

# The importance of an anti-lobbying clause

*Giovanni Caccavello, Research Fellow, EPICENTER*

The composition of civil society at the EU level is largely dictated by which groups the European Commission chooses to fund. Furthermore, citizens have not been consulted directly on this. Instead they have been ventriloquised through a select group of charities, think tanks and other organisations which are directly financed by the EU.

Insofar as funding is needed for EU legislators to hear the voice of campaigners and activists, this should be limited to essential expenses, such as travel costs, and should ensure a wide range of views.

EU grants given to non-governmental organisations should include a clause prohibiting the use of EU funds for political lobbying, campaigning and activism. This clause would de facto ban think-tanks from receiving any public grant.

## Introduction

Following a letter written by the EPP, S&D and ALDE Presidents in April 2016, the European Parliament will review the regulation regarding the statute and funding of European political parties and foundations on 16<sup>th</sup> March (European Parliament, 2017).

The Presidents' letter, which was followed by a report prepared by the Secretary General of the Parliament's Bureau, addresses some important issues that still remain unanswered by current regulation (EU, EURATOM No 1141/2014). Concerns about the current regulation were also expressed by European Parliament Constitutional Affairs Committees' members.

The forthcoming debate will focus primarily on addressing central issues such as the strengthening of existing controls designed to ensure that European political groups respect the fundamental values of the EU. However, European policymakers should start discussing the need for a dramatic reduction of overall funding to political organisations and the importance of an anti-lobbying clause.

## Taxpayer's money has been widely misused

Despite the recent introduction of regulation No 1141/2014, issues regarding the use of taxpayer's money have still not been properly addressed at the European level.

On the contrary, in recent years the EC itself provided enormous financial funding to a great number of declared anti-TTIP campaign NGOs and political organisations lobbying for bigger budgets. Large sums of money were also given to organisations promoting policies that were unpopular with significant parts of the public, such as increasing foreign aid (IEA, 2013; ECIPE, 2016).

Despite the European Commission's commitment to a free-trade agreement with the US, DG DEVCO provided substantial amounts of EU taxpayer's money to anti-TTIP organisations.

The web pages of at least two declared anti-TTIP organisations were made financially possible by EC funding. (ECIPE, 2016: 10)

What is most striking about the current funding of European political organisations and foundations is that the existing strategy of picking allies and supporting them with taxpayers' money has made the system more elitist and less democratic. This approach has also compromised the independence of the supported organisations and it has crowded out the real voice of the public.

It comes as no surprise that many groups who receive these subsidies would struggle to exist without statutory funding. For example, as Snowdon reports (IEA, 2013), Women in Europe for a Common Future received an EC grant of €1,219,213 in 2011, with a further €135,247 coming from national governments. This statutory funding made up 93 per cent of its total income while private donations contributed €2,441 (0.2 per cent) and member contributions just €825 (0.06 per cent).

Moreover, as Matthias Bauer writes (ECIPE, 2016), organisations such as the Stichting Transnational Institute (TNI), an international research and advocacy institute that works together with several leading anti-TTIP groups, received almost €700,000 in 2014 from the European Commission's DG International Cooperation and Development. In 2013 the TNI received a similar amount of money from the EU.

The European Women's Lobby (EWL) ran a campaign to ensure future EU funding for women's rights and when the EC gave its Fundamental Rights and Citizenship programme a budget of €439 million for 2014-2020, EWL called the figure deplorable and demanded it to be raised to €530 million (IEA, 2013: 31).

Finally, in other instances, EU-funded groups often directly lobby national governments for policies which the EU does not have the authority to implement itself. For example, the European Public Health Network (encourages governments to introduce fat taxes and minimum pricing for alcohol. In 2011 the Commission gave €500,000 to an alliance of health groups to run a campaign called TOBTAXY aimed at making tobacco tax trendy.

These are only a few of the hundreds of examples in which public money is de facto wasted every year by European institutions. Many other stories regarding the granting of taxpayers' money to lobbying groups, think-tanks, foundations and other political organisations can be found in the 2013 Institute of Economic Affairs investigation (IEA, 2013).

### **The UK as a positive example**

On February 6<sup>th</sup>, 2016, the UK government announced the introduction of a clause which prohibited all new and renewed grants to external organisations, including charities, from being used for campaigning, lobbying and advocacy. This decision was taken following mounting evidence of unnecessary and wasteful use of public resources (IEA, 2012; 2014).

This new clause has meant that more of the taxpayers' money given to charities is now spent on improving people's lives, rather than lobbying for new regulation or, even worse, lobbying for more government funding.

At the same time, it is important to highlight that the new introduced clause has not prevented British organisations from using their own privately-raised funds to campaign as they see fit. Thus, freedom of speech has been protected, whilst stopping taxpayers' money being diverted away from good causes (UK Government, 2016).

As Snowden (IEA, 2016) notes, making public sector funding available for lobbying is a profoundly undemocratic practice, which undermines public confidence in the long-run and damages the reputation of governments.

### **Conclusion**

Although the review of the regulation on the statute and funding of European political parties and foundations will occur on March 16<sup>th</sup>, 2017, the following observation from the Economist in 2004 is no less true today: *'The spectacle of organisations that receive EU money using their money to campaign for more EU money is only one example of this looking-glass world. It is a world in which so-called NGOs are actually dependent on government for cash; and one in which the European Commission, itself directly financed by Europe's national governments, finances "autonomous" organisations that campaign for more power and money to be handed to the commission itself.'*

Ever since the publication of its 2000 White Paper, the Commission has wilfully mistaken 'civil society organisations' for 'citizens', but special interest groups do not necessarily represent the views of the public. Large, professionalised NGOs may not even represent the views of the majority of their own members. At best, the EU's engagement with 'civil society' has created a slightly larger elite. At worst, it has been an expensive and anti-democratic attempt to manufacture support for unpopular causes.

In light of the forthcoming debate, European policymakers should realise that current regulation regarding the funding of political organisations and foundations is making the system less democratic and it is damaging the reputation of European institutions themselves.

In order to avoid the continuous, unnecessary, waste of taxpayers' money, EU grants given to pressure groups, NGO's and think-tanks should include a clause prohibiting the use of funds for political lobbying, campaigning and activism.

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