

1. INTRODUCTION

Commercial messages have colonised every part of our environment. Advertising is everywhere, in all of our media, TV and radio, newspapers and magazines; in films and all over the internet; on bill boards and bus stops; on our clothing and cars; in museums and public parks; at community events and political party conferences; salesmen and market researchers call us at home on the telephone and kilograms of direct mail advertising fall through our letter boxes every year. Some of it is subtle, but most of it is strident, attention-grabbing, aiming to extract the maximum impact from each square inch of space or second of air time.

There is another kind of corporate messaging, however. Stealthy and covert, public relations material disguises its true nature. Commercial PR is presented to us as news and comment, as journalism, as science and scholarship, as expert advice and public opinion, readers' letters, opinion polls and consumer surveys; it blends seamlessly into the media. The public images of corporations, governments and individuals are repaired, protected and enhanced, products are sold and political messages advanced, without the true nature of the communication being clear to its audience.

According to PR insider Julia Hobsbawm (formerly of Hobsbawm Macauley, which she founded with Sarah Macauley, Gordon Brown's spouse,) somewhere between 50 and 80 per cent of the stories in the news media are sourced from or are directly influenced by public relations practitioners.¹ Nearly 50,000 people are now employed in the PR industry, with total revenues of £6.5 billion each year.² This money is spent on influencing perceptions of products, companies, people and political issues, and improving or defending the reputations of organisations. The budgets of civil society groups for press work and outreach account for only a tiny fraction of the country's overall PR spend. Central and local government accounts for a much larger chunk but the vast majority of it is spent by corporations.³

Whilst some PR work is quite overt and obvious, much of it is entirely covert in nature. Stories are placed in the mainstream media to deliver messages apparently quite independently of the companies that are pushing them. As PR insiders say: the best PR is never recognised as such. Often even journalists are unaware of the true purposes of the stories they reproduce.

It is not just public opinion, or sections of the public, that are targeted by PR, however. The closely related business of lobbying is aimed at influencing government; financial PR, at the financial markets; internal communications seeks to influence a company's employees; and business-to-business PR targets other companies. PR has become integral to the business model of the modern corporation. All the major corporations in Britain have in-house PR staff and most also retain external agencies.

PR agencies like to portray themselves publicly as communications experts. In their view, every organisation engages in public relations. All organisations wish to project as good an image as they can, and wish to communicate particular messages to their public(s). This applies as much to a small cooperative like Corporate Watch as it does to a large multinational like Dow Chemical. It is, by a broad definition, an ubiquitous and inescapable practice. Some in the industry claim that their role is not only to facilitate this process, but that their work is the very essence of democracy itself. Dr Dejan Vercic describes public relations as "the essence of a free society, market economy and political democracy... an essential component of contemporary free society."⁴ PR agencies rarely discuss the specifics of how they assist communications, however, as many of their methods are highly controversial.

This report examines the UK's public relations industry; its structure, its methods and its role in modern society. It reveals a secretive and ambitious multi-billion pound industry which profits by selling access and influence. It demonstrates a clear link between the rise of public relations and the increasing alienation of the public from mainstream politics. It further demonstrates how modern PR, in fact, subverts the fundamentals of democracy in order to further the interests of its corporate masters. Whilst much of PR is quite straightforward and uncontroversial, and a great deal is entirely innocuous, even worthy,⁵ some elements within PR are extremely morally dubious, with a deeply ambivalent attitude to the truth. Honesty is always subordinate to the need to control information and to protect the client's reputation. No statement from a corporation that might have an impact on its reputation can be trusted as a balanced or accurate representation of reality.

Controlling media coverage is a reflexive activity, sympathetic journalists are given privileged access and critical journalists are excluded. The astonishing extent of PR influence which reaches into every mainstream publication means that no media outlet nor its stories can any more be accepted uncritically.

Modern public relations practices are having a significant impact on the democratic process because of both the nature of the practice and its extraordinary extent. PRs often engage in deliberate deception on their clients' behalf and have developed a deeply unhealthy relationship with most of the media. Furthermore, by giving those who can afford it the opportunity to deliberately obfuscate, deceive and derail public debate on key issues, the public relations industry reduces society's capacity to respond effectively to key social, environmental and political challenges.

It should be obvious that this PR power, as with any corporate activity, is ultimately accountable only to the interests of profit; of the PR agencies themselves and, by extension, their client corporations. The industry proclaims its ethical codes and guidelines and the integrity of companies and employees. They also like to boast of the pro bono work they conduct for charities and other good causes. This report does not dispute that there are many within the industry that act with a certain amount of integrity. However, as case studies cited below demonstrate, there are many companies and individuals for whom these codes are dispensable when the pursuit of profit demands. And access to PR and lobbying expertise is far from equal. It is available primarily to those that can afford it: governments, rich individuals and big business. This inequality naturally works to entrench existing inequalities within modern Britain, and across the world, for the rise of neoliberal globalised economics is closely linked to the rise of the public relations industry.

This report identifies a need for far greater transparency. Transparency is essential to meaningful democracy and the PR industry operates in a deeply opaque fashion.

Context

PR must be understood within the context of the modern media, particularly the news media. The relationship between the media and the PR industry is increasingly symbiotic. With the exception of lobbying, PR has always been dependent on the media as the central vehicle for its messages. As the PR industry has grown, so the commercial pressures on the media have increased, and so has the media's dependence on external (PR) sources for content. PR is both a symptom and a cause of this trend. As the media commercialises, it seeks to cut costs. Staff are cut and so are the resources available for investigation and evaluation of sources. This has promoted a shift away from investigative towards source journalism. Journalists are reduced to "re-jigging press releases,"⁶ relying on external content rather than their own research. PR has benefited from this - access to the media has become easier as the press's appetite for free content has increased - and has also facilitated the process: the more free content is offered, the easier it becomes for the media to cut costs, driving competitive pressures further.

The media are increasingly outsourcing content supply to the PR industry (as well as to press agencies). This makes perfect sense commercially but it is deeply problematic when you consider the media's wider role in society. PR in this way has helped move the news media ever closer to the American model of an utterly supine press, almost incapable of questioning governmental and corporate interests.

It should also be born in mind that the media are quite imperfect. Whilst there is much to be admired in the British media, its failings are legendary. There is widespread dishonesty and some repulsively cynical standards. Whilst the PR industry undoubtedly compounds the evident failings of the media, it is by no means wholly responsible for those failings. The public complained of the unprincipled nature of the press for centuries before the term 'public relations' was coined and commercial pressures have undoubtedly corrupted much of it further.

Limitations of the study

This report focuses on the UK's public relations and lobbying industry. A great deal of research has been conducted into the US PR industry. However, even though the UK is the second largest market for PR, comparatively little research has been undertaken on commercial PR here. The same multinational companies that work in the US also work in the UK and there is every reason to assume that they employ many of the same underhand techniques here as they do across the Atlantic. It is beyond Corporate Watch's resources to investigate the European PR industry.

Information about PR campaigns is extremely limited. Whilst there is a reasonable amount of quantifiable data on basic industry figures - company revenues, employment, etc. - available details of actual PR campaigns are few and far between. The industry maintains a high level of commercial confidentiality and case studies are released only on a voluntary basis. PR Week, the main industry journal, contains much interesting information but its editorial line is deeply uncritical of industry practices and it does not conduct critical investigations into PR controversies. Furthermore, very few stories about commercial (non-governmental) PR appear in the mainstream press. Much of PR activity aims to keep stories out of the press and the industry has been extremely successful at keeping its own activities out of the public domain. This study cannot give a full overview of the industry's activities. There is simply not enough evidence available.

The paucity of information should not be taken as reason for complacency however. The evidence outlined in this report (case studies and anecdotal evidence gleaned from industry sources, primary research and academic sources) provides a powerful case for action. Whilst patchy, the evidence available shows that the PR industry has a powerful ability to influence and manipulate society, the media, public opinion and legislation; even history can be manipulated. Whilst it is far from an irresistible force, the effect is proven by numerous examples. The lack of comprehensive information and the consequent impossibility of divining the true extent of industry influence can only add to the concern.

Activities clearly contrary to the public interest appear to be widespread, even systemic, within the industry, and many companies are capable of malignant action. Until there is proper freedom of information about PR companies' activities, however, the precise extent will remain unclear.

2. DEFINITIONS & HISTORY

What is PR?

There is no consensus on how precisely to define PR. The Chartered Institute of Public Relations defines public relations as “the discipline which builds and maintains reputation, with the aim of earning understanding and support and influencing opinion and behaviour. It is the planned and sustained effort to establish and maintain goodwill and mutual understanding between an organisation and its publics.” The CIPR adds that reputation is “the result of what you do, what you say and what others say about you.”¹ Sir Tim Bell (now Baron Bell) of PR firm Bell Pottinger defines PR as follows: “Whereas advertising is the use of paid-for media space to inform and persuade, PR is the use of third-party endorsement to inform and persuade.”² Colin Farrington's definition adds another nuance: “PR is about the strategic management of representation – not about faxing off the odd press release.”³ To this author, PR is a growing body of practices used to advance and to inhibit messages in the media and other domains, in order to manipulate the opinions of target audiences. PR is aimed at influencing many different audiences within the general public, business and government. All these definitions, however, omit a great deal of important information. They give some idea of the aims and objectives of public relations but provide little idea of how they are achieved. The specifics of PR activities will be examined in some detail in the second part of this section.

The little known practice of lobbying, or public affairs, also needs defining. Neil Spring of Edelman's Public Affairs practice defines public affairs (lobbying) as “the practical study of power” and says of power that it is “best thought of as separate but interconnected systems or structures, for example, political parties, family, interest groups, where strategies for employing forms of power are chosen in response to specific circumstances.”⁴

Public relations is the practice not only of gaining attention but also of *redirecting attention away from particular stories*, and shaping public opinion. Its tools include publicity, advertising, public affairs forums, lobbying public officials and every other means that gets a message out to the public or inhibits messages. Mostly, however, it is about placing stories in the media, getting newspapers, radio and television to accept stories or messages sourced from PR agencies. This gives the illusion that the client's message is simply the product of impartial journalism rather than advertising, with which the consumer is more familiar and to which consumers are often more resistant. Sir Tim Bell comments: “A strong story placed in the newspaper, picked up by everybody else, will actually have more impact than an advertising campaign.”⁵

Public relations uses many of the tools of marketing and may be used to promote a particular product, but often it is employed in pursuit of a slightly different goal. Marketing, including advertising and promotion, is about selling products and services, whereas PR is often concerned with promoting persons, government policies, corporations, and other institutions. In addition to marketing products, PR has been variously used to attract investment, influence legislation, raise companies' public profiles, put a positive spin on disasters, undermine public campaigns, gain public support for wars and change the public perception of repressive regimes.

In a modern democracy, the mechanisms of propaganda and control must necessarily be far more subtle and insidious than those employed by more repressive regimes. PR, or 'spin-doctoring', has therefore become ubiquitous in the western political economy.

It is important to distinguish between different types of PR activity. Some is proactive, deliberately putting messages 'out there' into the media or society, whilst some is purely reactive, responding to information requests from journalists, the public or investors. Some is quite overt, its intentions and mode of action obvious, such as a company spokesman being interviewed on the news, whilst some is quite covert, such as stories placed in the media or apparently independent front groups pushing a pro-industry message.

Origins of PR

Public relations began to emerge as an identifiable industry in the US in the early part of the twentieth century. From the mid-nineteenth century onward, there had been a rapid consolidation of wealth and power into the hands of big business, resulting in systematic abuses of that power. By the turn of the century, trade unions had begun to emerge in order to fight for workers' rights. Over time, public opinion became highly sceptical of the new corporations and there were calls for stringent new regulations on corporate power. In this hostile climate of public opinion, big business found itself in need of friendly propagandists. Stuart Ewen, author of *PR: A Social History of Spin*, claims that "corporate PR starts as a response to the threat of democracy and the need to create some kind of ideological link between the interests of big business and the interests of ordinary Americans."⁶

The acknowledged early pioneers of PR were Ivy Lee and Edward Bernays, who developed fundamental approaches and techniques. Lee was a journalist who moved into handling press relations for Standard Oil and the railroad companies. Up until then, companies faced with a crisis, such as a railway accident, had tended to do their best to cover up accidents and problems, engendering an oppositional attitude and hostility from the press. Lee innovated by allowing journalists supervised access to accident scenes, defusing press hostility and, in the process, exercising some influence over coverage.⁷

Even in the early years, however, PR practitioners were not above lying to promote their clients' interests. Ivy Lee famously handled public relations for the Rockefeller family after the Ludlow massacre of 1914, when 14 striking miners had been shot dead by a National Guard unit, working on behalf of John D. Rockefeller, the owner of the mine. The event provoked a national scandal. In spinning the Rockefeller line, Lee printed numerous falsehoods about striking miners, claiming that they had started fires and deliberately provoked the National Guard. According to Stuart Ewen, Lee quickly gained a reputation as a professional liar.⁸ In the 1930s Lee accepted work for the German Dye Trust to improve relations between Nazi Germany and America. He died with the accusation of being a Nazi sympathiser hanging over him.

Edward Bernays learned his trade working at the Committee for Public Information (the Creel Commission), Woodrow Wilson's pro-war propaganda outfit that coaxed the American public into supporting US involvement in World War One. After the war, Bernays opened his New York office in 1919 and worked for companies including Procter & Gamble, CBS, General Electric and Dodge Motors. Bernays, a nephew of Sigmund Freud, attempted to apply theories of social psychology to his work in mass communication. By contrast to Lee, who claimed his work was very open, Bernays was quite candid about the manipulative nature of PR and his elitist view of society: "The conscious and intelligent manipulation of the organized habits and opinions of the masses is an important element in democratic society... We are governed, our minds are molded, our tastes formed, our ideas suggested, largely by men we have never heard of. This is a logical result of the way in which our democratic society is organized... we are dominated by the relatively small number of persons... who understand the mental processes and social patterns of the masses. It is they who pull the wires which control the public mind."⁹

He was expert in the use of third-party advocacy. Working secretly for the manufacturers of Chesterfield cigarettes, he famously boosted sales of tobacco to women by persuading 1930s feminists to adopt smoking as a symbol of emancipation, and helped to organise their 'Torches of Liberty' march¹⁰.

It was not until after World War Two that the PR industry really began to take off. Larger companies began to emerge from an industry that had previously been dominated by individual consultants. Companies such as Hill & Knowlton and Burson-Marsteller crossed the Atlantic in the 1950s, becoming the first PR transnationals, and quickly assembled global networks of offices, making it possible, for the first time, to coordinate corporate propaganda in both the US and Europe.

In the sixties, Hill & Knowlton again innovated by offering lobbying as a service to its clients. Within a few years, its Washington DC office had multiplied its revenues many times and H&K began a string of acquisitions of other Washington lobbying companies. Now all of the major PR companies have a 'public affairs' or 'government relations' practice.

In recent decades, the PR and advertising industries have begun to consolidate. A small number of large conglomerates, such as WPP Group and Omnicom (see *Conglomerates and Groups*), have been buying up the largest players and offering integrated corporate communications services. Only one of the top ten PR companies, Edelman PR Worldwide, is still independent.

Development of the British PR industry

The origins of the British public relations industry are unclear. In *Thinker, Faker, Spinner, Spy: Corporate PR and the Assault on Democracy*, David Miller and William Dinan mention the work of business activist Dudley Docker, who, "by 1911... was organising 'business leagues' under the slogan 'pro patria imperium in imperio' ('for our country; a government within a government'). In other words, business rule." In Docker's words, "If our league spreads... politics would be done for. This is my object."¹¹ In 1916, Docker founded the Federation of British Industries, a business group that grew to include a membership of over 9,000 individual firms and 272 trade associations by 1964. In 1965, it merged with the British Employers' Confederation and the National Association of British Manufacturers to form the Confederation of British Industry (CBI). It was by far the largest of the CBI's forerunners.¹²

British government propaganda and communications operations expanded greatly during both the First and Second World Wars. The Central Office of Information (COI) and the Institute of Public Relations (IPR) were founded shortly after World War Two; the COI replaced the wartime Ministry of Information in 1946¹³ and the IPR was founded in 1948.¹⁴

Before the 1980s, however, public relations was a little-known business and most accounts of the British industry begin with the rise of Thatcherism and the privatisations of the 1980s. PR companies were closely involved in the privatisation of the nationalised industries, such as British Telecom and British Gas, and were employed to promote the idea to the public and the business community. Margaret Thatcher's Conservative government had placed a far greater emphasis on communications than any before it and was advised by top PR men, such as Tim Bell of Lowe Bell Communications (later PR firm Bell Pottinger) and Peter Gummer, brother of Tory minister John Gummer and founder of consultancy firm Shandwick. At the same time, the use of PR consultancies became the norm amongst the largest companies. Of the top 50 companies in the UK, 28% used PR consultancies in 1979, rising to 90% in 1984. Among the top 500, the proportion using PR rose from 20% to 69% in the same period.¹⁵

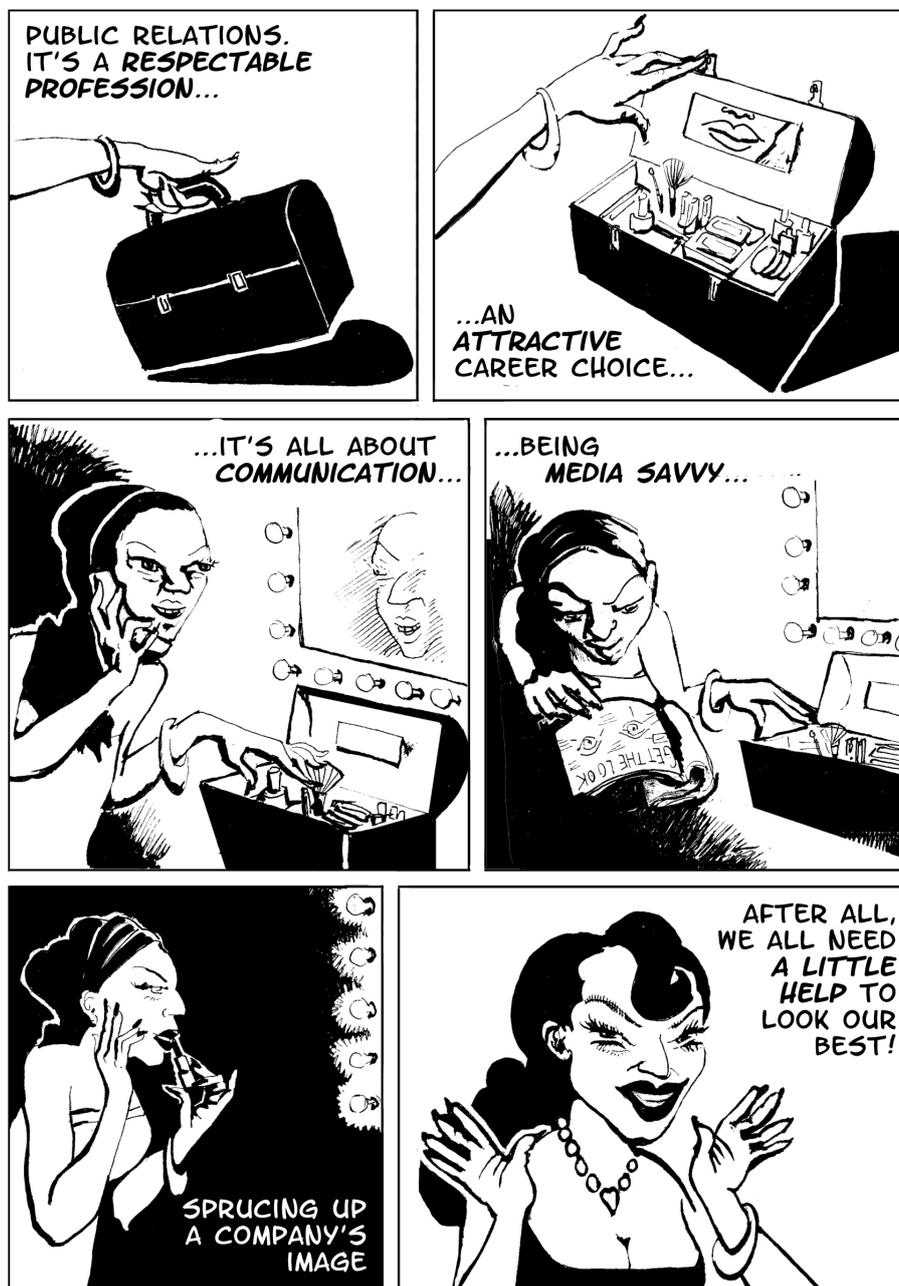
PR after Thatcherism: the crisis of trust

As the laissez-faire economic regime established by Thatcher matured, trust in big business fell. A succession of high profile corporate and government scandals hit the headlines and caught the public imagination. In 1995, Shell found itself at the centre of two massive protest-led controversies over the dumping of the Brent Spar oil platform and its appallingly destructive operations in southern Nigeria. In both cases Shell was forced to back down: it cancelled dumping the Brent Spar at sea and ceased operations in the Ogoni region of the Niger Delta. Across the board, big business found itself under unprecedented scrutiny and criticism. A 2003 MORI poll, commissioned by the Institute of Business Ethics, found that 80% of the

British public believed that “large companies have a moral responsibility to society,” 66% did not trust business leaders to tell the truth and 61% believed that “large companies don’t really care.”¹⁶ The usual responses to these crises proved largely ineffective and Shell and other companies turned to public relations in search of a new strategy.¹⁷

Capitalising on the crisis, the PR industry expanded its operations in crisis and issues management and in protecting corporate reputations. PR consultancies were positioned to diagnose the problems and recommend and implement the ‘solutions’. Inevitably, the solution to reputational crises were always judged to be improved public relations rather than changes to profitable enterprises. For instance, David Eglinton, media relations manager for Exxon Mobil UK, which came under fire from environmentalists, sees the answer to the company’s recent image problems as “among other things, more briefings with the media on the outlook for the global energy supply and future fuels, and better updating of the media on our own initiatives.”¹⁸

Each January, the multinational PR company, Edelman, publishes a report called the *Edelman Annual Trust Barometer*, which surveys trust ratings in many different countries. Its findings, since it began in 2000, reveal that trust in big business, government and the media has reached a perilous state in Europe (the UK, France and Germany). By contrast, NGOs are generally well trusted. However, as trust in business, government and the media declines, so people are coming more to trust “ordinary people like themselves.”¹⁹



Extract from 'What's Wrong With Public Relations?', a comic by Kate Evans and Corporate Watch

3. WHO THE PR INDUSTRY IS

This section looks at the organisational structure of the UK's PR industry. It examines the types of companies and institutions involved and how they organise themselves.

The UK's PR and lobbying industry comprises the following groups: over 2,700 consultancies; in-house PR departments in almost every major corporation; corporate front groups; and trade associations. Often consultancies which essentially conduct public relations activities go under different names such as strategic consultancy or reputation management consultancy, and some do not like to admit to PR activities. Related companies include research and 'business intelligence' companies that provide data for PR and advertising, and opinion polling organisations and trend forecasters, as well as the press agencies and newswires which disseminate PR material. A study commissioned by the Chartered Institute of Public Relations found that there are at least 47,800 individuals working in PR in the UK and that the industry turns over roughly £6.5 billion per year. Of these, 47,800, in-house PR departments employ 39,200, with a budget of £5.4 billion, and 8,600 work in agencies, turning over £1.2 billion.¹

The industry boasts three trade associations: the Chartered Institute of Public Relations (formerly the Institute of Public Relations), which is a professional body for PR professionals; the Public Relations Consultants Association, which takes PR companies as members; and the Association of Professional Political Consultants, which represents lobbyists. Lobbying, otherwise known as 'government relations' or 'public affairs', is now deeply integrated into the public relations industry. Whilst there are still independent lobbying firms, PR companies have long since muscled into the market and all the major firms now offer their clients lobbying services integrated with public relations techniques. Even some very small PR outfits claim to be effective in influencing Westminster. For example, Partner PR offers effective 'political communications' at a lower cost than traditional lobbying.² There are many one-man-band lobbyists trading on the contacts they have cultivated over many years of experience in governmental circles.

PR consultancies come in a range of sizes and shapes. Some consultancies are the UK subsidiaries or affiliates of big multinational firms, whilst many more are individual consultants or small companies with few staff and are often not affiliated to any of the various PR trade bodies mentioned above. Some consultancies offer the full range of PR services; some are specialists, concentrating on particular practices, such as crisis communications or government relations, for instance. Others work in particular industry sectors, such as high-technology or financial services. (For more details of these areas, see Section 4 of this report.)

Many of the big multinational agencies are themselves subsidiaries of huge multi-billion dollar conglomerates, such as WPP, Omnicom and Interpublic Group. These conglomerates own advertising, PR, lobbying, market research, media buying and other agencies and describe themselves as 'integrated communications' companies. Through their subsidiaries they offer a comprehensive range of corporate communications services, which they claim to be able to coordinate more effectively than independent companies can.

Each part of the industry needs some examination:

In-House PR Departments

Almost every sizeable company and public institution now has its own in-house PR capacity. External affairs, investor relations, consumer relations, press departments and other departments, all conduct PR for different audiences. Internal communications within a company is also a PR role.

In-house departments in large corporations are often every bit as sophisticated as commercial consultancies, especially when they can afford to hire leading PR practitioners. For example, BNFL, formerly British Nuclear Fuels, hired Philip Dewhurst, ex-CEO of Weber Shandwick UK, as their corporate affairs director.³ It is very common for professionals to move between consultancy and in-house departments over the course of their careers.

In-house PR departments answer external requests for information from journalists and the public and may also handle efforts to project particular messages to outside audiences. Their efforts are often augmented by external PR agencies, which may be hired to provide advice or to perform specialist functions such as running important campaigns or crisis communications.

The PR department seeks to control information. It ensures that company employees are not taken advantage of by 'unscrupulous journalists' and, because inquiries are generally handled by media-trained staff, it also acts as a barrier to prevent sensitive information from slipping out. Requests for sensitive information can be simply ignored if need be, and what information is given out can be carefully 'spun' to create a desired effect. This causes considerable frustration for investigative journalists and researchers and works against transparency and public accountability.

PR Consultancies

Most large corporations retain at least one external agency to serve as a complement to their in-house provision and to help with specialist communications tasks, training or consultancy. A survey of large UK companies in 2004 found that most of them (65%) use between two and four external consultancies, usually on a retainer basis. The relationships are in the main long-term: 73% of the companies had retained their consultancies for between three and six years.⁴

As they work for multiple clients, agencies tend to perform a far greater variety of tasks and are thus able to build up a wide range of valuable experience and skills. Smaller companies, which cannot afford to maintain a sophisticated PR department of their own, may also want to hire expert help. Sometimes companies do not even maintain their own press department and instead hire agencies to handle all media inquiries. The Red Consultancy, for instance, did this for the budget airline Flybe.⁵

The PR directory, Hollis, maintains the most comprehensive list of UK PR consultancies available – over 2,700 of them.⁶ Just under 1,000 are located in London, where they have close access to the national press and broadcasters, whilst around 1,700 are located outside of London.⁷

Much of PR work is dependent on the skill and experience of individual practitioners, so there are many very small companies which are, nonetheless, highly effective. Often these are started by journalists who can use their skills to make far more money in PR than they could in the media. Fleet Street Flair⁸ is a good example. Run by Tony Gearing, formerly deputy editor of the *Daily Telegraph*, it uses his ten years of journalism experience to conduct media relations for clients and to deliver media training. Gearing's journalistic expertise allows him to present corporate stories in a way that newspapers will consider newsworthy, a notoriously difficult task for the inexperienced. Amongst other things, his website boasts of placing stories in the press for client LondonWaste to help gain acceptance for a waste incinerator in the face of strong local opposition.

The first multinational agencies began to appear in the 1960's, when Hill & Knowlton crossed the Atlantic to London and Paris, quickly followed by rival Burson-Marsteller. Since then, many agencies have gone multinational. The largest of them by revenue, Weber Shandwick, boasts "84 owned offices in 40 countries and affiliates that expand the network to more than 132 offices in 82 countries," allowing them to operate "in virtually every major media, government and business center on six continents."⁹ Many independent consultancies are increasingly seeking to join global, or at least multi-national, affiliate networks, so they can offer an international service to their larger clients.

Through their great size and financial resources, the larger agencies are able to buy some of the best of national talent wherever they operate, ensuring competitiveness in their lobbying and PR operations. Most of them offer a full range of services, although some work in specialist areas. Lewis Communications, for instance, which has 21 offices around the world,¹⁰ works mostly in the high technology sector for clients in software, electronics and biotechnology.

Conglomerates and Groups

PR and related companies have been consolidating since the 1960s. The practice of combining lobbying and PR in one agency began with the major agencies in the USA and spread rapidly around the world. The richer advertising industry also began to buy up PR companies in order to extend its capabilities, forming large conglomerates of separate advertising, PR and lobbying companies along with specialist marketing, media buying and business research companies.

The appeal is very simple: PR tactics of media manipulation influence legislators just as much as they do the general public. Lobbying operations combined with public relations campaigns can, therefore, be more effective than either individually. Public relations techniques combined with advertising improves product marketing.

Chime Plc is one typical group. By revenue it is the largest PR group in the UK, with revenues of £78.8 million in 2006 (up from £63 million in 2005).¹¹ Founded by Margaret Thatcher's former spin-doctor Tim Bell, it is a PR and lobbying group that also comprises advertising, media buying and research companies. Its main PR companies are Bell Pottinger, Good Relations and Harvard PR. It is itself an 'associate' of, (that is, part-owned by,) the huge conglomerate WPP Group.

In the last twenty years, consolidation has intensified and a large proportion of the world's PR and advertising companies are owned by a handful of huge multinational conglomerates. The largest of these, Omnicom, Interpublic Group and WPP, seem to be on continuous acquisition sprees. These are multi-billion dollar holding companies owning scores of other companies and groups of companies. Currently, the 'integrated communications' industry is dominated by a handful of these multi-billion dollar companies.

Industry Bodies and Trade Associations

A great deal of lobbying and PR is handled by industry bodies or trade associations. Almost every industry sector and sub-sector has a trade group representing their interests to legislators, regulators and the general public. The Association of the British Pharmaceutical Industry¹² (ABPI) or the UK Offshore Operators Association (UKOOA)¹³ represent the major companies in the pharmaceutical, and oil and gas sectors respectively. They are fundamentally PR and lobbying operations; they exist to advance their industry's views and influence. In lobbying, industry bodies wield the collective bargaining power of entire industries and are thus more influential than even the largest corporations individually. They also enjoy easy access to government. Some of them, such as the ABPI, even have offices on Whitehall. Naturally, individual corporations also conduct their own lobbying in parallel with the trade association. They often lobby for legislative changes or government contracts to their own advantage, whilst the trade association pursues an agenda of benefit to all its members.

Within the nuclear industry, much of the proactive PR work is carried out by the Nuclear Industry Association and the British Nuclear Energy Society, umbrella groups that represent most of the companies within the sector. (In January 2009, the BNES merged with Institute of Nuclear Engineers to form a charity, the Nuclear Institute). These groups are much more credible as they are not directly associated with the accidents and scandals that have beset member companies such as British Energy or BNFL. In recent years, they have regained some credibility in the media by abandoning the nuclear industry's traditional antagonism towards renewable power and stressing a complementary role for nuclear in combating climate change.¹⁴

PR Trade Associations

The Chartered Institute of Public Relations (CIPR), formerly the Institute of Public Relations (IPR), is the industry body for PR professionals, with over 8,000 members. It provides training and development for its members; has a code of conduct; produces research into PR and issues policy recommendations. It also claims to be dedicated to "raising standards" within the industry.

Of the three PR industry bodies in the UK, the CIPR has the highest public profile and has become increasingly concerned with improving the industry's image. On the one hand, PR practitioners are caricatured as shallow and ridiculous, an image exacerbated by the success of the BBC's TV comedy *Absolutely Fabulous*.

In fact, the image of “disorganised, scatterbrained, champagne-dependent luvvies” is held even within the industry¹⁵ and may explain why many PR people do not join the CIPR. On the other hand, a potentially more damaging image of PR, as cynical and deceptive ‘spin’, is emerging due to a series of corporate and governmental PR scandals.

The CIPR received its chartered status in February 2005. It had been working for chartered status for many years in the belief that this would confer a more professional and prestigious image and foster the perception of higher standards. Crucially, this would mean greater status for PR in the business world.

The CIPR is also meant to help with the self-regulation of the industry, although it represents little more than a sixth of the UK’s PR professionals.¹⁶ It investigates complaints against its members and may discipline them if they breach the institute’s code of conduct. However, the code itself is a fairly lax set of rules, rewritten in 2000 “as a document of best practice, rather than retaining a ‘thou shall not’ approach.”¹⁷ In spite of commonplace practices against the public interest, the Institute investigates only about a dozen complaints each year. No formal record is kept of these complaints which are “usually resolved informally” by mediation between the parties.¹⁸ The CIPR has never terminated a membership due to complaints.

Whereas the CIPR is a body for individuals, the Public Relations Consultants Association represents member companies. The PRCA has over 120 members and has recently introduced a new class of ‘observer’ membership for very small agencies. Like the CIPR the PRCA lobbies government on behalf of the industry. It also aims to communicate publicly for its members, though it has a lower profile than the CIPR.

The Association of Professional Political Consultants (APPC) is the trade association that represents lobbyists. Lobbying has also developed a poor image after a string of lobbying scandals since the 1990’s and the APPC, in conjunction with the PRCA, is attempting to change that.¹⁹ However, not all lobbyists sign up to self-regulation, and they can simply resign from the APPC if they choose not to abide by the voluntary code, as lobby firm Media Strategy recently did when appointing Lord O’Neill, former trade and industry select committee chair, to their advisory board.²⁰ The APPC is determined to prevent any regulation of the lobbying industry. The APPC strongly resists demands for transparency and compulsory registration and reporting of lobbying, which may be suggested by Parliament’s Public Administration Select Committee’s inquiry into lobbying begun in 2007.²¹

There is an inherent conflict of interests for the CIPR, PRCA and APPC in the self-regulation of the industry. Effective and open policing and enforcement of their own codes of conduct would almost certainly lead to more bad press for the PR and lobbying industries, whose interests they represent and whose reputations they seek to protect.

Front Groups

Front groups are a useful asset to corporate PR work and are another application of the third-party technique. PR agencies and corporations sponsor apparently independent groups with views sympathetic to their own. Sometimes corporations can gain influence over the activities of groups through funding. Think tanks can also be vulnerable in this way (see *Think Tanks* section below). Often, however, front groups are created from scratch.

Burson-Marsteller, for instance, set up the front group European Women for HPV Testing on behalf of its client Digene, a pharmaceutical company. B-M was lobbying for the NHS to adopt a new test that screens for cervical cancer, which would have made hundreds of millions of pounds of new business for Digene. In order to bolster the lobbying effort European Women for HPV Testing was set up as an apparently independent ‘grassroots’ campaign. By signing up women celebrities, including Liz Hurley and Caprice, European Women for HPV Testing gained extra publicity and greater leverage with government. The celebrities however were not informed of the involvement of B-M and Digene or their role in a wider commercial lobbying campaign. Had the story not been exposed by *The Observer* newspaper, B-M’s role would have remained a secret.²²

The Agricultural Biotechnology Council (ABC) is another front group formed to help gain public acceptance for GM crops. It was formed by six companies with major interests in the acceptance of GM crops in the UK: Bayer CropScience, BASF, Dow AgroSciences, Dupont, Monsanto and Syngenta.²³ The ABC is also

part of Agricultural Biotechnology in Europe (ABE), another pro-GM front group,²⁴ and is thus networked with similar groups across the EU.

The ABC was set up in February 2002, as the UK arm of the European group, Agricultural Biotechnology in Europe. They soon hired Lexington Communications to cover “issues management and public affairs remit”²⁵ for them. The group has regularly written letters to newspapers and gives comments on GM crops in the news.²⁶ The ABC also lobbies the government and various other authorities in support of GM crops. For instance, it submitted a comment during the June to August discussion period in 2003 on the draft Discussion Paper by the Nuffield Council on Bioethics on “[t]he use of genetically modified crops in developing countries”.²⁷ They also regularly participate in government consultations on policy relevant to the GM crops industry.

Supporters of Nuclear Energy is a similar front for the UK’s nuclear industry. Set up by Margaret Thatcher’s former press secretary Sir Bernard Ingham, SONE blows the trumpet for nuclear power and defames renewable energy sources, nuclear’s main competitor for government funding. SONE receives funding from BNFL²⁸ as well as donations from its members, many of whom are important figures within the nuclear industry.²⁹ SONE, however, has a low public profile, preferring to work behind the scenes. Before nuclear power’s recent renaissance, SONE had a somewhat dismissive attitude to public opinion: David Fishlock, former science editor of the Financial Times and member of the SONE committee, commented in evidence to the House of Lords investigation on nuclear waste in 1999 that “the public should not be expected to have an opinion. There are many things for which quite legitimately the public looks to government to make up the mind of 56 million people. Nuclear energy is a matter that is largely in government hands and is a matter for government decision.”³⁰

SONE’s biggest coup was getting James Lovelock, creator of the Gaia hypothesis, on board as patron.³¹ More than anyone else, Lovelock’s enthusiastic support for nuclear power has been able to give the industry some measure of environmental respectability and helped to get its campaign for new nuclear power stations going. For instance, his May 2004 article in *The Independent*³² sparked off a wave of debate and divided opinion in the environmental movement, the main anti-nuclear lobby.

Related industries

Whilst they do not conduct PR, the following types of companies either provide some kind of support for PR or perform PR-type services.

Press Agencies and Newswires

Most media outlets use press agencies and newswires to provide content when their own journalists cannot fill the pages. Companies in this business include Reuters and PR Newswire. The line between journalism and public relations is becoming increasingly blurred in the press agency sector.

The largest press agency in the UK is the Press Association. Formed in 1868 by a group of newspaper publishers, the PA sells content to every national and regional daily newspaper, to broadcasters, on-line publishers and others.³³ Customers take stories to print or broadcast from its news and features lists. Much of the PA’s content is produced by its network of journalists and photographers and the agency has a reputation for impartiality. Its independence, however, is compromised by its relationship with the PR industry as it offers services to PR agencies: “PA’s unique position at the centre of the media industry in the UK enables us to provide support for many PR and marketing campaigns.”³⁴ Space on PA’s newswire service is sold in bulk to other more commercial newswires and PR agencies. Thus, PR agencies gain extra anonymity and respectability by having their content supplied by the prestigious Press Association.

There are many other press agencies of different sizes and specialisms. KNS News³⁵ is a much smaller agency based in Norwich turning over around £100,000 each year.³⁶ It actively solicits “kiss and tell/celebrity/romance/love rats/medical miracles” stories from the general public, through its ‘cash4yourstory’ service, which it then sells on to newspapers and magazines. KNS prides itself on scoops such as “TV celebrity Ulrika Johnsson was to marry her ‘Mr Wright’ - Lance Gerard Wright.” KNS also uses its press know-how

to offer many related services: the company writes in-house magazines for various companies; uses its experience and know-how to offer PR services, helping companies to prepare and target press releases for maximum media exposure; and also acts as a publicity agent for companies and individuals, helping to raise their profile.

Media Monitoring and Research

Effective media relations or press work requires that practitioners keep abreast of developments in the media. It is extremely useful for them to be able to track any developments within areas of interest and to be able to find out who has said what. This kind of information helps with researching issues, in planning media campaigns and also in responding to any relevant developments.

At one time, this kind of media monitoring work was conducted by 'press-cuttings' agencies, which would physically cut out relevant newspaper articles, collate and deliver them to their clients at regular intervals. With the advent of electronic communications, it has become possible for non-specialists to monitor far more of the media through free internet services, such as Google News, and through subscription press databases, such as Reuters and Lexis Nexis.

For smaller companies to survive, they have had to expand and elaborate their services considerably, offering their subscribers vast databases of information and, crucially, the means to search through it effectively. DeHavilland Information Services is one such company.



DeHavilland

DeHavilland Information Services is one of the UK's leading media and political news monitoring companies. The ten year old company had a turnover of £6.0m in 2005 but suffered in 2006/7 with its turnover falling to only £1.4m.³⁷ The company provides comprehensive news monitoring services. It sells its corporate and political clients subscriptions to its various services, which are accessed via a web browser. These subscriptions cost £5,000-£6,000 per year and aid their clients in planning and executing PR and lobbying work. Their simplest service is little more than an electronic press cuttings service. Their 'flagship' product, the 'Public Affairs Briefing', goes far beyond press cuttings however.

Public Affairs Briefing provides an invaluable tool for lobbyists and PRs, corporations and campaign groups, by providing an extraordinary depth and breadth of information on the political and media spheres. Users set up their own profiles that keep them updated daily on all media and governmental developments relating to their subjects of concern through a live news feed. Any significant mention of the tracked topics is delivered within a short time scale.

With a few mouse clicks users can see every mention made by MPs on almost any conceivable subject matter, from immigration to GM crops to banking. This is easily cross-referenced with up-to-date contact details and biographies of those MPs, giving insight into their interests and sympathies and access to comprehensive coverage of everything that an MP has said or done in the last seven years. The level of detail is astonishing; even personal details, such as marital status or recreational interests, are noted in order to facilitate understanding of and contact with the MP. Users can rapidly find out who might or might not be sympathetic to their agendas, and thus who to approach or to disregard in a lobbying campaign. 'Mail merge' and 'email merge' facilities allow the user to address emails or letters to selected groups of MPs automatically.³⁸

DeHavilland employs 88 journalists and researchers to monitor Parliament and Whitehall and to keep their contacts database updated. These contacts sit in on the various committees and other groups and provide up-to-the-minute coverage of proceedings.

Similar coverage of the media is also included and, unlike most press databases, DeHavilland covers far more than just the newspapers. It also covers broadcast news and non-news media, from sports channels to glossy magazines. Editors and journalists are profiled in the same way as MPs, and the database is again fully searchable and integrates with email and word processors, allowing the user to target and send press releases or other materials to multiple selected journalists. Users can also add their own notes to the database, recording their impressions of the journalists, civil servants and politicians they contact.

DeHavilland's clients include Boots plc, the Airport Operators Association, mmO2, Ofgem and Amnesty International. In 2005, DeHavilland was being used by around 750 public affairs practitioners.³⁹

Opinion Polling and Market Research

Knowing what the public thinks is obviously essential for PR agencies, for political parties, advertisers and marketers. Such knowledge enables them to better design messages and to adapt messages to changing attitudes. Opinion polling and other methods are used both for research in designing campaigns and for the evaluation of campaigns. Focus groups enable detailed observation of mental processes (how attitudes about a particular issue are formed and perhaps therefore changed). These services are supplied by household names such as MORI and Gallup, and also by specialist companies like Opinion Leader Research, a subsidiary of the Chime Group.⁴⁰

Research can be about more than gauging public opinion, however. Consumer surveys and other research are frequently used as vehicles for branding exercises that can conveniently fill the news media's requirement for light entertaining news pieces. Ian Monk of Ian Monk Associates commented: "After a dip in popularity due to media cynicism – induced by overuse – the PR survey is back with a bang. In the past few days alone, a bank whose PR operation effectively surveyed the gap year habits of students and a new satellite TV channel that produced the list of 'favourite wits in the English language' both achieved massive media coverage... surveys are back in the news because editors know they make headlines, particularly at a time when fewer journalists are expected to fill more space."⁴¹

Advertising

As with lobbying, the relationship between advertising and PR is well established and is based upon the obvious parallel interests and potential synergies between these two industries of influence. For instance, Lowe Bell, now Bell Pottinger, was founded by PR guru Tim Bell and advertising man Frank Lowe.⁴² As noted above, most of the large multinational agencies are now subsidiaries of the large 'integrated communications' conglomerates, such as Omnicom and WPP, along with advertising agencies, media buying and market research companies. PR and/or lobbying campaigns may be backed up by advertising, or advertising campaigns backed up by PR.

The line between public relations and advertising is blurring. Advertising campaigns can easily become stories in themselves. The award-winning Dove Soap advertising campaign became a news story in its own right, when Lexis PR spun it as 'The Dove Campaign for Real Beauty.'⁴³ The advertising used 'real women' rather than more conventional skinny models and was accompanied by research into women's attitudes to beauty and a comedy tour sponsored by Dove Soap. The comedy tour alone generated 183 press mentions.⁴⁴

Think Tanks

Think tanks are a relatively modern phenomenon, most of them having appeared since the 1970s. Theoretically, they are independent groups of researchers and analysts who provide advice and ideas relating usually to areas of political and economic policy.

There is, however, a large grey area between think tanks and corporate front groups. By funding think tanks, corporations and their PR representatives can wield tremendous influence over the conclusions of think tanks' reports. Even well established groups, such as the Institute for Public Policy Research (IPPR) or Demos, may be influenced in this way. Demos, for example, produced a report in 2002 on broadband technology which recommended breaking up BT. The report's £50,000 of funding was provided by Cable & Wireless, which has long advocated BT's demise. Another report in 2003 proposed that the government should help to persuade the public to embrace 3G mobile phone technology. That report was funded by mobile phone operator O2. Whilst they may resist any attempt by corporate funders to influence their conclusions, Eddie Gibb of Demos said that the research they conduct is "inevitably influenced" by the projects for which they can find funding.⁴⁵ Furthermore, PR agencies can help ensure that friendly voices amongst the think tanks gain more media exposure than they might otherwise expect, promoting the third party endorsement of their clients' messages.

Whilst many think tanks maintain independence by restricting their funding from commercial sources (for instance, to no more than 2% from any given company), there is a growing trend for taking large corporate donations in exchange for apparently promoting corporate-friendly policies. John Blundell of the Institute of Economic Affairs describes such organisations as "wank whores" and adds that "[g]lobal companies are buying up think tanks left, right and centre. Large cheques come attached to particular policy recommendations and senior corporate types sit on committees ready to 'candle-snuff' dangerous ideas."⁴⁶

The Stockholm Network is a European network of more than 120 right-wing think tanks. It was set up and is administered by PR company Media House International, which boasts of providing a "one-stop shop for organisations seeking to work with Europe's brightest policy-makers and thinkers."⁴⁷ Sacha Kumaria, the network's director of programmes, admitted that it does take corporate funding, from Pfizer and others, but declined to say how much.⁴⁸ In effect, the Stockholm Network can help corporations to use supposedly independent think tanks for PR and lobbying purposes. Whilst some of the network's members seem fairly naive about it, there are some which have thoroughly compromised their independence and have become little more than front groups for their corporate sponsors.

The International Policy Network is a member of the Stockholm Network. It has taken funding from Exxon and is widely believed to be funded also by Pfizer, Merck and Microsoft.⁴⁹ It produces consistently pro-corporate and anti-environmental reports. The IPN began life in 1971, when it was founded by Antony Fisher, who also founded the Institute of Economic Affairs. It was known for many years as the Atlas Foundation UK, before being renamed the International Policy Network in 2001. The IPN is a member of the American Atlas Economic Research Foundation, which was created to bring "freedom to the world" by helping "develop and strengthen a network of market-oriented think tanks that spans the globe."⁵⁰ Like many of the think tanks with which it is networked, the IPN functions as a campaign group with a strong political agenda. However, the name 'think tank' enables it to project an independent image.

The IPN has produced research defending the tobacco industry and GM crops and promotes free trade, economic deregulation and corporate globalisation. It has also supported the pharmaceutical industry's callous attitude to the so-called developing world. Perhaps because of the criticism it has received, the IPN has a habit of setting up pro-corporate front groups, often based in the global south, to push its messages. According to Source Watch, "what you have here is a first world corporate front organisation setting up websites for so-called third-world organisations, who then attack western environmentalists for being Imperialists."⁵¹

No consideration of British think tanks would be complete without mentioning the Adam Smith Institute (ASI) and the Institute of Economic Affairs (IEA). The IEA was founded in the 1950's and the ASI in 1977. Both of them were extremely influential in the overthrow of the post-war consensus on economic policy, in which the state had played a central planning role, and its replacement with the Thatcherite neo-liberal approach.⁵² The Adam Smith Institute is credited with proposing many of the Thatcher government's policies. Alan Rusbridger points out that it was the ASI that first "proposed the contracting out of local government services (1980), the compulsory tendering of local government services (1983), the contracting out of hospital ancillary services (1982), the fundamentals of the poll tax (1981-1985) and the deregulation of road transport and privatisation of the National Bus Company (1980)."⁵³

PR People

The PR industry is dominated by university graduates. Many go straight from university into PR jobs and there is an increasing number of public relations degree courses. PR has become an extremely popular career choice. In fact, it is “consistently ranking in the top three career choices of graduates”.⁵⁴ Writing in *PR Week*, Ian Monk comments: “Today, PR rather than journalism or advertising is increasingly seen as the real crucible of media influence. It is also perceived as offering a better lifestyle than other media careers.”⁵⁵

Interestingly, PR is one of the few industries where women outnumber men. 62% of the industry’s employees are women,⁵⁶ although the upper echelons of the industry remain dominated by men.

MPs

PR has always maintained a close relationship with government and the political classes. It’s not just a popular choice for students but also for ex-MPs and civil servants. Indeed, the Nolan Committee on standards in public life found that 26 MPs were working as consultants for public relations firms and a further 142 worked as consultants for companies.⁵⁷ As noted earlier, there is also a revolving door between the media and PR.

Below is a short list of illustrative moves from the media to PR, or between government and PR, and back.

David Yelland, former editor of *The Sun*, moved to PR company Weber Shandwick in 2004,⁵⁸ and then to Brunswick in 2006.⁵⁹ Another editor of *The Sun*, Kelvin MacKenzie, later moved to marketing services company Media Square.⁶⁰

Peter Gummer, now Lord Chadlington, the founder of Shandwick, now Weber Shandwick, the world’s largest PR company, and also of Huntsworth Group is the brother of former Tory minister John Gummer MP. He backed David Cameron’s leadership campaign⁶¹ and was also an adviser to Prime Minister John Major.⁶² David Cameron himself was formerly a public relations officer, as Director of Corporate Affairs at Carlton Communications plc from 1994 – 2001.⁶³

The Liberal Democrat website describes Mark Oaten MP’s career in public relations as follows: “Consultant for Shandwick Public Affairs 1988-92, Group Director for Westminster Communications, Managing Director of Westminster Public Relations 1996.”⁶⁴

David Hill was the Labour Party’s director of communications from 1991-97. After the 1997 election he left to become a director of Good Relations, part of Bell Pottinger, returning temporarily to Labour for the 2001 election. He returned to Labour again to replace Alastair Campbell in 2004.⁶⁵ He returned to Bell Pottinger again in 2007.⁶⁶

Former Energy Minister Helen Liddell MP was hired by British Energy “to provide strategic advice on issues surrounding nuclear power.”⁶⁷

In October 2003, Jarvis hired Jonathan Haslam, former press secretary to John Major, to help rebuild its tattered reputation in the wake of the Potters Bar rail disaster of 2002.⁶⁸ Jarvis also hired the former transport minister Steven Norris,⁶⁹ who has also worked for Citigate Public Affairs, a member of the Incepta Huntsworth group.⁷⁰

Chris Grayling, Conservative MP for Epsom and Ewell and shadow cabinet member, had previously been European Marketing and Business Development Director at Burson-Marsteller.⁷¹

In 2003, Rolls Royce hired Josephine Cook, at the time a Department of Trade and Industry civil servant, to act as joint government relations director.⁷²

4. WHAT THE PR INDUSTRY DOES

With a broad responsibility for corporate communications (except advertising), PR officers engage in a very wide range of tasks, for a wide range of purposes. This section explains some of the key services that the PR industry offers to its clients. It also explores many of strategies and tactics used in the execution of these services.

PR Services

Media Relations

Media relations is a core practice of PR. It denotes all those practices aimed at influencing the media and its output. Influence over the media is obviously a powerful way of shaping public opinion, which is why it attracts the attention of professional spinners. The media are a central vehicle for much of the PR industry's influence.

Media relations aims to control media content by placing stories in the media, influencing journalists as they produce stories, stopping negative stories from appearing or limiting damage caused by such stories. Many other aspects of PR (crisis and issues management, brand marketing, investor relations, etc.) depend largely on forms of media relations work. Almost every part of the media is targeted by PR. Obviously influence over the news media is essential but everything else, from lifestyle magazines¹ to children's publications² to Radio 4's 'Woman's Hour'³, may be targeted to deliver product marketing messages or to influence perceptions of an issue or company.

The relationship between the news media and the PR industry is complex and often tumultuous but, over time, becoming increasingly symbiotic. PR practitioners want to place their stories in the media, which in turn have become more dependent on PR to supply content to fill air time or column inches. Whilst newspapers and other publications become increasingly commercial and seek to cut costs, including shedding staff, they have simultaneously managed to produce ever fatter publications and it is the PR industry, along with the press agencies and newswires, that supply much of the extra content. It should be understood that, whilst there are some aggressive bullying spin doctors, PR mostly gains influence not through dominating journalists but by providing a valuable service to them. PR practitioners aim to build as friendly a relationship as possible with individuals and organisations in the media in order to gain influence. Corporate Communications Director at IPC Media Julie York said: "I speak to my key contacts regularly and get to know them. It's not enough to have lunch once a year. I also go out of my way to show them the business in operation."⁴ Julia Hobsbawm explained the value of PR to journalists: "For the journalist who has to cover a story in half an hour (and often in less time than that), the communications expert can be a lifeline: for facts and figures and basic information gathering."⁵

The relationship between spin doctors may become considerably closer than regular telephone contact, however. David Yelland, former editor of *The Sun*, used to meet regularly with Tony Blair and his staff. Speaking at the *PR Week's* 'PR and the Media' conference in 2005, Yelland revealed that, in 1970s, *The Sun* editor Larry Lamb used to have late night whiskies with Margaret Thatcher. In 1980s, Nick Lloyd of the *Express* and now of PR company Brown Lloyd James, had a personal relationship with Thatcher and Major. "In the 90s, Tony Blair became close to myself and Rebekah Wade," he said. Yelland later moved from *The Sun* to a senior position at Weber Shandwick. Amongst other clients, he handled media relations for the Metropolitan Police and commented that improving their reputation had been down to "long lunches, drinks and dinners."⁶

So dependent has the modern newspaper become on externally supplied content that Lord Conrad Black, the disgraced former proprietor of the *Daily and Sunday Telegraph*, described it as "one of the greatest myths of the industry: that journalists are essential to producing a newspaper."⁷

A strong sense of the newsworthy is therefore a key asset in media relations: knowing what appeals to journalists, editors and readers and is likely to make a good story, as well as how to rework and present material so that it becomes newsworthy. Many commentators have attempted to define what is news but a consistent 'news sense' is widely held to be largely intuitive and highly valuable. It is this skill that can make PR a lucrative career change for experienced journalists.

Attitudes to PR amongst journalists are varied. There is considerable mistrust of PR amongst many journalists as they fully understand the priorities of public relations officers. In fact many studies have concluded that the rise of corporate PR from the 1980s onward has largely failed to achieve more positive coverage of business in the news.⁸ Bryan Appleyard, a *Sunday Times* journalist, refers to PRs as "scum"⁹ - by no means an uncommon sentiment. The main complaints are, of course, that PRs are often dishonest or prove obstructive in answering difficult questions. However, some journalists have remarkably positive attitudes and poachers turned gamekeeper are commonplace. Journalists may also be able to pick up well paid extra work from PR agencies, for instance in media training (see section on *Crisis Management*).

However, the press often actively court PRs in their search for content. In 2003, when BBC2 was preparing a new political show called *Weekend*, *PR Week* reported that "Rich [the producer] said the agenda was likely to include corporate, media, policy and environmental issues, and PROs would have a role to play in pushing forward people and ideas."¹⁰ The same year Channel 4 News launched a lunch time news programme, *News at Noon*, and again *PR Week* reported that the producers were "proactively seeking involvement from PROs with clients in the fields of money and business."¹¹

Human interest stories are a soft touch for PRs to get content into the newspapers. According to Kate Nicholas, editor of *PR Week*, "when it comes to finding case studies for their so-called 'human interest' stories, a disproportionate number of men and women featured turn out to be 'public relations executives'... [in] the last couple of weeks... the *Daily Mirror* featured a case study on music PR Sarah Taylor Cox's atypical yuletide plans; the *Daily Mail* focused on not one but two, PROs pre-party weight loss programmes; *The Sunday Times* found PR director Jan Turner's bargain home in the sun; and *The Independent* picked up on HMV head of press Gennaro Castaldo's memories of teenage rebellion... the *Financial Times* turned up... Sophie Spyropoulos who has opened a PR division for a marketing firm in Leeds, and Paris-based Tatiana Berger's thoughts on at-home spa holidays... I could go on. When the search for genuine case studies among members of the elusive public becomes too arduous, it seems that most papers are all too willing to put aside their disdain for PR practitioners."¹²

The media is more than just the newspapers. Daytime chat shows are also targets for PR agencies. For example, Geronimo PR, part of the Tribal Group of companies, has placed spokespeople as guests and as audience members on the BBC's erstwhile *Kilroy* chat show and on ITV's competitor *Trisha*.¹³ Strawberry PR even claims to have successfully placed products on *Kilroy*. Interestingly, the executive editor of *Kilroy*'s replacement show, *Now You're Talking*, was quite keen on PR involvement, "if [a PR company produces] a report that affects everyday lives or popular culture, and [could] make experts available."¹⁴

Industry Tactics: The Press Release

The prime method of placing stories is by the press release (or news release). A well-made press release gives the journalist material that can be easily worked into a newsworthy article.

Often the press releases are reproduced as articles with very little amendment. Anyone who regularly scans the press will see almost identical articles appearing in multiple publications every day with only the most minor changes, although they appear under different titles. Obviously, this reduces the busy journalist's workload. Whether it concerns a new product or a controversy about the client company, the press release enables the journalist to produce 'news' content quickly.

In addition to the text-based press release, there are also video news releases aimed at television and audio news releases aimed at radio stations. These serve exactly the same function but for broadcast news; they feature video and audio footage of news and comment.

Press releases may be sent out directly from PR agencies and companies, or via newswires or press agencies (see Section 3). Other methods of distribution may be mediated by particular companies. IRN (Independent Radio News), for instance, supplies news to more than 250 radio stations and claims to reach 26 million listeners across the UK.¹⁵ It provides regular feeds of audio, scripts and cue sheets on the latest news stories as they break via dedicated newsroom screens. A recent new service offered to its clients is to have their press releases regularly flashed up on these screens for a set time period for £200 per release.¹⁶

Intelligence

In order to acquire influence, to know when to send press releases and to whom, and to know how to approach media sources, the PR industry devotes enormous resources to research. The pages of *PR Week* are filled with media news and analyses of new publications and programmes, new appointments, editors' attitudes to PR and analyses of different types of publication. These are the staple subject matter of the UK's main PR trade journal. A whole media intelligence industry has emerged to provide up-to-date information about the media and PR. Companies such as DeHavilland (see Section 3), Gorkana, Durrants and Factiva¹⁷ provide detailed coverage and evaluation of the news, appointments, media alerts, etc.; an exceedingly useful service for PRs in attempting to pitch stories to the media. Julia Hobsbawm's company, Editorial Intelligence, even monitors the comment pages of newspapers and online publications and facilitates contacts between its clients and commentators. As well as providing daily digests of the comment pages, EI also arranges events where "leading partners", such as Weber Shandwick, can meet commentators at monthly forums, where "a wide range of pressing social and political topics of the day" are discussed.¹⁸

Some PRs will go to great lengths to improve their understanding of the media. One typical article in *PR Week* described the experiences of a PR consultant who toured three newsrooms, including *Sky News*, in order to gain a better understanding of how they work.¹⁹ He divined "two central truths about media relations: first, journalists work under time pressure; second, there are not many of them." From his experience, he better appreciated how and when to pitch stories to each news outlet and how not to annoy them.

Interestingly, the journalists were quite keen to help the PR practitioner understand their operations in the hope of receiving better content for them to use, and fewer time-wasting approaches in future.

With detailed information about the views and political leanings of individual journalists, PRs are able to target their stories at journalists who are likely to be sympathetic. They can also effectively exclude critical voices, or at least reduce their access to events, key personalities and so on. The renaissance of the nuclear industry, for instance, was the culmination of many years of carefully cultivating selected journalists.²⁰

Stopping the Press

When bad press can be foreseen, the first hope for the PR practitioner is to attempt to stop the story being printed. Most PR people do not like to talk openly about this practice, as it is very clearly against the public interest. A few sources are quite candid about it, however. The agency, Partner PR, claims that "using a full array of journalistic, legal, intelligence and communications techniques, we will ensure your crisis is closed down as a public story... When a food manufacturer faced media interest in claims its products were contaminated, we killed the story."²¹

A story might be killed off by simply persuading a journalist or editor that it is untrue, or perhaps by threatening legal action. However, a good relationship with the journalist can only help. One of the key techniques used to kill, or "spike", stories, and also to place stories, is to trade with journalists. Top PR people have access to many secrets and can offer one story in exchange for dropping another. Mark Hollingsworth writes of Sir Tim Bell: "Bell... is a dealer in information. He establishes close relationships with journalists and editors as a way of ensuring that his client's message is conveyed to his liking. He is Mephistopheles to the reporter's Faust. Favours are offered and received: if the story about the client is spiked, the journalist is handed an even better exclusive about someone else. If the article is published, future cooperation is withdrawn."²²

Something similar has been said about Gordon Beattie of the controversial Scottish PR firm Beattie Media: "PR is all about learning things about people they'd prefer you didn't know. Gordon's a great exponent of trading stories."²³

There is no measurement of how prevalent this practice of killing stories is in the industry, and specific examples are quite rare for the obvious reasons that when successful, the story does not appear in the media and that neither party involved in such trading has an interest in publicising the transaction. However, one Chime executive said of this practice that there is “more and more of it.”²⁴ Tim Blythe, director of corporate affairs at WH Smith, was more precise: “50 per cent of the job is keeping stuff out of the press.”²⁵

Crisis Management

When a controversial story cannot be killed off, the ‘crisis’ must be ‘managed’. Crisis management is the art of putting a positive spin on bad news. It could mean simply making sure that customers know when business as usual will resume following a disruption in operations or services, or something as sensitive as handling media coverage of an oil spill, environmental protests against a company, product recalls, or coverage of legal and regulatory matters. Faced with a PR crisis, a company may call in crisis management specialists to handle media, government and public communicators.

Now more than ever companies’ profits are tied to their reputation and, when disaster strikes, the way a company handles it can make a huge difference to their image. All of the major PR companies offer crisis management services. “The days of regarding an industrial accident that kills only one person as a minor incident to be swept under the carpet are gone,” according to crisis consultant Michael Bland.²⁶

Crisis management and training has expanded rapidly to become a big sector of PR work. Research commissioned by crisis management experts Regester Larkin²⁷ showed that, in 1991, 30% of top UK companies had crisis management and training programmes in place and that, by 1996, the proportion had risen to 70%.²⁸ By the mid-2000’s, it had become standard practice. At least one commercial insurance company will offer discounts to its customers if they both have a crisis management plan on paper and also demonstrate its feasibility through at least annual, evaluated crisis simulations.²⁹

Crisis training usually takes the form of anticipating and planning for potential crisis situations. The trainers will help the company understand the likely response of the media and public opinion, plan responses and organise role-plays of media interviews and other relevant situations in order to rehearse the responses. It is standard practice to pre-organise a team with responsibility for communications in the crisis and to “build a profile of the working methods and organisation of pressure groups”³⁰ that may be involved in a crisis. Training may well be assisted by the very journalists who might interview executives in the event of a crisis situation. Regester Larkin’s media training, for instance, which costs £5,000 per participant per day, is conducted partly by BBC, ITN or Sky News journalists.³¹



Scottish Farmed Salmon

In early January 2004, the prestigious journal *Science* published research into the levels of toxic contaminants in farmed salmon. The study found that farmed salmon contained levels of PCBs and other toxins far in excess of levels recommended by the US Environmental Protection Agency and that Scottish farmed salmon contained the highest levels of contaminants of all the salmon tested. This was not the first time that Scottish salmon had been found to be polluted; a 2002 study by university experts from Britain and Belgium, for example, had also found “high levels of toxic chemicals.”³² The *Science* paper, however, was the first to make front page news. Its claim that Scottish salmon should be eaten no more than three times a year sparked a public health scare and media storm that threatened to crush sales of Scottish farmed salmon. The industry’s well prepared crisis communications plans were activated immediately.

The campaign was coordinated by the industry body Scottish Quality Salmon, which handled press inquiries, and its crisis management consultants, Chrome Consulting, which publicised SQS’ response to the study. Together they aimed to refute the *Science* paper’s findings and to promote the health benefits of eating salmon. The £200,000 crisis campaign, and a subsequent £3 million campaign launched some months later, were funded by the Crown Estates, which owns the sea bed where salmon are farmed.³³ Internationally the campaign also worked with the US and Canadian industry bodies, Salmon of the Americas and the Society for Positive Aquaculture Awareness.

The campaign was hugely successful and not only limited damage but may even have increased sales of Scottish salmon. The campaign was large scale and responded immediately to the crisis, sending statements to all MSPs and MEPs, governmental departments and the press; a total of 46,000 statements were issued worldwide.³⁴ SQS and Chrome jointly won an International PR Association’s Golden World Award in 2005 for the campaign.³⁵

Detailed analysis carried out by David Miller of Strathclyde University uncovered the mechanics of the campaign: its use of deceptive PR techniques, a network of industry front groups and industry-biased government departments.³⁶

The industry’s campaign was based on two major tactics. Firstly, a deceptive account of the complex scientific argument was pushed into the media debate. The study had said that levels of PCBs, dioxins and other toxins in the salmon were well in excess of the US Environmental Protection Agency’s allowed limits. By contrast, the SQS ‘scientific adviser’, John Webster, claimed that “PCB and dioxin levels... were significantly lower than the thresholds set by international watchdogs such as the European Union, the Food Standards Agency or even the US FDA.”³⁷ Miller, however, points out that “it is the level of dioxins and ‘dioxin like PCBs’ that were lower than the WHO and EU standards. This is quite different to PCBs as a whole. In fact neither the WHO or the EU has established standards for consumption levels of PCBs as a whole... So the SQS approach was entirely irrelevant too.” Meanwhile Sir John Krebs, the director of the FSA, dismissed the EPA guidelines as based on outdated science, a claim that was simply untrue.

The second main strand of the campaign was to attack Pew Charitable Trust, which had funded the research. Although there was no suggestion that the scientists were in any way influenced by their funders, Pew was smeared by SQS as an “aggressively anti-industry US environmental group” and the charge of being ‘politically motivated’ echoed through the press coverage.

David Miller also found that “almost all the scientists quoted in criticism of the study were linked to the industry.” For instance, Dr Charles Santerre was a paid consultant for Salmon of the Americas; the avowedly anti-environmental Stephen Safe had received large grants from the Chemical Manufacturers Association; and a frequently quoted ‘independent’ study by researchers at the University of Stirling’s Institute of Aquaculture turned out to have been part-funded by companies that produce feed for farmed salmon. Finally, SQS had also successfully lobbied the Food Standards Agency and the Scottish Executive for public support in their campaign.

Issues Management

When a crisis or controversy won't go away, it is often termed an 'issue' that needs to be managed. Frequently mentioned in the same breath as crisis communications, 'issues management' is often about influencing the public perception of a broad issue over a long time scale. Monsanto's 1998 'Food, Health, Hope' advertising campaign might be described as 'crisis management': a response to the extraordinary backlash against GM crops in the UK, while the industry's current, less overt campaign to gain acceptance for GM might be described as long-term issues management. Front groups and third-party advocates are often used in issues management.

In order to derail debate, PRs can use the media's insatiable hunger for information against it. Ian Monk comments: "Feeding off media that provide ever more space for report, comment and debate on almost every subject, some PROs have gone for the chaff option of swamping audiences with so much information that truth becomes almost impossible to divine.

"The chaos theory of PR reigns, as claim is pitched against counter-claim and diversionary strands of information are planted. The media find themselves bombarded with facts, information, misinformation and theories so diverse and contrary that it becomes impossible for the audience to reach a consensus. Editors and commentators are either bamboozled by the obfuscation or just happy to play all ends against the middle to fill space and sell copies."³⁸

Monk gives the debate on the cost of the London Olympics as an example: "Leaks, counter-leaks, a plethora of conflicting claims impenetrable to anyone other than an accountant and the issue is lost in a deliberate haze of PR chaff. Bored taxpayers shrug their shoulders, unwilling to devote more time to unravelling it."

Slovenian PR guru Dr Dejan Vercic hinted at the long-term strategic nature of some issues management campaigns at the 2004 AGM of the Institute of Public Relations. He told the IPR members that their greatest challenge over the following five to ten years would be to reopen the public debates on nuclear power and biotechnology and win back these industries' licence to operate.³⁹

The nuclear industry's recent efforts to gain acceptance for new nuclear power has been one of the most successful issues management campaigns ever conducted. In the space of a few years, the once derided nuclear industry has regained a level of public sympathy in the UK and government backing. The campaign, coordinated across the whole industry, has carefully cultivated journalists over the long term, assembled a coalition of industrialists to lobby government and divided its opposition through portraying itself as environmentally necessary to combat climate change. Selected journalists, analysts and other opinion formers were invited to a string of industry events, which were held under Chatham House rules (i.e. that journalists were to use them only for 'background use' and not to report on the events).⁴⁰ At the same time, a broad lobbying coalition was assembled. Bernard Ingham of Supporters of Nuclear Energy (SONE) was asked by the Nuclear Industry Association to lobby Sir Digby Jones, head of the CBI, to support the campaign. Jones offered to approach the Prime Minister directly as well as the Energy Intensive Users Group.⁴¹ A nuclear workers group, nUKlear²¹, whose membership is drawn from the unions Amicus, Prospect, GMB, T&G and UCATT, successfully cultivated union support for the industry, which in turn has led to considerable influence within the Labour party.⁴²

According to a British Energy spokesman, the campaign is largely coordinated by the Nuclear Industry Association (NIA) and the British Nuclear Energy Society (BNES, now merged with the Institute of Nuclear Engineers to form the Nuclear Institute).⁴³ The NIA is largely funded by state-owned BNFL, which also supports the BNES and SONE. This is public money going into propagandising the public.⁴⁴

The campaign, of course, benefited enormously from a third-party advocate, Sir James Lovelock, the ecologist famous for his 'Gaia hypothesis'. After years of behind the scenes work, the campaign broke cover in the summer of 2004. Lovelock's endorsement of nuclear power as a solution to the problem of climate change made front-page news, with a piece in *The Independent*, and sparked off the public debate.

Whilst Lovelock's views are no doubt sincere, his links to the nuclear industry's formidable public relations machine will certainly have helped him to gain maximum media exposure. Lovelock is also a patron of Sir Bernard Ingham's group SONE.⁴⁵ Ingham, who has been a director of PR firm Hill & Knowlton and a paid lobbyist for BNFL, is well known for his antagonism towards the goals of environmental groups and is also vice-president of the anti-wind farm campaign group Country Guardian.⁴

Countering Activism

Of all the issues that PR seeks to manage, activism is one of the most difficult. Trade unionists, environmentalists, human rights activists, NGOs, consumer rights activists and many others can make life very difficult for big business and are often difficult to ignore. PR man Robert Blood describes the modern NGO/activism phenomenon thus: "In 30 years a new global political force has emerged almost from nowhere. It rivals parliamentary parties in influence yet is vastly more trusted by voters... It drives media agendas, discomforts governments and humbles multi-billion dollar corporations." His message is clear, that NGOs and grassroots activists have become a force to be reckoned with: "Not to recognize the impact of NGOs in 2003 would be like not accepting the status of trades unions in 1973."⁵⁰ Monitoring and countering these threats has become a standard service offered by many PR agencies.

Andy Rowell, author of *Green Backlash*, describes the typical PR offensive against environmental campaigns as being about trying to create the following impressions:

"Whilst industry groups will tend to give themselves green-sounding names and try to argue that they are the true environmentalists, the PR offensive will try to brand activists as terrorists, religious fanatics, nazis, communists or crazed and probably violent extremists of some sort. Alternatively it may portray environmentalists as stick-in-the-mud preservationists or middle-class elitists opposed to working class needs."⁵¹

Despite the best efforts of some, however, the environmental movement has shown no sign of disappearing, so new strategies are always being developed for dealing with it.

Mongoven, Biscoe & Duchin, an American PR firm known for its monitoring and infiltration of activist groups, advocates the use of a divide-and-rule strategy when working against grassroots campaigns. MB&D characterise activists as belonging to one of four categories: 'radicals', 'opportunists', 'idealists' and 'realists'. Their three-step strategy is to isolate the radicals, 'cultivate' the idealists and educate them into becoming realists and then to 'educate' the realists so that they agree with industry.⁵² MB&D's strategy may have inspired the relatively new corporate strategy of creating dialogue and even partnerships with NGOs. Dialogue provides ample opportunity to divide NGOs and grassroots campaigns and enables corporations to define the terms of a debate, often subtly shifting discussion away from questioning whether a given project should go ahead to how it can happen, all the while giving the impression of openness and transparency. Back in 1997, *PR Week* had predicted the rise of NGO-business partnerships. One editorial column advised business to initiate dialogue with NGOs and activists. It suggests that giving them responsibility in partnerships will prove to be a very difficult PR challenge for NGOs, prefiguring the corporate-NGO partnership by many years.⁵³

In 1998, biotech giant Monsanto launched its advertising campaign 'Food, Health, Hope' in response to the huge campaign against GM crops. Their campaign was a failure, seeming only to fuel the British public's cynicism about, and opposition to, GM crops. Monsanto's next move was to try to initiate a "National Stakeholder Dialogue on GMOs."⁵⁴

In that same year, Rio Tinto, formerly RTZ, held two forums in the UK with NGOs to discuss its controversial operating principles and procedures. Rio Tinto, which has been the subject of sustained criticism for abysmal human rights and environmental standards, was ostensibly looking for feedback from the NGO community on what standards it should aim for. However, Rio Tinto's foremost critic, PARTIZANS, was not invited to the fora, and neither were any of the communities on the receiving end of Rio Tinto's operations, mostly in the so-called third world. Some of the NGOs, such as World Development Movement and Friends of the Earth, declined the invitation, while other more moderate organisations, such as Oxfam and Amnesty International, attended.⁵⁵

Case Study: National Semiconductor

Sometimes PR campaigns turn to dirty tricks. In 1998, when the National Semiconductor plant at Greenock in Scotland was under investigation by the BBC's *Frontline Scotland* programme over alleged serious health problems amongst its workers, they hired controversial PR company Beattie Media.

A copy of National Semiconductor's Communications Plan⁴⁷, dated 19 January 1998, was leaked to Jim McCourt, a local trade unionist who had been instrumental in setting up the Inverclyde Occupational Health Project and Phase 2, a support group for workers at the Greenock factory. Much of the communications plan is fairly standard practice: they set up a dedicated communications team with its own office to handle the crisis; established contact with potential supporting organisations, including the Argyll and Clyde Health Board and other semiconductor companies; engaged the services of Beattie Media; and compiled a database of statements and 'facts' from which to compose responses to media inquiries.

The plan included some more sinister elements however. Female staff from Beattie Media went to the plant to "pose as 'clean room' workers to elicit information from the *Frontline Scotland* researcher about the proposed content of the programme, the geographical range of the BBC's interest, the general timetable for the production of the documentary, etc." Beattie Media also set about gathering "as much information as possible on Inverclyde Occupational Health Project and Jim McCourt." They aimed to "undermine the credibility of such individuals and groups."

In March 1998, McCourt's offices were burgled and McCourt was "intimidated in the street at the end of a Phase 2 support group meeting"⁴⁸ and the occupants of two cars were seen photographing staff as they left the meeting.⁴⁹ These events were reported to the police. McCourt commented, "I will consider suing National Semiconductor. Private companies cannot spy on trade unionists as if they were MI5."

Beattie Media, notorious from the Lobbygate scandal, attempted to distance itself from the controversy by passing the blame onto Graham Isdale, who left the company shortly after the scandal to form his own agency, Big Partnership. The company said, "The account was run by Graham Isdale. His close association with National Semiconductor led to them moving their business to The Big Partnership... No one who managed the account with Graham is still employed by us." Big Partnership, however, claimed that the day-to-day running of the account was handled by Nicola Tennant, who still works for Beattie Media.

The new PR buzzword for dealing with the crisis of trust in corporations became Corporate Social Responsibility, or CSR⁵⁶, and its most obvious activity seems to have been yet more dialogue and consultation between business and 'stakeholders'. For instance, CSR Europe, which describes itself as a "business-driven membership network" and whose 'mission' is to "help companies achieve profitability, sustainable growth and human progress by placing corporate social responsibility in the mainstream of business practice," goes about doing this primarily by trying to "encourage dialogue between stakeholders and to promote others to initiate dialogue. All our work links to this aim."⁵⁷

Aside from dividing dissent through dialogue, CSR's other main tactic seems to be the promotion of voluntary codes of conduct to govern controversial issues. Journalist and author George Monbiot comments: "By hiring green specialists to advise them on better management practices, they [corporations] hope to persuade governments and the public that there is no need for compulsory measures. The great thing about voluntary restraint is that you can opt into or out of it as you please... As soon as it becomes burdensome, the commitment can be dropped."⁵⁸

The New Puritanism

Some PR campaigns are more wide-ranging in nature and may disguise themselves as something else, such as market research. In the summer of 2005, the 'strategic consultancy', the Future Foundation (FF) claimed to have discovered a new social trend in Britain - a creeping menace they call the 'New Puritans' or 'Neo-Cromwellians'. Their research, which was reported across the media,⁵⁹ characterised this new group as a movement of moralising killjoys, apparently pushing an 'Assault on Pleasure' in general.

According to FF's proposal for their 'Assault on Pleasure' project,⁶⁰ manufacturers of luxury goods may need to rethink their marketing: if advertisers position their products as well-deserved treats, what happens when society decides that such treats are no longer socially acceptable? Furthermore, they warn of new and repressive regulation. At least one of FF's clients aimed to use the completed report as a lobbying resource for use in Brussels.

FF's research was based on very flimsy logic. It noted new legislation, such as the fox-hunting ban, widely held health concerns (for example, about the effects of smoking and poor diet), and environmental worries (about SUVs, long-haul flights, etc.) and, from these, it imputed the emergence of a new social group, the 'New Puritans'. The researchers did not seem to have considered the possibility that these are disparate concerns held by very different people. Nor did they consider evidence to the contrary, such as the relaxation of drinking hours, the downgrading of the classification of cannabis or the popularity of SUVs.

The report was written by FF associate James Murphy, director of the consultancy Model Reasoning and former employee of the consultancies First & 42nd, a subsidiary of Edelman, and Cohn & Wolfe.⁶¹ Corporate Watch asked Murphy if he was simply conflating a random set of concerns and mistaking it for a real social grouping. He strongly denied this, but was unable to explain the difference. Murphy also denied the suggestion that the project was really a strategic PR offensive designed to belittle the many concerns people have about his corporate clients' activities.

So why the publicity campaign for what is basically a market research and analysis project? Why the media-friendly, sensational language? Murphy abruptly ended the interview before we could ask these questions.⁶²

Branding and Marketing

Marketing does not only involve advertising and promotions. The PR industry is carving out an increasing share of the marketing business for itself. Product launches and consumer surveys have become a staple filler for even serious news sources. In January 2005, Radio 4's *PM* news programme carried a piece over six minutes long concerning the launch of a new service by National Express Coaches which allows customers to book two adjacent seats for themselves.⁶³ They interviewed both a National Express spokesman and former conservative transport minister Steven Norris, who happened to work for PR consultants Citigate Group, which worked for National Express.⁶⁴ For the company, it was great marketing. It got far more air time than an advert could provide, giving them a chance to present a positive image of themselves and an apparently independent, well-known third party extolling the company's virtues. In addition the piece was presented as news. Listeners are less likely to doubt or ignore information presented in this fashion as they may during a commercial break. All this without the costs of advertising.

Most of the big PR companies have a brand marketing practice. Brands are regarded as intangible assets and are counted on corporate balance sheets, so they are a serious business. In the modern business environment, branding is regarded as crucial to effective marketing and simple advertising is no longer enough to mark a brand out in the public mind. In addition to the ever increasing volume of advertising to which we are now exposed, the media carry more and more 'news stories' about the latest gadget or service being offered by company X. The majority of such campaigns may seem fairly innocuous, such as the launch of a new brand of crisps, but ultimately, they always promote consumerism.

Perhaps the most insidious aspect of this practice is its 'dumbing down' effect on the nature of the media. Due to the relationship between the media and PR, 'product news' has come to fill more and more of the press and broadcast news. As media outlets proliferate, demand for content rises and PR fills the pages like cultural pollution.

Public Affairs and Lobbying

PR and lobbying have long been used as a tool to influence legislators and governments. The potential rewards to a company of being able to influence the legislative process or other government decisions are obvious. It is a specialised area that requires experience and contacts to get results. Whilst lobbyists like to say that it is no longer a case of who you know, rather what you know, there is a great deal of evidence to suggest that little has really changed and that the cosy relationships between commercial lobbyists and politicians are as close, if not closer than ever.

Apart from the evident corporate power they represent, lobbyists aim to wield influence by providing services to politicians, just as their colleagues in media relations do for journalists. Politicians, like journalists, have limited resources and so find it hard to stay current with every issue. Like other PRs, lobbyists aim to build friendly relations with those they seek to influence, for instance by providing quality information resources (obviously sympathetic to their clients' agendas). Amongst other services, they would help to write speeches.⁶⁵

Many lobbying scandals over the years have revealed that lobbyists have access all the way to the top, including the Prime Minister's Office.⁶⁶ The 'public affairs' business has always depended greatly on the political experience and contacts of key individuals, and the revolving doors between the PR business and government are constantly turning. Most of the APPC's members freely admit to employing (former) civil servants, political party workers, or politicians. These people have personal experience of the inner workings of government and valuable personal and professional contacts within government. Consequently, they are in great demand in the lobbying industry.

Sociologist Aeron Davis argues that PR and lobbying aimed at government has been the most successful form of public relations and that this has been possible largely because it has occurred out of the public eye. It has successfully created a climate of sympathy and understanding for the corporate agenda in Westminster and the public has been largely excluded from the debate over economic policy.⁶⁸ The neoliberal free market position, nurtured for years in corporate-funded think tanks, has been fully accepted in government. David Miller and William Dinan note that "PR and public affairs have seeped into the very fabric of policy and decision-making in Britain and in the European political arena".⁶⁹

In the first report of the Committee on Standards in Public Life, otherwise known as the Nolan Committee, published in 1995, it was noted that many serving MPs were also working for PR companies and other corporations. In a July 2000 debate of the Neill Committee, the sixth report of the Committee on Standards in Public Life, it was noted that,

"There has been a significant growth in the number of Members of Parliament who have entered into consultancies or other forms of agreement which might reasonably be thought to influence their parliamentary conduct. Analysis of the 1995 Register of Members' Interests suggests that ²⁶ Members have consultancy agreements with public relations or lobbying firms and a further 142 have consultancies with other types of company or with trade associations. These 168 Members hold between them 356 consultancies. If Ministers and the Speaker are excluded, there are 566 MPs. Thus almost 30% of eligible Members of Parliament hold consultancy agreements of these types.

"While the lack of detail in the Register makes precise analysis difficult, it appears that, in their different ways, some 389 of the 566 eligible MPs -almost 70%- have financial relationships with outside bodies which directly relate to their membership of the House."⁷⁰

PRs also build relationships with political parties by taking unpaid leave to work for them free-of-charge. For instance, Colin Byrne, chief executive of PR consultancy Weber Shandwick, UK and Europe, worked at Millbank during the 1997 and 2001 general election campaigns to help them "persuade the corporate sector

to support Labour.⁷¹ Byrne also arranged for others at WSW (Weber Shandwick Worldwide) to work with New Labour. He has had a long involvement with the party, dating back to 1987 when he worked for Mandelson on the general election campaign that year, subsequently becoming Labour's chief press officer until 1992. He joined Shandwick in 1995.⁷² Clive Hollick, CEO of United News & Media plc, also worked there for free. Whilst the relationship is portrayed as one-way and a straightforward attempt by Labour to lobby business, the results are two-way. Byrne's work culminated in a letter of support signed by the CEOs of various corporations and published in *The Times*. In return, Labour promised in its Business Manifesto to make takeovers and mergers easier. This commitment was a significant gain for Britain's big corporations.

Prominent PR company, APCO UK, is typical in hiring consultants with extensive political experience:

Darren Murphy, the managing director of APCO Worldwide's London office, was an adviser to the Blair government from May 1997 to September 2005. He advised Tony Blair on all media issues and was responsible for message development, media planning and scheduling and contributed to the content of Blair's speeches, articles and interviews.

Dudley Fishburn, a non-executive chairman, was a Conservative member of parliament for Kensington for 10 years, working in the governments of Margaret Thatcher and John Major on privatisation and foreign affairs. He also worked for *The Economist* for 19 years.

Edward Walsh, regional director for Europe, Middle East and Africa, spent the first five years of his career working as a parliamentary assistant at the House of Commons.

Matt Browne, director of public affairs, was formerly director of Policy Network, a think tank founded by Tony Blair, Gerhard Schroeder, and others. He worked closely with former European Trade Commissioner and former Secretary of State for Business, Innovation and Skills, Peter Mandelson, and many other international leaders and was responsible for the political and policy preparation of several intergovernmental summits. Mr Browne also ran the international press operation for New Labour's general election campaign in 2005. Prior to joining Policy Network, Mr Browne was a senior advisor to former European Commission president Jacques Delors.

The company director, Jaselle Williams, was a European Union policy advisor and also worked for the European Commission in its transport policy department in Brussels.

Associate director Razi Rahman worked as Tony Blair's assistant political secretary in the Political Office at 10 Downing Street for seven years.

Senior Consultant David Clark was a special adviser at the Foreign and Commonwealth Office from 1997 to 2001, having joined Robin Cook's staff in 1994. He was closely involved in the development of Labour's foreign policy before the 1997 general election.

Martin Sawyer, another senior consultant, left Whitehall to join the public affairs industry in 1987, having worked for three years at 10 Downing Street in the office of Margaret Thatcher.

Senior counsellor Maurice Fraser was special adviser to UK foreign secretaries Sir Geoffrey Howe, John Major and Douglas Hurd between 1989 and 1995.⁶⁷

The same kinds of relationships are also common within the Conservative party. Lord Tim Bell sent a consultant from his company, Lowe Howard-Spink (as was then), Howell James, to be special adviser to Lord Young during the 1983-7 Tory government. When Young became the DTI secretary, Bell sent another consultant from his company, Peter Luff, as a free special adviser.⁷³ Evidently they got on well; Luff subsequently became a Tory MP at the 1992 general election. In spite of this, he carried on working for Bell Pottinger until 2000.⁷⁴ During that time, he was chairman of the Commons Agriculture Select Committee which debated policy on genetically modified crops, whilst Bell Pottinger was working for the biotechnology giant Monsanto.⁷⁵

A recent development in the ever-cosier relationship between business and government bypasses conventional lobbyists altogether. The Department for Trade and Industry (DTI), and its successors the Department for Business, Enterprise and Regulatory Reform (BERR), and now the Department for Business, Innovation and Skills (BIS), accept people from the PR industry to work inside the department. According to Lib Dem spokesman, now business secretary, Vince Cable, the number of industry secondments had totalled around 300 in 2002.⁷⁶ In spite of suspicion of conflicts of interest, the DTI was highly reluctant to give details of industry secondees and the projects they work on when pressed under the Freedom of Information Act.⁷⁷

Overturning the Pesticides Tax

In January 1998, the government announced that it would introduce a tax on pesticides, with the objectives of reducing pesticide use and encouraging organic farming. In September of that year, the Crop Protection Association hired Hill & Knowlton to combat this threat to their revenues.⁷⁸ They chose to campaign not on the 'wrongs and rights' of pesticide use, but on the economic impacts. They commissioned research which predicted that the tax would cause considerable economic damage to UK farming and that it would not achieve its environmental aims and instead offered government an alternative voluntary scheme.

H&K firstly assembled a coalition of other interest groups to lobby against the tax. These included the CPA, the National Farmers Union, the CBI and other organisations. These groups were networked together to share information and to agree on common lines of argument. H&K was careful to avoid coverage in the national media, fearing that this would provoke "a strong response from the environmental NGOs," choosing instead to focus their media relations work on trade press and other specialist publications. The company was also able to mobilise the DTI and the Ministry for Agriculture, Fisheries and Food to lobby against the Treasury and the Department of the Environment, Transport and the Regions, which supported the bill.

Ultimately, in the March 2001, the then Chancellor Gordon Brown announced that the government was abandoning the planned tax. The successful campaign, which was short-listed for an Institute of Public Relations Excellence Award in 2002 in the Public and Governmental Affairs category, cost less than £100,000.

Another route to access and influence for lobbyists is through parliamentary committees. Many parliamentary committees are administered by PR/lobbying firms, which helps them pick up influential tasks. A 2006 investigation by *The Times* showed that "organisations in the nuclear and pharmaceutical industries are funding and even writing policy reports in the name of all-party groups of MPs and peers."⁷⁹

In 2004, Hill & Knowlton worked for the government of Botswana and the diamond company De Beers to deal with a growing public controversy over the eviction of the aboriginal Bushmen from their ancestral lands in the Kalahari desert. Hill & Knowlton organised fact-finding missions for groups of British MPs to see the conditions of Bushmen living in relocation centres in Botswana. According to Survival International, the very short trips were heavily stage-managed to present a positive picture of the relocation when in fact most of the Bushmen were deeply unhappy with their conditions.⁸⁰ Bushmen who tried to voice their desire to return to the desert were prevented from speaking and most of those chosen to talk with the MPs were appointed by the Botswana government to present a positive picture of the relocation programme. Diane Abbott MP, who was not taken in the display, told the *Sunday Telegraph* that the relocation centres were "more like refugee camps than communities... I am quite convinced that they were moved against their will."⁸¹ Nigel Jones MP, who led the trips, also chaired a new parliamentary group on Botswana which was set up and administered by Hill & Knowlton.

Investor Relations and Financial PR

In the financial markets, information is everything. As has often been observed, trading is determined by confidence. If the markets believe that a company or commodity is going to increase in value, it will; if they think it will go down, then the herd mentality will ensure that it does. More than anywhere else, in the

financial markets of the City of London perception is reality, information is power and a good spin doctor is, thus, essential. In the Square Mile, specialised financial public relations agencies have proliferated in recent times because their capacity to control information, perceptions and reputations is a highly valued commodity.

Financial PR is the most competitive, most lucrative and most high-status branch of the PR world.⁸² Because of the specialist knowledge and high revenues associated with financial PR, many of the key agencies in the area, such as Financial Dynamics, Citigate Dewe Rogerson, Tulchan, Square Mile and Brunswick, are able to work almost exclusively in financial communication. However, most of the big agencies and conglomerates, such as Hill & Knowlton or Chime Communications, also have major financial communications operations.

Financial PR took off in the 1980s, when the deregulation of the financial markets and privatisation afforded them rich new contracts. It has been growing at an extraordinary rate ever since, feeding off the boom in mergers and takeovers. In 1986, British companies spent £37 million on financial PR. In 1996, they spent £250 million and far from slowing down, as they looked towards the new millennium, this rampant growth was set to accelerate.⁸³ Whilst we have been unable to find overall figures for financial sector PR revenues, the revenues of top City PR firm Financial Dynamics rose from £15.2 million in 2000 to £35.5 million in 2006.⁸⁴

Financial spin doctors can wield enormous influence over journalists just as they can in other PR sectors. They also have some additional incentives for encouraging journalist cooperation that other PR people do not. David Michie, author of *The Invisible Persuaders: How Britain's Spin Doctors Manipulate the Media* (1998), quotes an anonymous City PR insider: "Let's say a journalist hears from an insider that a company's results are going to be ahead of forecasts, and let's say he hears this a few days before the official announcement. That gives him plenty of time to buy a few grand of shares through Aunt Mabel, write an upbeat exclusive, see the share price rocket and offload his shares, turning an easy ten percent."⁸⁵ Such practices are not uncommon in the Square Mile. Former *Sunday Telegraph* reporter Patrick Weever claimed to have been unfairly dismissed for, amongst other things, refusing to co-operate with this practice known as the 'Friday Night Drop', although he lost his case when it came to a tribunal.⁸⁶

PR has become a regular feature of companies' defences when in trouble. For instance, Grant Thornton, the auditors for Italian corporation Parmalat, hired Financial Dynamics after the giant food company collapsed in December 2003. The PR support was intended to ensure its reputation didn't suffer the same fate as that of the auditing firm Andersen, which was destroyed by its involvement in the collapse of Enron. Grant Thornton was being sued by an Alaskan pension fund, which held investments in Parmalat. The pension fund argued that Grant Thornton should not have vouched for the accuracy of Parmalat's accounts, which concealed losses of \$14 billion. The company was accused of complicity in Parmalat's massive accounting fraud and the chairman and one partner in Grant Thornton's Italian subsidiary were arrested in connection with the scandal.⁸⁷ At the time of writing, litigation between the various parties continued but Grant Thornton continued to trade and has avoided the massive publicity that surrounded Andersen's role in the Enron scandal.

Corporate Social Responsibility

Corporate Social Responsibility is defined as "a concept whereby organizations consider the interests of society by taking responsibility for the impact of their activities on customers, suppliers, employees, shareholders, communities and other stakeholders, as well as the environment."⁸⁸ In practice, it usually involves one or more of the following: corporate philanthropy, donations to charities or other good causes; cause-related marketing (for example, Tesco's 'computers for schools' campaign); sponsoring awards; the adoption of voluntary codes of conduct on corporate activities; social and environmental reporting; stakeholder engagement, in which dialogues are held with stakeholders affected by corporate activities; community investments; eco-efficiency measures; and investment in socially responsible companies (for example Unilever's acquisition of Ben and Jerry's).⁸⁹

Although there is some protest from Corporate Social Responsibility officials, CSR is usually understood to be a branch of PR, as its main benefits to the corporation are to improve reputation and mitigate controversies. On Weber Shandwick Worldwide's web site, for instance, it is listed under the heading 'Our Specialist Services.'⁹⁰ CSR was first suggested by the World Business Council for Sustainable Development at the

1992 Rio Earth Summit as the business 'remedy' for environmental and developmental problems and as an alternative to binding regulation that would impose minimum standards on the behaviour of the multinationals.⁹¹ However, the practice took off in response to the corporate scandals of recent years. One of the first big corporations to embrace it was Shell after its twin disasters of 1995: the uprising against its activities in the Niger Delta in Nigeria and the protest against the sinking of the Brent Spar.

For a more detailed investigation of the CSR industry, see Corporate Watch's report *What's Wrong with Corporate Social Responsibility*.

Internal Communications

Communication inside a company is also a PR function. Whilst internal communication is probably mostly rather innocuous, the following example illustrates how the PR inclination to control information in the company's interests also occurs in internal communications. When Nestlé acquired the water cooling company PowWow Waters in 2003,⁹² it brought with it controversy over its marketing of infant formula in the 'developing world'. NGOs, such as the International Baby Food Action Network (IBFAN) and Save the Children, have long alleged that Nestlé's marketing of infant formula in the global south has contributed to child deaths from contaminated water.⁹³ According to Unicef, "marketing practices that undermine breastfeeding are potentially hazardous wherever they are pursued: in the developing world, WHO estimates that some 1.5 million children die each year because they are not adequately breastfed. These facts are not in dispute."

Subject to an ongoing boycott campaign, Nestlé sent out memos to everyone in the PowWow explaining what to do with regards the company's new name, and also how to handle any complaints about the baby milk controversy.⁹⁴ The memo assured employees that the controversy was long since over and the source of the controversy was described in only the briefest and vaguest of terms. The memo goes on to tell staff: "Don't get into a discussion with the customer on this issue". Instead, they were to redirect calls to the marketing team, which was briefed to deal with it. The memo claimed that "for the last 20 years Nestlé haven't promoted infant formula in any way to the developing world." This claim is still disputed by IBFAN, amongst others, and flies in the face of evidence from a 2007 report by Save the Children, which claimed that "almost 1.4 million children are still dying every year because they are not getting enough of their mother's milk. Aggressive marketing by [baby formula] companies is one of the reasons babies are not breastfed."⁹⁵

Healthcare PR

Almost all of the major PR agencies have a dedicated 'healthcare' PR practice with experienced specialist staff catering to the communications needs of pharmaceutical and other medical companies. Hill & Knowlton UK, for instance, claims "expertise in launching pharmaceutical agents, diagnostics, prescription, pharmacy and over-the-counter products, to consumer health expertise in communicating the health and beauty benefits of everyday brands."⁹⁶ There are also companies that specialise wholly in this area, such as De Facto Communications, part of the Bell Pottinger Group and a subsidiary of Chime Communications, and naturally the big drug corporations have their own in-house marketing and PR departments.

Because advertising of prescription drugs is banned in Europe (to consumers but not to doctors), PR techniques are used, amongst other purposes, to promote drugs. However, pharmaceutical companies have come under considerable criticism in recent years for their PR tactics.

In 2003, Richard Smith, the editor of the *British Medical Journal* (BMJ), wrote an article exposing a less-than-scientific relationship between big pharma and medical journals.⁹⁷ He describes the relationships that drugs companies have with doctors and medical journals as "grubby": "The industry dominates health care," he says, "and most doctors have been wined and dined by it. Its not surprising, therefore, that medical journals too should be heavily influenced by industry". Smith describes threatening behaviour by company reps displeased by editorial coverage in medical journals and how "three quarters of randomised trials reported in major journals are funded by the pharmaceutical industry". He also explains how companies will attempt to buy advertising in exchange for editorial coverage.⁹⁸

PR Week's 'Pharma Focus' chart shows that GP's perceptions of cholesterol-lowering drugs were strongly influenced by promotional messages. A survey by NOP of 200 GPs found that PR materials can make GPs more likely to prescribe a particular drug. In the case of Pfizer's Lipitor drug 75% of GPs surveyed were more likely to prescribe it due to 'promotional messages' and only 37% were made aware of the product through medical journals.⁹⁹

In late 2005, cancer patient groups were publicly campaigning for the breast cancer drug Herceptin, manufactured by pharmaceutical giant Roche, to be made more widely available. Roche's PR machine assisted the patient groups in whipping up an extraordinary media frenzy and offered money to celebrity academic Lisa Jardine (who did not accept it) to publicly endorse the drug. The high profile of the campaign put pressure on authorities to make the drug more accessible. Arguably, it also undermined the role of the National Institute for Clinical Excellence, which had not finished proper trials of the drug as a treatment for early stage breast cancer. Moreover, the drug may well not be as effective as portrayed by the hype.¹⁰⁰ One of Roche's PR agencies, Porter Novelli, provided a team of four to give free public relations support to the campaign group, Fighting for Herceptin,¹⁰¹ whilst the patient group Cancer Backup, which also campaigned on the issue, turned out to be funded by a number of drug companies, including Roche. PR agencies Ketchum and Tonic Life Communications were also involved.

Can the PR industry police itself?

This section has provided ample evidence that the PR industry exercises considerable influence over the media and government and that their activities can be morally dubious. We now have to ask if the industry is capable of policing itself.

The Chartered Institute of Public Relations has taken on the task of cleaning up the image of PR. It aims to project an image of 'professionalism' and 'strong ethical boundaries' and says it wants to put "clear blue water" between itself and the seamier end of PR. They are therefore implicitly admitting that some PR agencies are engaged in dubious activities. Unfortunately, the CIPR's own research¹⁰² shows that there are 50,000 people in PR in the UK, whilst the CIPR has fewer than 10,000 members. An employee of Chime Communications has said that a lot of top PRs do not join precisely to avoid the code of conduct.¹⁰³ Also, the fact is that a lot of the scandals of PR are caused by leading companies with much more clout than CIPR (H&K, for instance). Furthermore, its voluntary code of conduct is quite toothless and the CIPR has a conflict of interest over disciplinary measures. The CIPR is as weak as any other PR institution in the gap between its rhetoric and reality. Ultimately it is the image they're concerned with, not the substance. The Public Relations Consultants Association hopes to improve the reputation of lobbying, or public affairs, in much the same way that the CIPR intends to improve the image of PR.¹⁰⁴ Working with APPC, the trade body specifically for lobbyists, the PRCA aims to "educate" government, the media, business and the public about how public affairs has "already changed."

Both of these organisations suffer the same problems as other self-regulated industries. There is a conflict of interest between enforcing codes of conduct and protecting the reputation of the industry. What disputes there are are mediated privately and quietly, thereby reducing accountability. It is telling that there is no PR equivalent even of the toothless Press Complaints Commission or the Advertising Standards Council.



5. CONCLUSION

“The history of PR is... a history of a battle for what is reality and how people will see and understand reality.” - Stuart Ewen¹

All major corporations now recognise the importance of their reputation and all corporate communications operations have some sort of PR support. Corporations clearly believe that PR gives them an edge or they would not have continued to increase their PR spend for so many years. PR reduces risk from potential crises and the fallout from real crises; it helps sell products and improve the reputation of the corporation or brand; helps keep the share price up and get the state to provide the most favourable regulatory environment (or lack of one) and get the public to consent to the arrangement or, at least, to reduce or marginalise dissent.

A picture emerges of a multi-billion pound industry concerned with every possible facet of corporate activity and its presentation. Public relations is a diverse industry comprising very different groups involved in very different operations. Very specific messages and campaigns are waged around product launches and reputational crises, and more general strategic campaigns waged over general issues, such as social justice and the environment. At the most general level PR agencies are spinning to maintain the corporations' license to operate and ultimately promote the neoliberal capitalist agenda: flexible labour, free markets and private ownership. Following the anti-capitalist protests at the 1999 World Trade Organisation meeting in Seattle, Bernard Ingham devoted his PR Week column to urging the PR industry to “defend capitalism or the PR industry dies.”²

Much of PR is aimed not at the general public but at particular elite constituencies: the financial markets, the business community and government. Some of this is extremely effective and entirely excludes the general public. Lobbying, amongst other factors, and decades of work by think tanks appear to have created a neoliberal consensus in Westminster in which none of the main political parties is prepared to question the current laissez-faire economic regime. What is good for the corporations is assumed to be good for society. Although individual cases of corrupt lobbying are hard to come by (the system is entirely opaque), government decision-making in favour of big business interests against labour rights, environmental and social concerns has become the norm in recent decades and we can only assume that lobbying has played a major part in this ‘corporate capture of the state.’

At the same time, the general public is increasingly aware that it cannot trust what it is told by politicians, businessmen and women and even mainstream media. Cynicism is rising, trust in institutions is declining³ and the spin masters must take a portion of the responsibility for this situation. That is, of course, something they are virtually incapable of.

Extent of public relations influence

Many industries have an easily quantifiable impact on the world around them. Pollution, resource depletion, human rights violations and so on, all can be quantified. The PR industry, which deals entirely in intangibles (belief, reputation, trust, public confidence, etc.) is very different. In fact, PR agencies themselves have considerable difficulty measuring the impact of their work.

What's more, the lack of scrutiny and industry secrecy means we cannot quantify either the question of how effective PR is or how widespread it is. There are some estimates of how much is spent on it and how many people are employed, but beyond that there is little research that is reliable, up-to-date and quantifiable. It must also be stressed that much of what the industry does is, in and of itself, quite innocuous, putting on events, responding to journalists inquiries and basic press work little different from that done by press officers in non-commercial organisations. However, the sheer scale and pervasiveness of modern public relations gives tremendous cause for concern. Those without access to effective PR are sidelined from the debate. The general public and resource-poor groups (that is, the majority) have been reduced to passive observers of society's great debates, whilst those with the greatest PR resources (political parties, government and corporations) have a huge advantage in setting the terms of public discourse.

Commercial PR's influence over the media helps it determine which voices have authority and credibility and which are marginalised. In this way parameters are set on what is credible and acceptable in terms of thought and behaviour. And because of this influence, those with more money hold undue power over public debate - the antithesis of democracy. The main clients of the PR industry are the corporations and it is their neoliberal economic doctrine which dominates political debate.

The covert nature of some PR operations is also deeply problematic. So much happens behind the scenes out of the public gaze that people cannot adequately assess the news they read or listen to. Often the media themselves are unaware of the true PR agenda they are assisting. As PR Mark Borkowski put it, "the beauty of PR is for people not to understand what you're doing."⁴ The many examples given in this report of covert and deceptive PR should give serious cause for concern. Even Anne Gregory, the former president of the Institute of Public Relations, expressed concern over the standards of some in the industry: "I see professional communicators put such a gloss on things, or use such dubious practices that their grandmothers would blush."⁵

It must be pointed out that PR has not so far, been massively successful in creating a uniformly business-friendly press. Whilst the press may eschew any sustained critique of corporate power, coverage of business activities is regularly highly critical and corporate scandals have become a staple of much of the news media. However, at this time, the extent to which PR limits damage to corporate reputations is difficult to quantify. Examples presented in this report clearly show that crises which should result in action (for instance, the Scottish salmon health scandal) can sometimes be entirely neutralised by PR, even profited from. Furthermore pro-corporate stories placed in the media may still be bolstering the public's perception of corporate behaviour. Again, it is virtually impossible to quantify the effect.

So what is known about the extent of public relations? According to a Gallup survey in 1991, in-house PRs believed that 40% of media output was based on PR, whilst national media editors rated it at 25%.⁶ A survey by Two Ten Communications in 1993 found that 10% of national and 18% of regional news was 'derived from PR.'⁷ Research by the PRCA in 1994 found that 10-20% of stories in the national press were PR-generated.

The industry has grown a great deal since the mid 1990s, however. Industry insiders usually claim to be influencing well over 50% of the news. According to Julia Hobsbawm, 75% of entertainment stories and 50 to 80% of news and business stories emanate from public relations.⁸ Slovenian PR, Dejan Vercic puts it at 80%.⁹

Cardiff University research commissioned by Nick Davies, for his 2008 book *Flat Earth News*, surveyed 2,000 news stories published in *The Times*, *The Telegraph*, *The Independent*, *The Guardian* and *Daily Mail*. It emerged that a mere 12% of the stories were based wholly on research by reporters and 80% were wholly or partially based on material sourced from the public relations industry or news agencies (the remaining 8% were unclear). Furthermore, of the 80% based on external sources, researchers found that journalists had tried to check the facts in only 12% of cases.¹⁰

Asset-stripping the media

By supplying free content, or what sociologist Aeron Davis calls "information subsidies", PR has assisted the commercialisation of the media and the news media's shift away from investigative journalism to what is referred to as source journalism. This compounds the power of PR in a positive feedback loop. According to Nick Davies, "the average Fleet Street journalist now is filling three times as much space as he or she was in 1985... they have only one-third of the time that they used to have to do their jobs. Generally, they don't find their own stories, or check their content, because they simply don't have the time. Add that to all of the traditional limits on journalists' trying to find the truth, and you can see why the mass media generally are no longer a reliable source of information."¹¹ The NUJ's 'Stand Up for Journalism' campaign echoes these concerns: "Most media companies make big money – but they engage in round after round of cuts to increase their profit margins. Journalists are reduced to a cross between call centre workers and data processors. Stuck at their desks re-jigging press releases. Who knows what corruption, lies, and law-breaking is going on in the corridors of power – no-one has the time to look."¹²

Superficial PR-sourced media abounds in the lifestyle and consumer supplements and glossy magazines. In consumer press the relationship with PR has become positively collaborative and often symbiotic.

The media, like government and other corporations (the media are, after all, big business), are also suffering a collapse in trust and are regularly rated as even less trusted than the government. Much of this has to do with poor journalistic standards caused by the media's (and the public's) appetite for sensationalism over considered reporting and commentary. However, the PR industry must bear some of the responsibility, for its symbiotic relationship with the media clearly contributes to those falling standards. Ultimately, PR's action is in many ways self-defeating. Disguising corporate messaging as journalism was meant to increase its authority but that relationship is becoming parasitic and PR is helping to degrade its host medium.

The crisis of trust

As spin rises, public trust decreases. Yet, corporations and governments are becoming ever more dependent on PR tactics to attempt to close this trust gap but, in many ways, these have reduced corporate credibility. Spin is both the remedy for and a cause of declining trust. Like an addictive drug, it causes many of the problems it seeks to remedy and must be prescribed in ever-increasing doses.

Trust has declined for many reasons: health scares, environmental destruction, corruption, abuses of power and, of course, spin scandals. However, it could be suggested that there is more to the issue than that. Aside from the covert communications, it is in its hugely self-conscious approach to direct communications that it is creating a pervasive impression of insincerity. We have come to expect that business communications are 'spun', biased or incomplete in one way or another, if not downright dishonest.

PR-mediated communications cannot help but be insincere. Media-trained spokespeople deliver pre-packaged messages; every aspect is thought out ahead of time, every question anticipated, every reply rehearsed. The corporation's fundamental concern is to increase shareholder value and all other concerns are subordinate to this drive. Whilst this is fairly obvious to many, if not most, members of the public, it is almost unheard of for a company embroiled in controversy to admit to it. Rather, they prefer to stress that they care or that they wish to listen to the public. The tactics echo the continual protestations of beleaguered politicians and must surely invoke the same sceptical response in the public mind. It is a rare event when a corporation abandons a profitable venture and admits that it has made an error.

It is our contention that the public is growing ever more suspicious and fully understand that little can be taken at face value any more. At the same time, however, covert PR can and often does work and many PR messages have undoubtedly become conventional wisdom. Whilst the public are well aware that the news is often heavily spun, they often cannot know what is spin and what is more honest reporting.

Arguably PR is, by its nature, corrosive to the public trust. Spin scandals have undoubtedly contributed to declining public trust. With all of the techniques of PR at their disposal, the temptation for corporations to lie or obfuscate or bury difficult issues is increased. And the more they deceive, the more they need to deceive to maintain their fabrications.

The business-government consensus?

According to David Miller and William Dinan, PR and lobbying propagate the neoliberal capitalist model: "Corporate spin is an important means by which corporate power is defended and extended."¹³ And this is done both through government relations and promotion to the wider public. The network of well-resourced groups pushing the neoliberal model, backed by increasingly sophisticated PR, comprise the political wing of the neo-liberal project. At the highest levels, PR, lobbying, think tanks, political parties and the civil service are closely interconnected. Amongst elites, the belief in the market has become ubiquitous and whatever the corporations and markets require must be delivered. It is only a matter of spinning it the right way to engineer the consent of the public. It is equally clear that civil society groups and the general public do not have this level of access to the corridors of power.

Barrier to Change

By spinning, creating the desired impression in the minds of the target audience, the corporation can engineer consent for its projects or, at least, the illusion of public support. It can also derail or confuse public debate and postpone implementing real change, perhaps indefinitely. PR, therefore, has the effect of insulating business leaders and politicians from public opinion, whilst government relations brings the government and corporations together. It reduces accountability and, without accountability, the impetus to change is drastically reduced. Ultimately, the problem of spin itself is problematic as it reduces responsiveness to social needs.

PR gives corporations an undue influence over the political system and over the media. Indeed, corporations have become powerful players in politics, indeed many commentators have observed that the government in the UK is effectively captured by corporate interests. A democratic government is supposed to represent and protect the interests of the whole of society. It is widely accepted that the needs of business and the needs of communities are often at odds with each other. PR and lobbying are, therefore, eroding what remains of democracy in Britain.

The media, particularly the news media, are more than just a business. They fulfil an essential function for society in providing a forum for public debate and informing people about the world around them. Ultimately, if the press's capacity for investigation and reporting declines too far, society's perceptions of reality will be dictated by corporate and political elites. Whilst these constituencies undoubtedly have much valuable information to contribute to public discourse, they also have their blind spots. If their media influence progresses too far, perceptions of reality will become too distorted for people to be able to take intelligent and effective action on many issues.

Combating Corporate PR

The spotlight has only recently begun to fall on commercial public relations and lobbying. More research is needed to build a more detailed understanding of its operations.

A great deal of the industry's power is due to its invisibility. Raising public awareness may, therefore, cause PR tremendous damage. The industry does not want a public debate about its operations and will always oppose transparency.

Public demands for transparency over MPs financial interests, for example, have been quite successful. In the same way, demand for transparency in lobbying may, in the long run, lead to a register of lobbyists and other transparency measures. This might lead to far more effective scrutiny of corporate lobbying and, perhaps ultimately, reduce its influence. This is by no means certain, though; there are strong transparency rules on lobbying in the USA and yet lobbying is arguably far more influential there.

The NGO coalition, the Alliance for Lobbying Transparency, formed in 2008¹⁴, has been pushing for simple rules to govern lobbying. These include a mandatory register of lobbyists, including disclosure of those lobbying, and of resources spent on lobbying activities; publicly available recordings of all meetings and correspondence between lobbyists and elected members, officials and ministers; enforceable ethics rules for all lobbyists, for instance, a ban on the employment of officials or their relatives for lobbying purposes and curbs on benefits in kind and gifts; and an end to 'revolving doors' with an extended cooling-off period before ministers, MPs and senior officials across the public sector can work as lobbyists.

Pressuring the media may also provide an avenue for change. Although sections of the press are effectively captured by 'elite discourse networks,' particularly business and financial press, the number and range of groups gaining access to the media has, according to Aeron Davis, in fact increased. Although press owners may share elite opinions, their newspapers have to appeal to a public that has other views and, to some extent, fulfil their function of guarding the public interest. If there is sufficient disquiet about the influence of PR, the news media may be persuaded to adopt some transparency over the practice.

Furthermore, supporting independent or alternative media may help balance corporate influence over the mainstream media. There is a thriving network of alternative media groups in the UK offering different perspectives on current affairs. If these are properly supported and resourced they may conceivably begin to supplement, or even supplant, the traditional news media. Most of these groups are however presently severely under-resourced.

Notes

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