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MEP says lobbyism is the main reason for bad policies in the EU

Green MEP Carl Schlyter is a member of the Committee on International Trade (INTA) and is the European Parliament's lead person on the future of EU member states' bilateral investment treaties (BITs). He talked to Corporate Europe Observatory (CEO) about the corporate counter attack on his report, MEPs tabling amendments for industry and governments and about why he turned down requests for meetings with corporate lobbyists.

BITs give sweeping powers to foreign investors, including the right to directly challenge governments at international tribunals in cases where there is a loss of predicted profits. Across the world, big business has used this to claim dizzying sums in compensation when democratically-made environmental, health, or other public interest laws were blamed for affecting company profits.

How did lobbying affect your report about the future of BITs in EU member states?

You could say that my whole report is the result of industry lobbying. The existing system of international investment treaties is the result of companies asking governments to protect whatever they do. Corporate lobbyists won the battle long ago in EU member states. Now, they only had to lobby the Council to let existing treaties continue to be valid for as long as possible, with as few changes as possible and with total investor protection. EU governments have just put forward the industry position. All the governments I met said exactly the same thing: "we need to have full and strong investor protection". And when I asked them "protection for whom?" they looked very surprised because nobody ever thought of protecting anything else but industry. In all the dossiers I followed in the Parliament, I have never seen such an extreme and exclusive focus on corporate interests.

The European Services Forum, a lobby group for multinational service companies, complained that you turned down 10 requests to meet with them. So, it seems that you were not only lobbied by member states...

Yes, I was also contacted by industry. Not by individual companies but by associations like BusinessEurope lobbying for all of them. But my impression is that the industry lobbying was stronger towards the EU governments. And I also have the feeling that many of the industry lobbyists put their energy elsewhere, targeting the offices of other MEPs, because they know my position. In any case, there was hardly any counter force. Nearly 100% of the people who contacted me did so on behalf of industry and governments. All the governments I met with had a 100% industry position. I have received hardly any information from trade unions or NGOs.

Why did you turn down requests for meetings with lobby groups such as the European Services Forum?

I didn't want to meet the European Services Forum because of the way it was created. It was created by the European Commission to deliberately bypass democracy and lobby on trade and investment treaties around the world. But in this dossier, at one point, it also became pointless to meet other industry lobby groups. When I am the rapporteur I am normally very open and try to meet all stakeholders, including different industry groups. But in this case... everybody was saying exactly the same thing. They want full protection for investors regardless of environmental and social policies suffering from that. Everybody was just repeating themselves. So, I told them, send me your information. Also because that is the only way to get some transparency.

What is the problem with EU member states' existing investment treaties?

The biggest problem is their overall logic that protecting an investor is more valuable than the democratic choices of a country. But why, for example, should a foreign nuclear energy company be compensated if people have a referendum on nuclear energy and stop it? It shouldn't be compensated! The whole idea about just protecting industry is rooted in this colonial mindset that we are the ones doing business abroad and other countries are being developed by our investment. But it's no longer only Europeans doing business abroad. It's as if no one has realised that, for example, state-owned companies from China could come here and invest and we would have no democratic tools to intervene in what they are doing.

And what is the Parliament's position on this?

What I have been trying to do with my report is give society a chance to defend other policy goals. I wanted to make sure that, in the future, investment policies do not always over-ride environmental and social policies or policies against discrimination. And judging from other reports that the Parliament has adopted, I should have been able to achieve a majority on that. But it looks like I won't be able to get support for even the slightest reference to other policies in my report. Not even something basic like "investment policies shouldn't completely destroy other policies". You could table an amendment saying "investment policy should always over-ride any other policy and no democratic decision should ever take a single cent from an investor and if that happens, the investor should be double compensated for the loss." That would probably be adopted. Because that is what the position of many MEPs means. It is very scary.

Some days ago, three MEPs were accused of accepting cash to table amendments. Do you think that also happened in your report?

Tabling amendments for money is disgusting. But it's the exception, I would say, and not the main problem. Most members here table amendments for free. I don't know what is more tragic because the result for policies is the same. Some of the amendments to my report are too technical to be done by people who haven't followed the dossier at all. It is quite clear that many of these amendments are originating from outside people's offices, most of them coming from industry or from governments.

What has to change when it comes to lobbying and the European Parliament?

Lobbyism is for me the main reason why we are not making good policies. And it is hardly ever discussed in the public. That has to change. Every email to a Parliamentarian with the intention of changing policy or laws should also be sent to a public register. Especially if you propose amendments, you should always be obliged to send a copy to a public register so that everybody can see where amendments come from. There should also be a fairer distribution of the lobby badges in the European Parliament. One third should be given to economic interests, another to NGOs and the third to social interests such as trade unions, universities and organisations like that. And the lobby register should be compulsory and binding and financial declarations should be more strict. If you violate these policies you should be forced to pay hefty fines. That would at least create the ground for an informed public debate on lobbying. Without transparency you cannot even have a real debate, no one knows anything.