Under the influence: the distorted priorities of the French EU Council Presidency

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In January, France will take on the rotating Presidency of the Council of the EU for a period of six months. This Presidency will have a particular resonance both in France itself, coinciding as it does with Emmanuel Macron's re-election campaign, and at the European level, with many critical pieces of legislation and policy on the line.[1] It is therefore worrying that this Presidency has been prepared in close collaboration with the French corporate sector, and is setting a policy agenda that strongly reflects business demands. The government looks set to promote its own vision for supporting powerful 'champions' from among EU and especially French multinationals, no matter that these will not be very different from the US and Chinese players that Macron criticises. Furthermore, a sceptical eye will need to be cast on the claims of the Presidency as, in too many policy areas, grandiose rhetoric is unlikely to match the achievements in reality. Nowhere is this more stark than in the area of European democracy where Macron's stated desire to "stop building Europe in isolation from citizens" is contradicted by his government's approach behind the closed doors of the Council. Finally, we see that the French Government has missed the opportunity to break clean from the worst practices of previous presidencies, and has accepted corporate sponsorship. All in all, unless urgent change occurs, the French Presidency will put public interest decision-making at risk.

Key findings:

1. France has chosen not to do away with the controversial practice of bringing in corporate sponsors for its Presidency of the EU Council. Carmakers Renault and Stellantis – both with a huge stake in EU policy developments during the Presidency – will be allowed to showcase their logos and boost their profile to decision-makers.

2. The little information we have about the meetings between officials and stakeholders during the preparation of the Presidency suggests a very strong bias in favour of industry lobby groups. Of the 40 lobbying meetings disclosed by the French representative in Brussels and his deputy, 31 were with corporations or industry groups, but only 2 with civil society (the other 7 were with think tanks or public institutions). Evidence suggests meetings with industry groups began well before the subject of the French Presidency of the EU was even on the agenda of the French Parliament.

1 These files include: 'Fit for 55', Green taxonomy, Carbon border adjustment mechanism, hydrogen funding, vehicle emission standards, Digital services act, Digital markets act, Strategic Compass, Farm to Fork, pesticides reduction, glyphosate renewal, Basel III, Solvency II, corporate minimum tax rate, EU business taxation decision-making, concessions directive, Veolia-Suez merger, mandatory corporate due diligence, directive on status of platform workers, industrial alliances and IPCEIs.

3. French institutions – both the French Representation in Brussels and ministries in Paris – offer numerous examples of problematic 'revolving doors'. For instance, an adviser on energy at the French Representation in Brussels has previously worked for TotalEnergies, and former energy advisers have moved on to become lobbyists for Engie and Arianespace. Similarly, former advisers on financial issues now work for Société générale, Amundi, and even for France's main banking lobby group Fédération bancaire française. Revolving doors create a risk of privileged access for industry lobbyists, as well as conflation between the public interest and the private interests of French corporations – but French representatives deny this is even an issue.

4. The French Presidency of the Council will be entangled with the campaign for national elections in France. In spite of official assurances that there would be no confusion, there are signs that the agenda of the French Presidency and the agenda which Emmanuel Macron is preparing for his re-election bid are closely interrelated – in particular the push for nuclear energy and industrial champions. Some 'quick wins', such as the implementation of a minimum corporate tax rate, might be spun out of proportion for electoral purposes. This will inevitably hurt the quality of democratic debate, and the policy outcomes secured, during the Presidency.

5. In the name of climate action, the French Government is pushing for more public support and funding for controversial industries, including a renewed push for the nuclear sector. For the sake of nuclear energy, the French Government appears willing to undermine the integrity of the European Green Deal and other EU policies on the climate crisis, for instance with the demand that gas is seen as 'green' in the Green Taxonomy which will direct financial flows accordingly, and generally through the prioritisation of industry-pushed 'techno-fixes' instead of structural changes to make our lives more sustainable.

6. While the French Government has been vocal on the need to regulate US-based Big Tech, there is concern it seeks to replace these with home-grown digital champions. Despite talk of 'digital sovereignty', a flurry of lobbying activities in the run-up to the Presidency appears to be pushing a European digitalisation agenda that appears no more benign than that of Silicon Valley's in terms of privacy, basic freedoms, privatisation, and workers' rights.

7. The French Government is advocating a 'Europe of Health', but it doesn't seem to have drawn the lessons of the COVID pandemic in terms of addressing the excessive bargaining power of pharmaceutical companies or properly investing in public health systems. On the contrary, its vision seems to entail even more public funding to private corporations and for new markets in the care and health sector, particularly 'e-health', with several events on the topic planned during the French Presidency.

8. The French Government is bringing its own traditions of close public-private collaboration in so-called 'strategic' industrial sectors to the EU level. There is growing momentum at the European level for ever closer public-private collaboration and ever more funding for corporate players in so-called 'strategic industries' (including hydrogen and cloud technology), often with a dubious technological agenda and without proper democratic debate.

9. French EU Commissioner Thierry Breton – chosen by Emmanuel Macron and the first corporate Chief Executive to be directly selected as Commissioner – is closely aligned with the French Government's agenda. An explicit supporter of the nuclear industry, he has had numerous meetings with French corporate interests since the beginning of his mandate, and been very active in promoting public-private cooperation and the development of corporate champions in strategic sectors.

10. In stark contrast with Macron's discourse about the need for more European democracy, the French Government has systematically opposed efforts to improve transparency and accountability at the level of the Council of the EU. The French Presidency appears as a missed opportunity to change gears and push an ambitious democratic agenda. On the contrary, its push for supporting 'European corporate champions' risks creating new forms of corporate capture of EU institutions and policy-making.

Seven reasons why you should care about the French Presidency

1. There will be a lot of important EU legislation on the agenda during the French Presidency
2. The French Government will not be shy about pushing domestic economic interests
3. The French Presidency coincides with national elections
4. The French Presidency is prepared in close collaboration with big business
5. The French Government seems very comfortable with the opacity of EU Council decision-making
6. The French Government brings its own forms of corporate capture to the EU level
7. What is good for European corporations is not necessarily good for its citizens

What needs to happen?

There are some basic steps the French Presidency has failed to take (so far) to avoid excessive corporate influence. There is still time but the clock is ticking and the eyes of Europe's citizens are watching.

- **Avoid privileged access for corporate interests**, stop meeting with any fossil fuel industry representatives, ensure transparency of all meetings with lobby groups
- Avoid events with corporate partners and **ban all corporate sponsorship**
- Introduce stronger rules to **prevent revolving door moves** which provoke conflicts of interest, and avoid and address potential conflicts of interests among officials in the French EU Presidency
- **Boost transparency and accountability of EU law-making** by opening up Council deliberations, especially working party meetings and trilogues, and ensure that national MPs are consulted and able to scrutinise member state policy-making on EU matters
- **Prioritise the public interest** in all EU policy-making.

1. Case study: Real climate action or false techno-fixes?

The French Presidency of the Council will come at a critical time to tackle the climate emergency. Yet, the political position of Macron Government on climate issues is marred by a glaring contradiction. On the one hand, it is keen to advertise itself as climate champions; on the other hand, it has taken political choices to make industry-driven technology the sole possible response to climate change. The government has come under fire for building a cynical alliance with Poland and Hungary to push for the inclusion of both natural gas (a fossil fuel) and nuclear electricity in the EU Green Taxonomy, which will direct financial flows accordingly. Macron recently announced massive investments in French nuclear energy generation. The government is also supporting hydrogen production as a new market for nuclear-generated electricity. Hydrogen is often presented by industry and some governments as a 'green' and ready-for-use climate solution, although this is very far from the truth, as almost all hydrogen is produced from fossil or nuclear energy. Another crucial policy issue that might be decided during the French Presidency relates to emission standards for cars. The French automobile lobby has been vocal in the past few years in its obstruction to ambitious regulation, threatening massive job losses in the industry if new standards are too stringent. Corporate beneficiaries from the French Government's approach on these issues are likely to include EDF, TotalEnergies, and Engie in the energy sector, and Renault and Stellantis from the automotive industry, also now lined up as sponsors of the French Presidency.

2. Case study: Is EU Big Tech any different to Silicon Valley?

The French Presidency will aim to complete two files aimed at regulating the digital economy, including the economic power of Big Tech, namely the Digital services act and Digital markets act both of which have been the subject of major lobbying in Brussels. The French Government takes a generally ambiguous position on these matters. On the one hand, it demands regulation of Silicon Valley Big Tech, to protect European companies and creative industries, and to reduce dependence on foreign corporate giants. On the other hand, it has focused – in the name of digital sovereignty – on supporting European digital champions to compete with the US and China. The government has never really addressed how different from US Big Tech these EU competitors would be in reality. In line to participate as European ‘champions’ are Atos, Dassault Systèmes, and Thales, all French companies with connections to the arms and security industry, raising questions about privacy and freedoms. Digitalisation may also go hand in hand with further privatisation or outsourcing of public services, including open markets such as education or health to private companies, as with e-health, which features high in the French Presidency’s agenda. A summit on Digital Sovereignty is due to be organised in Paris in February 2022 as part of the French Presidency initiatives, focusing on issues such as cybersecurity, independence from the US, and sovereign cloud services.

3. Case study: Eyeing up EU opportunities for French defence sector

France has the largest defence industry in the EU and it has constantly pushed to increase EU spending on defence, both for geopolitical reasons and as a source of funding for its arms companies, which play a prominent role in the French economy. Defence is a priority for the Presidency. One of the top files will be the finalisation of the Strategic Compass, the first pan-European defence strategy. Following the European Defence Summit in February 2022, EU leaders are likely to endorse the Compass in late March 2022 at the European Council. 2022 has already been branded ‘the year of European defence’. The key French defence corporations – Thales, Airbus, Safran, and Dassault – have received financial support from EU institutions. Since 1 July 2021, the Permanent Representative of France has met with both Dassault and Airbus Defence and Space, and his Deputy with Airbus. Furthermore, revolving door cases illustrate the close links between the French Government and French defence corporations: in January 2020, the head of the Internal Market (among other policies) department in the EU office of the Prime Minister left his job to become the head of the Brussels lobby office of Safran.

4. Case study: The French Government as an obstacle to transparency and accountability

In 2017 Macron asserted that “the essence of the European project is democracy”. He also said: “we must stop being afraid of the people. In terms of our approach, we must simply stop building our Europe in isolation from them”. Yet the French Government has repeatedly placed itself on the wrong side of the debate on Council transparency and accountability. In 2019 the government refused to join an initiative by ten other member states which put forward proposals to improve the “current disconnection between the EU’s transparency policy and citizens’ expectations”. The Macron Government was also among the most reluctant of member states to agree to the publication of more documentation on both Council deliberations on legislative proposals, and on the trilogue process which is when the Council prepares to finalise new EU laws with other institutions. The government’s support for corporate sponsorship of rotating presidencies has also helped ensure a set of weak guidelines on this matter. In a similar vein French decision-making on the positions it takes in the Council is decided by the government and the Élysée, without proper transparency and accountability mechanisms, including to MPs. In the upcoming elections Macron will get attacked from the far right about a 'remote' and unaccountable EU. The strongest bulwark against the far right is real democratic scrutiny and accountability to the people, yet Macron’s vision for ‘sovereignty’ when it comes to issues of transparency and accountability seems to boil down to keeping EU Council matters as secret as possible.

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