

INFLUENCE PEDDLING

Foreign Lobbyists Invade Berlin

The political lobbying business is growing in Berlin, as foreign countries reach out for help buffing their images in Europe. Germany's PR companies are cagey about revealing their clients.

BY CLAUDIA VON SALZEN



Germany's PR professionals have worked for clients like Azerbaijan and Russia. Source: Mauritius Images

A year after joining the European Union, Bulgaria suddenly had a big problem. The E.U. Commission had frozen about €500 million, or \$622 million, in funding because, it said, the new member country was doing too little to fight corruption. In Brussels, the fear was the money could just disappear into dubious channels. So Bulgaria engaged law firm Alber & Geiger, which have offices in Brussels and Berlin.

"Often we are not called in until there is an emergency," said Andreas Geiger, managing partner of the government-relations law firm. It took over negotiations with the European Union on behalf of Bulgaria. The firm argued it was wrong to freeze precisely those funds that would create anti-corruption institutions. Initially, E.U. leaders released some of the money, and later all of it.

WHY IT MATTERS

There is a growing demand for professional PR companies to lobby on behalf of foreign states in Berlin, yet there's a lack of transparency when it comes to the size of the market and the client-company relationships.

FACTS

Professional lobbyists in Berlin have advocated on behalf of countries such as Bahrain, Qatar and Azerbaijan, all of which have major image problems.

Alber & Geiger is a leading law firm with offices in Berlin and Brussels; MSL Germany and Consultum Communications are two notable public-relations groups in Germany.

Insiders are unclear about the size of Berlin's PR market and who exactly is lobbying on behalf of which governments, due to a lack of transparency.

In places like Brussels, Washington and London, using public relations agencies or law firms to advise foreign governments has long been par for the course.

“We have only had this market in Germany for about five years,” said Wigan Salazar, chief executive of PR company MSL Germany.

Professional lobbyists in Berlin count countries with major image problems among their clientele. Following the suppression of protests during the Arab Spring, the rulers of Bahrain are said to have looked for PR consultants in Germany. Qatar faced several negative headlines in connection with the 2022 soccer World Cup, and because of reports about suspected support for Islamic terrorists. So Qatar commissioned an agency in Berlin to improve its image. Morocco and Kazakhstan have also sought help from lobbyists in the German capital.

But few other countries have invested as much in lobby work in Europe as the authoritarian-ruled Azerbaijan. The regime in the capital Baku wanted to raise its profile before hosting the Eurovision Song Contest in 2012 and at the same time present itself to Europeans as an important supplier of energy. Almost whenever there is talk about PR work for foreign governments in political Berlin, the name of the agency Consultum Communications comes up, in view of the massive lobbying it did for Azerbaijan at the time of the song contest.

The managing partner of Consultum is Hans-Erich Bilges, the former editor in chief of Bild, Germany’s biggest daily tabloid. Consultum’s supervisory board chairman is the former director-general of public TV broadcaster ZDF, Dieter Stolte, and former foreign minister, Hans-Dietrich Genscher, also used to be on the board.

Today, Consultum no longer works for Azerbaijan and, according to Mr. Bilges, not for any other governments or embassies. However, Mr. Bilges and the former spokesman for the Berlin government, Michael-Andreas Butz, who took care of the Azerbaijan work at Consultum, apparently still feel a connection to the country - Mr. Bilges is a board member of the German-Azerbaijan Forum, and Mr. Butz is its managing director. But this is “a completely private and unpaid involvement,” Mr. Bilges said.

Industry insiders see a growing market for foreign states seeking professional PR support in Germany to boost their general image. But even those who have been active in the industry for years don’t know how big the PR market is in Berlin. It is also unclear who is engaged in political lobbying on behalf of which foreign government.



By Klaus Stuttmann

In Berlin and Brussels, the agency GPlus Europe works on behalf of international PR giant Ketchum, which was engaged by Russia in 2006. Between December 2013 and May 2014, Ketchum received about \$1.5 million from the Russian state and about \$2.5 million from the energy concern Gazprom, which is controlled by the Russian state.

PR work on behalf of foreign governments tends to be regarded more skeptically in Berlin than it is in Washington and Brussels.

“In the public perception, the industry in Germany is unfortunately stuck in a gray zone,” said Mr. Geiger, adding only more transparency would help.

Whether the clients are embassies, state chancelleries or ministries, commissions and relationships between agencies and clients are not usually publicized, and the parties tend to find each other by word-of-mouth.

The main activity of lobbyists is twofold. They lobby governments and parliaments on behalf of a state before contracts are concluded or when relevant legislation is imminent, to ensure that state's interests are incorporated into the political process. They also work to shape public perception of companies, or countries.

In many European countries, the ethical basis of lobby work has long been debated. British journalists revealed in 2011 that renowned PR company Bell Pottinger not only boasted to alleged interested parties in Uzbekistan about the firm's great contacts on Downing Street, but also offered to make negative reports on the web disappear. A promise was made that that Wikipedia pages and Google research results could be manipulated.

Many big international PR firms have since agreed on principles in dealing with the crowd-sourced Wikipedia articles. In June, the firms voluntarily committed to adhere to the rules of the online encyclopedia, especially with regard to “conflicts of interest.”

As a lawyer, Mr. Geiger thinks a lobby register - which does not currently exist in Germany - is a good idea, not least to help identify the “black sheep” in the industry.

“Then those with something to hide will get out of the market,” he said. A lobby register would also have to reveal which activities PR agencies and law firms were performing for their clients. Some practices would then cease quickly, Mr. Geiger believes: “Illicit exertion of influence is of no use anyway.”

Mr. Salazar of MSL Germany has no problem in principle with a requirement that firms publically register as lobbyists - but only if everybody agrees to register: "Then the law firms have to be included as well."

Otherwise, clients who do not want their commissions to be made public would just go to law firms that can invoke client confidentiality. In the United States, lawyers, too, have to declare their activity as soon as they become lobbyists, vis-à-vis governmental entities including Congress.

This article first appeared in Tagesspiegel. To contact the author: claudia.von-salzen@tagesspiegel.de.

GO [BACK TO TABLE OF CONTENTS](#)