objecting this system in Brussels are complying with it in Washington.
- A code of ethics extending to all registered lobbyists. This must contain specific examples of prohibited behaviour. For example, it should be banned for lobbying companies to employ a former employee of the EU institutions who was handling the same dossier in the previous three years.
- An extended code of conduct for EU officials that prevents 'revolving doors' issues.
- An independent public body to investigate alleged breaches of lobbying transparency. The mandate of the European Ombudsman could be extended for that purpose.

Transparency and strict, obligatory rules for lobbyists are the basis for a democratic Europe. The current system puts NGOs at a disadvantage because information is disclosed selectively and deals are made behind closed doors. This policy of secrecy weakens democracy and increases public distrust of the EU.

## 5. The Challenge for NGOs

Campaigning on a European scale and in the EU capital, Brussels, is a daily challenge for NGOs. Fortunately, creative and exciting campaigning does not have to be expensive. NGOs do not have to organize expensive dinners in luxury hotels in order to lure Eurocrats and journalists. NGOs do not need to pay fortunes for TV commercials and print advertisements.

We need far fewer resources than our political opponents to exert pressure and ignite public debates. We do it by consistently asking sharp and poignant questions, by developing scientific solutions and by mobilising millions of members and volunteers. We stage protests, create emotional pictures and expose scandals. We gain strength by working in coalition with other NGOs.

We do not try to buy credibility. Our arguments are aired and printed for free because both media and the public rate our integrity highly.

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### More Info:

- On Lobby Transparency in the EU: [www.alter-eu.org](http://www.alter-eu.org), [www.lobbycontrol.de](http://www.lobbycontrol.de) and [http://ec.europa.eu/commission\\_barroso/kallas/transparency\\_de.htm](http://ec.europa.eu/commission_barroso/kallas/transparency_de.htm)
- On Corporate Social Responsibility (CSR): (2) Final report of the Multi-stakeholders Forum, website of the Commission: [http://forum.europa.eu.int/irc/empl/csr\\_eu\\_multi\\_stakeholder\\_forum/info/data/en/CSR%20Forum%20final%20report.pdf](http://forum.europa.eu.int/irc/empl/csr_eu_multi_stakeholder_forum/info/data/en/CSR%20Forum%20final%20report.pdf)
- On access to information: <http://ec.europa.eu/environment/aarhus/>, [www.aarhus-konvention.de](http://www.aarhus-konvention.de) and, in German, <http://netzwerk-recherche.de/docs/IFG.pdf>
- On Total and KPMG: <http://www.corpwatch.org/article.php?id=13557>, <http://www.burmanet.org/news/2005/12/01/irrawaddy-why-total-agrees-to-compensation-in-forced-labor-suit-jean-francois-lassalle/#more-272>, <http://www.climatelaw.org/media/gas.flaring/report/>, <http://www.corpwatch.org/article.php?id=12585> and <http://www.washtimes.com/business/20031116-111226-6058r.htm>
- On the Microsoft case: [http://in.today.reuters.com/news/newsArticle.aspx?type=technologyNews&storyID=2006-10-03T194226Z\\_01\\_NOOTR\\_RTRJONC\\_0\\_India-270514-1.xml&archived=False](http://in.today.reuters.com/news/newsArticle.aspx?type=technologyNews&storyID=2006-10-03T194226Z_01_NOOTR_RTRJONC_0_India-270514-1.xml&archived=False)

### Links

- Friends of the Earth Europe, [www.foeeurope.org](http://www.foeeurope.org)
- European Chemical Industry Council, [www.cefic.be](http://www.cefic.be)
- The front group Green Facts, [www.greenfacts.org](http://www.greenfacts.org)
- Sustainability reports of Shell, [http://www.shell.com/static/envandsoc-en/downloads/about\\_this\\_site/shell\\_sustainability\\_report\\_2005.pdf](http://www.shell.com/static/envandsoc-en/downloads/about_this_site/shell_sustainability_report_2005.pdf) and BP, [http://www.bp.com/liveassets/bp\\_internet/globalbp/STAGING/global\\_assets/downloads/S/bp\\_sustainability\\_report\\_2.pdf](http://www.bp.com/liveassets/bp_internet/globalbp/STAGING/global_assets/downloads/S/bp_sustainability_report_2.pdf)
- Total and CSR, <http://www.total.com/en/corporate-social-responsibility/>