

A test of the EU's revolving door

Former commissioner Siim Kallas works as a special adviser to the European Commission — and for a major Baltic software company.

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How hard is it for a lobbyist not to lobby?

The European Commission is about to find out, after deciding to allow a former commissioner now on the payroll of a software company to continue his work as an official adviser to the EU executive, provided he refrains from promoting his new employer's interests.

In a move set to test the boundaries of its campaign to boost transparency when it comes to lobbying, the Commission says it has no problem with Siim Kallas continuing in his role as a “special adviser” to current Latvian Commissioner Valdis Dombrovskis.

Kallas [served two five-year terms](#) in the Commission, from 2004 to October 31, 2014. In January 2015, he signed on as a “special adviser” to Dombrovskis, providing him with “strategic and political advice on the future of the [Economic and Monetary Union] and economic relations with [the] Eastern neighborhood,” according to [a Commission document](#).

At a meeting on April 15, the Commission gave Kallas permission to work for Baltic software company Nortal; his contract started on May 1. According to the minutes from that meeting, the Commission informed Kallas that he could work for the company only if he agreed to refrain “from lobbying the Commission and/or its departments on behalf of Nortal within eighteen months of leaving office.”

That means when providing advice to Dombrovskis, Kallas will have to steer clear of any reference to the interests of Nortal, which provides software solutions to eastern European governments.

“There is no conflict of interest between this task and [Kallas’s] other activities,” a Commission spokesperson told POLITICO, saying the Estonian politician would advise Dombrovskis on issues relating to economic and monetary union, as well as economic relations with countries related to the European Neighborhood Policy, such as Ukraine and Georgia.

The case of the lobbyist who can’t lobby highlights the limitations of the Commission’s “revolving-door” arrangements for its former top officials. In his official role as an advisor to the Commission, Kallas will have unfettered access to a commissioner while on the payroll of a company on whose behalf he cannot advocate.

“If Nortal employs Kallas ‘not for lobbying,’ as has been promised to [Commission President Jean-Claude] Juncker by Kallas, then why employ him at all?” asked Estonian MEP Indrek Tarand. “Kallas is not known as a famous writer of algorithms or a computer platform designer.”

The additional complication is the arrangement that Nortal, which is the largest provider of IT services in the Baltic states and Finland, does not appear on the [EU Transparency Register](#). Under current rules, commissioners, their staff and top public servants can meet only with lobbyists who have signed up to the Register.

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“The Commission should definitely expel Kallas from Dombrovskis’s inner circle because there might be a conflict of interest,” said Tarand, a former Estonian public servant who was elected as an independent but sits with the Greens in the European Parliament and is a political adversary of Kallas.

Nortal spokeswoman Liina Vahtras told POLITICO that Kallas’s paid position with the company will focus on operations in the Middle East, and that he had been employed for his public profile as a former prime minister of Estonia, rather than as a former EU commissioner.

“Mr. Kallas has agreed to help promote … good governance projects outside Europe, mainly in [Gulf Cooperation Council] countries,” Vahtras said. “He is not participating in any business directly or even indirectly linked to the European Commission.”

Currently, 15 commissioners list former prominent politicians or bureaucrats as “special advisers,” who under Commission rules can be either paid or unpaid for their services. Kallas’s advisory role will not be paid, although on his website he says his travel expenses will be paid in case of need, for a maximum of 25 days a year.

While the advisers are required to sign a “declaration of honor” to rule out conflicts of interest, transparency advocates say the apparent contradictions of Kallas’s situation suggests the Commission is still struggling to get the ambitious transparency regime it implemented last December to work.

“This case is a good example of how the revolving door blurs the distinction between being inside and outside of the EU institutions in the Brussels bubble,” said Vicky Cann of Corporate Europe Observatory, a group that argues for stricter transparency rules.

Too many questions remain unanswered, says Corporate Europe Observatory. “Kallas was a senior EU commissioner for 10 years, then he left, then he rejoined as a special adviser, and now he also been authorized to take a role with one of the Baltic states’ bigger companies,” Cann said. “Too little transparency [...] leaves too many questions unanswered about this revolving-door case.”

Kallas, who could not be reached for comment, served as vice president in the previous two European Commission mandates. Between 2004 and 2009 he was responsible for overseeing and developing the Commission’s transparency policy. He served as prime minister of Estonia in 2002 and 2003 and is a member of the liberal (center-right) Estonian Reform Party.