Transparency International EU

The global coalition against corruption

The Über-Lobbyists: how Silicon Valley is changing Brussels lobbying

Raphaël Kergueno · Thursday, May 4th, 2017

For decades, Silicon Valley companies have turned traditional business models on their heads. From streaming movies to turning private cars into taxis, these companies are known for both innovation and shaking-up the markets they operate in. A similar phenomenon is happening in Brussels where Silicon Valley companies are rapidly changing the lobbying scene. As a result, they are fast becoming the largest, most influential and most transformative players in town.

The poster-child of this spectacular rise is Google, which is now tied with Microsoft as the biggest of the Silicon Valley spenders. Google's lobby spending has increased by 240% since 2014. With 4,250,000 euros per year each, both are in the top 10 most influential organisations as measured by the number of high-level lobby meetings with the European Commission. Google, however, has nearly double the amount of meetings of Microsoft. Disclosures indicate that the internet search giant has met with Commissioners and their closest advisors 142 times over the last 2.5 years as opposed to 72 for Microsoft. Indeed, Google has met with representatives from the Commission from nearly every portfolio, including agriculture and humanitarian aid.

One of the secrets of Google's lobbying strategy seems to be the hiring staff from the EU institutions. Our research has shown that four out of seven lobbyists currently accredited with the European Parliament have been hired directly from the Parliament to lobby their former colleagues. A total of 23 individuals from the EU institutions have been hired since 2009, of which 11 were specifically lobbying the EU. With the more than one meeting per week, the strategy is paying off, potentially setting the example for other Silicon Valley companies.

Uber, which made headlines in May 2016 by hiring former Commissioner Neelie Kroes, has increased its lobby spending seven fold since 2015, although from a low base. All accredited lobbyists working for the car-booking service have previous experience from inside the EU institutions. Two of them were actually hired from Google's Brussels operation. With 50 high-levels meetings, the company already ranks 4th among our list of 25 major Silicon Valley companies.

This follows a general trend among US tech companies of growing their lobbying capacity in Brussels. For our research, we took 24 companies on the EU transparency register which were founded in the last 40 years and based in Silicon Valley. Taken together, they have increased their lobby spending by 278% since 2014 and now spend 15.3 million euros per year. Notable

cases include Facebook (+150%), eBay (+100%) and Netflix (+60%). While the numbers are dwarfed by the lobbying scene in Washington, where Google alone spends 15.4 million dollars, US tech companies are gradually becoming aware that the success of their business model in Europe depends on influencing the regulatory framework in Brussels.

And their strategy seems to be working. Half of the top 10 most influential companies lobbying the Commission are from the US and with the exception of General Electric all of them are primarily software companies. Their dominance of the lobbying scene is particularly strong in the area of the digital single market and the digital economy. 82% of meetings on these issues are with companies and industry associations. Less than 8% are with NGOs. On the sharing-economy, 25% of all meetings of the Commission are with just two companies: Airbnb and Uber. And this when current legislation on these issues will determine the rules for the internet in Europe for at least the next decade.

In 2014, the Commission President Juncker had instructed his new college to “ensure an appropriate balance and representativeness in the stakeholders they meet”. However, it is up to each Commissioner to ensure this commitment is met. The previous Commissioner for the digital economy, Günther Oettinger, stands out among his peers with an 83% share of corporate lobby meetings. In the absence of effective rules ensuring balanced stakeholder consultation and preventing conflicts of interest when staff and politicians move from the EU Institutions to other organisations, it rests upon individuals to prevent tech organisations from simply “buying” their way into the EU decision-making process. It is therefore important that Commissioners and their staff, particularly those in charge of digital issues, respect President Juncker’s call for more balance in stakeholder meetings. This can only benefit the EU decision-making process and ultimately all citizens.

*Annual reported EU lobbying expenditures by Silicon valley companies (in EUR)**

Organisation Name	**2014**	**2015**	**2016**	**2017**	% change since registered
Google	1,250,000	1,250,000	3,500,000	4,250,000	240%
Facebook	400,000	400,000	400,000	1,000,000	150%
Cisco		150,000	1,000,000	1,000,000	567%
QUALCOMM	450,000	450,000	400,000	900,000	100%
Apple	400,000	200,000	700,000	800,000	100%
Oracle	450,000	700,000	800,000	800,000	78%

Symantec	250,000	700,000	800,000	800,000	220%
Netflix			500,000	800,000	60%
Salesforce			200,000	700,000	250%
Uber		50,000	50,000	400,000	700%
eBay	200,000	50,000	400,000	400,000	100%
Dropbox			9,999	300,000	2900%
PayPal			300,000	300,000	
Yahoo!		200,000	9,999	300,000	50%
Tesla				150,000	
LinkedIn				120,000	
TripAdvisor	50,000		10,000	100,000	100%
Mozilla			100,000	100,000	
Airbnb				100,000	
23andMe.			50,000	50,000	
Yelp	50,000	50,000	50,000	50,000	
Adobe	50,000	200,000	25,000	50,000	
Twitter		50,000	25,000	25,000	-50%

VMware			100,000		
Total	**3,600,000**	**4,450,000**	**9,629,998**	**13,597,017**	**278%**

* Spending data retrieved from lobbyfacts.eu. Please note that the data reflects spending as reported at the time of retrieval but can reflect prior financial years. In the absence of notable update by registrants, we deem this reported spending to remain applicable for subsequent years.

This entry was posted on Thursday, May 4th, 2017 at 2:00 pm