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Financial Times journalist Martin Wolf had an arresting title for an essay he wrote in that newspaper last weekend. He called it "In defence of democratic capitalism".

No less arresting, but infinitely more poignant, was his opening paragraph. Wolf wrote: "In May 1940, as the Nazis invaded the Netherlands, my mother, then 21 years old, escaped from the country in a trawler hijacked by her father, a self-made fish merchant. Her father, one of nine, asked all his wider family to join them on the journey to England. None did: they were all slaughtered in the holocaust".

Wolf's father left Vienna for England in 1937. Both he and his immediate family survived. His wider family, living in Poland, did not. All were murdered, apart from a cousin who 'survived by a miracle'.

The telling of this annihilation is to evoke the fragility of democracy, to recount how quickly an ordered, civilised world can pivot to barbarism.

Contemporary glimpses of that pivot are seen through the emergence of anti-democratic forces in the US, the authoritarian impulses that push against the liberal democratic values of the European Union.

Wolf then muses on capitalist distortions and abuses – from the financial crisis to what he calls 'rentier' capitalism – as the seedbed for phenomena such as Brexit and Trumpism. He notes how gargantuan corporate and individual incomes have enabled some to shape the political and legal systems in their favour.

This is problematic for the survival of liberal democracy he insists, precisely because so-called democratic capitalism 'seeks to separate political power from wealth'.

That concept of the separation of political power from wealth resonated with me and with the work that I and my colleagues do. It also resonated with the news in the background last weekend as I wrote this, with the UK media reporting on separate wealth and influence linked claims involving former UK Prime Minister Boris Johnson and the current Conservative Party chairman Nadhim Zahawi.

As European Ombudsman since 2013, a major focus of my work has been the nature and the exercise of influence, the extent to which administrative power is made separate from wealth or from any force outside the arena that democracy claims to reserve solely for the citizen and for the public interest.



Brussels – the imagined and actual centre of the EU's political power – is relentlessly lobbied by those who wish to shape it in their own interest. That is both obvious and legitimate. Problems arise only when the EU administration fails to match the intensity of the lobbying with an equal intensity of purpose to protect the public interest.

Qatargate – the alleged involvement of current and former European Parliament personnel and others in a bribery and money-laundering scandal – is dramatically comprehensible given the imagery of the literal cash in literal bags that the Belgian police have propagated.

The concept of the need to separate political power from the influence of wealth becomes equally obvious.

But the attempted influencing of political power is not always presented with such convenient graphics. Influence is more usually traded in subtler ways, generally incapable of being captured on a smartphone or understood as viscerally as Qatargate.

The trading of influence that I deal with concerns those subtleties; conflicts of interest, revolving doors, opaque legislative decision making, weak lobbying regulation – a litany of small inroads into the gap that is supposed to separate wealth from power.

It may seem overblown to twin those phenomena with what is emerging in Qatargate and certainly no legal charges of corruption could be applied to the cases that I deal with as Ombudsman.

But it is important nonetheless to focus on the extent to which those conflicts of interest, those decisions to move from a regulatory office into a private company captured by the regulations it makes, that lack of public knowledge of what goes on behind the closed doors of Council and other power meetings, risk narrowing the gap between private interest influence and political power.

I have dealt at single complaint level, and at the level of systemic investigation, with all of those issues. I found maladministration in a case where the former head of the European Banking Authority – founded precisely to restore public trust in banking regulation – was allowed to join one of the biggest financial lobbies in Europe, or, as one civil society organization put it, allowed to go from top regulator to top lobbyist.

I also found maladministration in a case involving the European Defence Agency where its former chief executive became a policy advisor to Airbus, a company in receipt of multiple contracts from the EDA.

In both instances, I stated that the moves should not have been allowed, that clear and patently obvious conflicts of interest arose, that private interests were being privileged over public.

The movie *The Big Short* is about the collapse of the mortgage market in the US and



consequent global financial crash offers as good a lesson as any as to why this matters.

It highlights the revolving door between the enforcement agencies and the financial corporations, one reason among many for the failure of those charged with the protection of the public interest actually to do so.

In the EDA and the EBA cases, it was the top officials who were recruited. But EU officials at lower levels are also very attractive to industry and to consultancy firms. One US firm, with a base in Brussels, boasts on its website of the '120 former regulatory and enforcement officials among our ranks'. Most are from US regulatory agencies but a number are also ex EU personnel.

The company last year recruited a former EU Commissioner as a senior policy advisor, noting that ex-Commissioner will advise on the 'intersection of tech and trade policy as well as providing counsel on the legislative process, particularly when it comes to the European Union.' The clear message from this and certain other consultancy firms is that an inside track may be on offer.

The claims might be overblown - a marketing move to attract clients -but when my colleagues and I deal with this, it feels at times that we are dealing with parallel universes. The Commission, on the one hand, insists that there are adequate restrictions in place to prevent sensitive information being traded, while the companies acquiring the former officials hint very heavily on the other hand that that is precisely what is on offer.

The opaqueness of some parts of the legislative process has also dominated much of our work. While the Parliament's work is done - generally - in plain sight, the deliberation around proposed legislation is done in a much less accessible way at Council level where Member State Ministers get together to debate and make trade-offs in relation to that legislation.

What matters here is the need for the public to know not just the shape of the debate, or the individual member state positions, but also how and by whom that shape and those positions are being determined.

One example: in 2013 - ten years ago this year - protocols concerning pesticides and bees were drawn up at Commission level and passed to the member states for consideration. A French environmental NGO, Pollinis, understandably wanted to know who or what was holding things up, concerned that chemical industry lobbyists may be influencing either one or multiple member states to stall the process. They sought access to member state positions, a request consistently refused, including after a recommendation by my office to release them.

Finally, in September 2022, the ECJ ruled in favour of the Pollinis position upholding the public's right to know and we await developments. One can only admire the persistence of the NGO while simultaneously wondering about the forces that managed to stave off the adoption of the pesticide protocols for a decade.



What harm has been done to the environment in those ten years in their absence? To what extent did expensively purchased lobbying play a role? And if it did, who at either political or administrative level decided to close the gap between political power and private influence?

Follow the money was the advice given to the Washington Post journalists Woodward and Bernstein as their investigation crept ever closer to the door of the Oval Office. Qatargate has become the easily understood and much discussed story it is precisely because the Belgian police literally followed the literal money. Without the figures, without the visuals of the EURO notes in various denominations, would the story have captured the global public imagination to the extent that it has?

But when I and others investigate 'influence', the one element missing from our reports is precisely that – the money. When former officials, deeply knowledgeable of important regulatory files, move to the private sector, what is the motivation? There is probably no single answer; not everyone is motivated solely by money but one would be naïve to think that significant remuneration is not on offer. I suspect that if the financial inducement of such moves were made public, the relative complacency around this issue might start to shift.

So what connects these dots? How do we go from the holocaust to liberal democracy to Donald Trump to revolving doors to delayed controls on pesticides?

The answer has to lie in the implicit contract that must necessarily exist between those who govern and the people they govern – and that is a contract based on trust, on legitimacy, on the people accepting to be governed under the rule of law by a government and by an administration also bound by the same.

Everyone agrees to play the liberal democratic game. And when governments fail to play their part in the game, when they allow the private to trump the public, when they let their guard down and allow wealth overly to influence the play, that is when bad things happen.

There has been much linkage of the financial crash to the rise of populism and authoritarianism, to the opportunism it afforded bad actors to let loose with their own corrosive ideologies.

The contract between the governed and those who govern was deemed to have been broken, with governments deliberately or otherwise allowing insufficiently regulated forces to damage and destroy the life chances of their citizens.

They not just closed the gap between political power and wealth, they allowed that wealth to come over to its own side, to distort the proper business of government – which is – very simply – to protect and defend its people. Small wonder then, goes the argument, that the people turned instead to the magical thinking of Brexit and of Trump.

In recent weeks, as the European Parliament seeks to strengthen its anti-corruption architecture, some have argued that the imposition of more constraints on what is called the



freedom of the MEP mandate, will have a chilling effect and damage rather than enhance the democratic legitimacy of the parliament.

This is an issue that needs carefully to be discussed and calibrated. But we must never lose sight of the unique nature of the role of a politician and why it is imperative that the highest standards are met. I can do a lot as an Ombudsman but I can't make laws that affect the lives and life chances of everyone in the European Union and even beyond its borders. Lawyers can't, doctors can't, teachers can't, no other profession in the world can do that. Only politicians can do that.

And that – when you think about it - is an incredible privilege and a profoundly important duty. If the people we elect have a deep and visceral sense of that, then we will have gone a long way towards restoring public trust in our democratic institutions.