The European Union's Sham Democracy: EU Commission Instrument of Powerful Corporate Interests

By Colin Todhunter
Global Research, October 23, 2014

Region: Europe
Theme: Oil and Energy

The European Union's sham democracy has again been laid bare as a result of the plenary vote of the European Parliament to approve the new Jean-Claude Juncker Commission.

The previous Barroso Commission wholeheartedly served a corporate agenda. We may now expect more of the same.

The European Commission is the executive body of the EU and acts as a cabinet government. The new 28-person Juncker Commission includes:

· An ex-petroleum company president as climate commissioner (Miguel Arias Cañete)

· An ex-corporate lobbyist in charge of financial services (Jonathan Hill); a former vice-president of the industry lobby group Le Cercle de l'Industrie in charge of economic policy (Pierre Moscovici)

· An ex-Goldman Sachs financier as research commissioner (Carlos Moedas)

· The former political no.2 to a Czech multi-billionaire as consumer commissioner (Vera Jourova).

The watchdog/campaign body Corporate Europe Observatory (CEO) has condemned the vote. Olivier Hoedeman of CEO says:

> "Too many of the Juncker commissioners have backgrounds which make them unsuitable for their new portfolio and MEPs should have shown some political muscle by rejecting those about whom serious concerns were raised."

Commissioner-designate Jonathan Hill (finance) has had no fewer than four trips through the revolving door between UK government and politics and the lobby/PR industry. When he left Quiller Consultants in May 2010 to join the UK government, 55 per cent of Quiller's then declared clients (five out of nine) were either banks or finance firms: HSBC, Bank of America, Citadel, Marwyn and Brewin Dolphin.

Quiller is owned by Huntsworth, which also owns the EU lobby firm Grayling and UK firm Citigate, yet MEPs failed to secure any additional lobby safeguards on Hill – that he would not meet with Quiller, Huntsworth, Grayling, Citigate or any of their clients while commissioner.

In the case of Arias Cañete, the former chairman and shareholder of two petroleum companies, questions about his family's ongoing involvement in these oil companies remain unanswered.

Cañete's role as an administrator of one of the official representatives of the Spanish subsidiary of Panama-based company Angelmo Operational Corp is also controversial. Panama was on the Spanish list of recognised tax havens between 1991 and 2013.

Nearly 600,000 citizens signed a petition to say that Arias Cañete should not be approved by MEPs, demonstrating an unprecedented level of public interest in the commissioner hearings. But MEPs ignored this strong signal and approved his nomination after a secret deal was struck between Jean-Claude Juncker, Martin Schulz MEP (President of the European Parliament) and Manfred Weber MEP (leader of the EPP group).

Olivier Hoedeman says:

> "It says a lot about the new Commission that Hill, Arias Cañete and others will play prominent roles in important portfolios. For Cañete, a secret party political deal of the 'you scratch my back and I'll scratch yours' variety has seen him approved by the two major political groups. Political leaders in the Brussels bubble have once again shown themselves to be impervious to public opinion."

Hoedeman continues:

> "European citizens who care about the environment, about tackling the banks, about de-intensifying agriculture, should all be concerned about the composition and direction of the Juncker Commission. Our fear is that it will also be a Commission that has learned nothing from the failure and injustice of past austerity policies. It will continue, and possibly expand, the pressure on social rights and public services, including under the slogan of 'competitiveness', as advocated strongly by the biggest and most powerful corporate lobby groups."

Corporate Europe Observatory also considers that the confirmation hearing process was hopelessly flawed. Olivier Hoedeman concluded:

> "Too often, commissioners were not adequately grilled about their background and possible conflicts of interest and thus if they were suitable for the role. The commissioners' code of conduct was also shown to contain several loopholes and needs urgent reform*. Meanwhile, MEPs were partisan in their questioning and while the clunky format of the hearings allowed MEPs their 'minute in the sun', too often they failed to elicit precise answers, letting the commissioners-designate off-the-hook."

If ordinary people care to scavenge for any crumb of comfort from this charade, it is that the European Parliament has overwhelmingly voted to freeze the budget of the European Commission's problematic advisory groups, known formally as Expert Groups, for the second time in four years.

A group of cross-party MEPs tabled the amendment to withhold almost €4 million from the Commission budget for 2015, covering expert group expenses. It was voted through by all major groups. The conditions for its release relate to stakeholder balance, conflicts of interest and transparency.

Pascoe Sabido from CEO says:

> "On the same day as Juncker's corporate Commission is voted through, it's good to see some MEPs still willing to stand up for the public interest. Expert groups are one of the most important ways that industry influences new laws – before they're even written – so tackling their privileged access at this early stage is key if we want decent laws in the interest of all of us."

When the Parliament released the original budget reserve in September 2012, they warned the Commission that if the dominant role of corporations did not improve, the budget would be refrozen.

Max Bank from LobbyControl, a steering committee member of ALTER-EU [1] says:

> "ALTER-EU has consistently highlighted how the Commission keeps breaking its promise to end corporate dominated expert groups. Two years on and we're back in the same position because all other routes of reform have led to a dead end. Hopefully with a budget freeze in place the new Commission will treat the issue with the seriousness it deserves."

Evidence produced by ALTER-EU in 2013 showed that corporate interests occupied more seats than all other stakeholders combined in expert groups created since the original budget freeze was lifted, and in DG Taxation and Customs Union, this figure was almost 80 per cent. New evidence of all groups across all DGs shows the situation to be far worse, with business interests taking more than two thirds of all seats.

(Most of the information for this article was sourced from the CEO website: http://corporateeurope.org/)

Note

1. The Alliance for Lobbying Transparency and Ethics Regulation (ALTER-EU) is a coalition of about 200 civil society groups, trade unions, academics and public affairs firms concerned with the increasing influence exerted by corporate lobbyists on the political agenda in Europe, the resulting loss of democracy in EU decision-making and the postponement, weakening, or blockage even, of urgently needed progress on social, environmental and consumer-protection reforms. Website: http://www.alter-eu.org/

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