

# Tainted love: corporate lobbying and the upcoming German EU Presidency

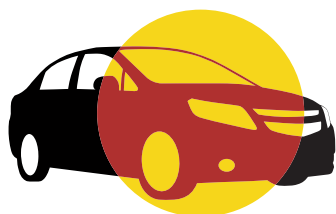
The upcoming German Presidency of the EU, starting on 1 July 2020, looks set to be the 'Corona Presidency'. At the top of its agenda will be dealing with the health, social, and economic fallout of the coronavirus pandemic, and a small handful of other priorities such as finalising the next EU budget, resolving Brexit, negotiating new trade deals, and the flagship European Green Deal initiative.

But what kind of economic recovery will the German Government promote? Will the Presidency give in to 'corona-washing' corporate lobbying which demands weaker regulations supposedly to make economic recovery easier? Will it promote 'business as usual' by bailing out major climate polluters and tax avoiders? And who will the German Government listen to most, the often-dominant lobbyists from industry, or scientists and public interest groups?

The answers to some of these questions are not yet fully clear. But as *Tainted love: corporate lobbying and the upcoming German EU Presidency* shows, on key topics the German Government is too close to big business interests, and there is a danger that during its Presidency, the Government will continue to protect these interests. This is especially a risk regarding car manufacturing, the gas industry, big data companies, corporate tax avoiders, and the pharmaceutical industry, as outlined below.

### Case studies

- Every time the EU's **carbon dioxide car emission limits** are reviewed a major lobby battle results: the German auto industry fights to weaken the rules and protect their heaviest vehicles, with the German Government actively providing support. Will the Government continue to demand special treatment for the car industry in the European Green Deal and/ or plead for special support from the coronavirus recovery package? *Contribution by Bund für Umwelt und Naturschutz Deutschland e.V.*
- Despite the Government's green reputation, the German Ministry of Economic Affairs (the BMWi) is a major advocate for greater reliance on **gas** (a dirty fossil fuel), providing strong policy backing and demanding new infrastructure to support it. In the coming months several key EU energy policies are due and the German Government has committed to prioritising **hydrogen** (made with gas). There is a serious risk that the German Presidency will undermine action on climate change and try to boost the gas industry by wrongly promoting hydrogen as a clean fuel. *Contribution by Deutsche Umwelthilfe.*





- On two recent files – **securitisation** and **sustainable taxonomy** – the German Government has used its influence in Brussels to support three of its biggest industry allies: the finance, auto, and gas sectors. After the market turmoil of the coronavirus crisis, it will be very important to preserve and strengthen the regulation of financial markets. *Contribution by Finanzwende.*
- Big multinationals from Germany use tax havens to shift their global profits and avoid tax. They have opposed more **transparent financial reporting** and together with the German Government have repeatedly managed to block progress on this EU file. The Government's mixed signals on a **Digital Services Tax** on internet giants such as Google are also worrying. But arguably there has never been a better time for tax transparency and action on tax avoidance, as public budgets come under huge pandemic-induced strain. *Contributions by Netzwerk Steuergerechtigkeit and Corporate Europe Observatory.*
- German industry has waged a war against the EU's proposed **ePrivacy** regulation and has found an active ally in the BMWi. The file has remained stuck in the Council for several years and member states have refused to coalesce around a progressive pro-privacy position. The position of the German Presidency will now be crucial to the both ePrivacy and digital rights more broadly as coronavirus track-and-trace applications are launched. *Contribution by Corporate Europe Observatory.*
- German agri-chemical multinationals such as Bayer and BASF are economic heavy-hitters and the sector wields considerable influence at the national and EU levels to promote light-touch regulation of its products, from **endocrine disrupting chemicals** to the controversial weedkiller **glyphosate**. *Contributions by Coordination gegen BAYER-Gefahren and Bund für Umwelt und Naturschutz Deutschland e.V.*
- The German **high seas fishing industry** is dominated by a key industry group with close political ties to decision-makers. This industry benefits from major public subsidies and even attends fishing quota talks. Despite the coronavirus pandemic, 2021 fishing quotas will need to be agreed in late 2020 and fisheries are likely to be a major symbolic topic in post-Brexit trade talks between the EU and UK. *Contribution by Our Fish.*
- The German Government has recently changed its domestic law to allow it to take over the control of **pharmaceutical drugs and vaccines** from private companies if needed, a sensible precaution in a pandemic. But will the German Presidency stand up to the pharma industry and promote such an approach at the EU level? *Contribution by Corporate Europe Observatory.*
- When it comes to **transparency and privileged access for corporate lobbies**, the German Government has a very mixed record. At home lobby transparency is negligible, although MPs enjoy wide-ranging rights to information and input on the Government's decision-making on EU files. However, at the EU level, Germany has so far refused to champion tentative reform efforts to open up Council decision-making. Yet the climate and coronavirus crises make transparent and accountable decision-making more important than ever. *Contributions by LobbyControl and Corporate Europe Observatory.*



### Key findings include:

**Frequent interventions against climate protection measures:** While Germany often prides itself on its record in spear-heading efforts to tackle climate change, the reality exposed in these studies is rather different. Consistent and ongoing support for Germany's car, gas, agri-chemical, and fishing industries, all weaken the Government's claim to be a climate and environmental champion.

**Crucial role of the Ministry for Economic Affairs:** The BMWi under Minister Peter Altmaier has a decisive say in many of the cases we feature. Altmaier and the BMWi often use their powerful position to intervene regularly in legislation, on behalf of Germany's biggest corporate players, including the car, gas, and publishing industries, to the detriment of the public interest.



**Ideological bias towards export industries:** Underpinning German Government decision-making on both domestic and EU affairs is a strong focus on maintaining its export surplus, despite the destabilising effects on the European and world economy. This provides some explanation for the support provided to the policy demands of Bayer and BASF, and the car industry, including on tax policy.

**Privileged access to decision-makers:** Running through many of the cases is the overwhelming sense that while industry has the ear of the German Government, civil society often does not. The Government's gas strategy was developed wholly behind the scenes, until NGOs happened to get wind of it. On ePrivacy, the BMWi commissioned an economic impact study into its alleged effects on the country's advertising industry, largely based on the views of industry. In the area of fisheries, German industry is able to join official EU quota negotiations, while NGOs have been refused.

**Opacity helps corporate lobbyists:** When Germany takes on the Presidency of the EU, its role will include chairing the Council of the EU. The Council is the most opaque of the EU institutions and this creates a serious democratic deficit as it prevents the public from holding their governments to account on EU decision-making. This plays into the hands of corporate actors with the capacity, resources, networks, and access to get the information needed and feed their interests into the political process, over-shadowing civil society groups who lack the equivalent resources.

## Demands

**1. Ensure the EU Presidency is not used to champion big business over the public interest.** The German Government must put an end to privileged access for corporate interests and business-only policy consultations, for its EU Presidency and beyond.

**2. As the President, Germany must also champion much needed legislative and transparency reforms within the Council, and far greater lobby transparency at home.**

**3. The German model of parliamentary rights** regarding the Government's EU decision-making, and progressive models from other member states, **should be replicated elsewhere in the EU** where MPs' rights are far less comprehensive.

**4. Citizens should have new rights to both find out about, and have a say on, their government's decision-making on EU matters.** Citizens must no longer be excluded from this process.

**For more information read** Tainted love: corporate lobbying and the upcoming German EU Presidency

<https://corporateeurope.org/en/Taintedlove>

<https://www.lobbycontrol.de/studie-eu-ratspraesidentschaft>