

**Siim Kallas**

Vice-President of the European Commission responsible for  
Administrative Affairs, Audit and Anti-Fraud

## **"The European Transparency Initiative: an Issue for Berlin?"**

*Check Against Delivery  
Seul le texte prononcé fait foi  
Es gilt das gesprochene Wort*

"Zukunftskolloquium Politikberatung"

**Berlin, 19 October 2007**

Ladies and Gentlemen,

Thank you for inviting me to present the European Transparency Initiative. I have made such presentations on an almost weekly basis over the last year, including in other EU capitals. But this is the first time I do so in Germany, and I wish to congratulate the "Deutsche Gesellschaft für Politikberatung" (de'ge'pol) for having taken the initiative to open the German debate on lobbying transparency.

Speaking here in Berlin also means that I do not have to convince anyone of the close link between European and national issues. It was a German study, I think, which estimated that about 80% of national laws originate at the EU level. And I understand that you consider that 50% of the lobbying work you do for your clients has some kind of EU angle. I am not surprised, therefore, if you tend to see the European Transparency Initiative as a "tale of two cities"!

This morning, I'll try to explain why the Commission saw a need for this initiative. Secondly, I'll briefly attempt to comment on the relevance for Germany.

Ladies and Gentlemen,

Why is there a "European Transparency Initiative"?

Well, Europe is under construction. It always has been. Institutions and citizens write the scenario together. In my view, the main building block is not Treaties, with their pillars and paragraphs. Nor is it, in fact, commissioners or high representatives that carry Europe forward in the long run. Like any other institution, the European Union relies on public trust in what we do. "Trust" and "accountability" – these are the essential elements for sustained, dynamic European integration.

Unfortunately, opinion polls reveal a low level of trust in the European institutions. A couple of years ago, only 1 out of 2 Europeans tended to trust the European institutions. Fortunately, this figure is steadily improving. But we cannot be complacent, and as commissioner with responsibility for all the potential problem areas – fraud, internal audit, administration – I see it as my overall duty to attack all sources of distrust. I have set myself the objective of "dispelling suspicion".

For these reasons, in spring 2005 (Nottingham speech), I introduced the idea of a European Transparency Initiative. About half a year later, in November 2005, the ETI was formally launched by the Commission.

The European Transparency Initiative covers a variety of issues.

But let me address the specific issue of lobbying

Lobbying is a regulated profession in the United States and an increasing number of Member States. But it remains an unregulated profession – both in Brussels and here in Berlin.

So in many ways, we're at comparable stages. This makes it even more relevant to "compare notes."

I would first like to say that there is nothing wrong with lobbying. Lobbying or interest representation is a natural part of democratic decision-making processes. By providing policy-makers with information from different angles and with specialist ideas, lobbying also contributes to better policies. Lobbying is therefore also an important and legitimate part of the EU decision-making processes.

Indeed, in the context of the ETI, the Commission explicitly recognises that lobbying is both necessary and legitimate.

Often, this is not the popular perception, and in many of the Member States where I have had this debate, lobbying is still regarded with widespread suspicion.

We think transparency can do something to change that.

In short, the Commission has decided:

- first, to create and launch a new voluntary register for interest representatives;
- second, to reinforce the application of the Commission's consultation standards using a standard website for internet consultations, linked to the register;
- third, to draft a code of conduct for relations between interest representatives and the EU institutions. The code will be a requirement for inclusion in the register and will be monitored by the Commission.

With regard to financial disclosure required to join the register, the Commission demands that registrants declare relevant budget figures and breakdown on major clients and funding sources.

I think these principles are quite straightforward. We leave it entirely to the lobbyists themselves to estimate the cost of their lobby effort. We are not asking for fees or events to be declared. We're simply asking the public affairs consultancies of an estimate expressed in relative weight per client, on behalf of whom they lobbied in the past year. I think this is very light self-regulation, compared to the reporting requirements that some of same companies are subject to when lobbying in Washington DC.

As promised, I will conclude by saying a few words on the German context.

Of course, the focus of the ETI is clearly on the European institutions. But we have noted, of course, that the debate is spreading to Member States, and I am aware that similar debates are kicking off in Spain, Portugal, France and the UK, either with or without the active involvement of the legislative body.

The Commission obviously welcomes this broader debate, but I want to make it very clear that we do not wish to make it our business how national governments and parliaments regulate lobbying. So with that caveat, let me say a few words, comparing Berlin to Brussels.

For decades, it seemed lobbying in Germany was shaped by your corporatist traditions and that lobbying in Bonn was an affair involving a limited number of the major industry associations. The move of the Federal government to Berlin seems to have heralded a change in that culture. I understand that companies wishing to defend their interests now lobby directly or use professional consultancies.

This seems to have increased the number of active professional lobbyists, and the only estimate I have been given quotes some 5000 German lobbyists. Comparing this to the estimates 15,000 lobbyists in Brussels – and given the impact of decisions taken in both cities – I would say "lobbying intensity" is comparable. It is probably also a reasonable guess that both the German and European numbers are growing.

As you know, of course, lobbying is not a regulated profession in Germany. I understand the Bundestag manages a list where associations that would like to participate in parliamentary hearings need to register (the so-called „Verbändeliste“). This could perhaps be considered the beginning of "a lobby register" like the one envisaged for the EU institutions.

I also understand that there is no financial disclosure in the "Verbändeliste", whereas – at European level – we have found that necessary to make the exercise credible. In this respect, I was very pleased to receive the explicit support from an important segment of the German industry. Associations such as the BDI, ("Bundesverband der Deutschen Industrie"), BDA "Bundesvereinigung der Deutschen Arbeitgeberverbände") and several other associations have written to me, stating that they accept the principle of financial disclosure.

Ladies and Gentlemen,

The Commission register will open in spring 2008. Many stakeholders are already preparing to register. Today, I would like everyone who is interesting in lobbying EU institutions to consider joining the register when it opens.

Let me close by saying that transparency is neither a threat nor a judgement. It simply ensures that what we do is open to public scrutiny. If we work soundly, it will enhance our credibility. It is an opportunity, offered to the lobbying profession, and I sincerely hope that it will be received as such.