

Business and Politics in the European Union: Institutionalised Corruption and the Revolving Door

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One of the many ways by which rich corporations exert their influence over and hijack government bodies is via the 'revolving door' process (1,2). Big business is highly adept at positioning its (former) employers within policy and regulatory bodies in order to slant legislation in its own interests. And employees from the government sector have often left highly paid, politically well-connected jobs to take up even higher paid jobs lobbying or working on behalf of corporations, with former British PM Tony Blair being a prime example, working on behalf of big oil and big finance (3).

On its website, Corporate European Observatory (CEO) provides a list of top European bureaucrats who have taken a spin through the revolving door and how the European Commission (EC) has failed to regulate the potential conflicts of interest (4).

As a result, European commissioners have now been reminded of the need to avoid conflicts of interest which undermine public trust in EU policy-making, as they near the end of their term in office. The Alliance for Lobbying Transparency and Ethics Regulation (ALTER-EU) has sent individual letters (see 5) to every serving European commissioner to remind them of their responsibilities under the revolving door rules.

ALTER-EU is a coalition of about 200 civil society groups, trade unions, academics and public affairs firms campaigning against the increasing influence exerted by corporate lobbyists on the political agenda in Europe.

When the last Barroso Commission (6) left office in 2010, a number of former commissioners went through the revolving door by taking private sector jobs, which raised concerns about the risk of conflicts of interest (7).

For example, Günter Verheugen who had been the European commissioner for enterprise and industry founded the European Experience Company, a consultancy firm together with his former head of cabinet Petra Erler. Meanwhile, Charlie McCreevy who had been the European commissioner for the internal market joined the boards of Ryanair, Sentenial and the bank BNY Mellon.

The letters were sent out because ALTER-EU is keen to ensure there is no repeat of these scandals when the current commissioners leave office later this year.

Olivier Hoedeman of CEO, a member of the ALTER-EU steering committee said:

“Our letter reminds the current crop of commissioners about the revolving door rules, but also recommends some higher standards, which we encourage all commissioners to follow. After all, if former commissioners are entitled to a

generous three-year transitional allowance, it is not unreasonable to ask that they also refrain from lobbying for three years.”

Jorgo Riss, director of the Greenpeace European Unit and a member of the ALTER-EU steering committee said:

“We don’t want to see a repeat of the Verheugen and McCreevy scandals in 2014. In January ALTER-EU asked President Barroso to remind his team about the revolving door rules before they left office. The Commission has seemingly ignored our request, so we thought we had better take action into our own hands.”

Ricardo Gutiérrez, General Secretary of the European Federation of Journalists and another member of the ALTER-EU steering committee said:

“Commissioners should be leaders in complying with the highest ethical standards, even after the end of their term in office. It is clearly against what they have worked for if they jump straight into the arms of big business as lobbyists once they have left the Commission.”

The individual letter to each commissioner reminds them that there is an 18-month notification period after they leave office during which time they must notify the Commission if they plans to take up new professional activities. Former commissioners also face an 18-month lobbying ban. These rules are included within the code of conduct for commissioners (6). However, ALTER-EU considers that both of these rules should be extended to three years to match the transitional allowance to which former commissioners are entitled and to better rule out the risk of conflicts of interest from arising.

In 2010, 17 former members of the European Commission received at least €96,000 per year in transitional allowances, money intended to help them ease back into the labour market. Many received this money despite the fact that some of them were already working as politicians or lobbyists.

The ongoing failure of the EC to address the issues surrounding the revolving door between big business and EC bodies smacks of institutionalized corruption. On top of the current secretive, business-led free trade deals with the US and India, it is one more reason why the European public has little reason to place little trust in the EC and its policy making.

Notes

1) <http://order-order.com/2014/02/page/23/>

2) <http://rense.com/general33/fd.htm>

3)

<http://www.globalresearch.ca/new-world-order-political-puppets-how-thatcherism-paved-the-way-for-tony-blair-and-new-labour/5331613>

4) <http://corporateeurope.org/revolvingdoorwatch>

- 5) <http://www.alter-eu.org/documents/2014/03/sample-letter-to-commissioners-on-revolving-door>
- 6) http://en.wikipedia.org/wiki/Barroso_Commission
- 7) http://www.alter-eu.org/sites/default/files/documents/revolving_door_provides_privileged_access.pdf
- 8) <http://euobserver.com/political/30875>

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