

Take that, Bell Pottinger: Guptas' PR firm given UK's harshest industry smackdown

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Monday's reveal of the results of an independent review commissioned by Bell Pottinger into its work on the Gupta account was quickly overshadowed by the announcement that the PR industry regulator has handed down the harshest possible sanction to the firm.



Original photo of the Gupta brothers by Gallo Images, republished with permission from *Daily Maverick*.

Bell Pottinger has been stripped of its membership of the PRCA after being found to have brought the entire PR industry into disrepute. Though the language of Bell Pottinger's commissioned review was vague, the PRCA's findings were unequivocal.

The director of the Public Relations and Communications Association (PRCA) did not mince his words in a statement intended to be made public early on Tuesday morning, but revealed prematurely following Media24's questionable decision to break the embargo around the news.

"Bell Pottinger has brought the PR and communications industry into disrepute with its actions, and it has received the harshest possible sanctions," Francis Ingham stated. "The PRCA has never before passed down such a damning indictment of an agency's behaviour."

Ingham's remarks accompanied a statement announcing that Bell Pottinger has been expelled from the PRCA after breaching four clauses of the PRCA Professional Charter and Public Affairs and Lobbying Code of Conduct through its work for the Gupta family in South Africa. The campaign in question was aimed at improving the standing of the Guptas by presenting the brothers and their associates as footsoldiers in a noble crusade against "white monopoly capital" and "economic apartheid".

The Democratic Alliance (DA) laid a complaint with the PRCA in June which resulted in a disciplinary hearing for Bell Pottinger at which both the PR firm and the DA made oral submissions. After completing their investigation, the PRCA's Professional Practices Committee was unanimous in its assessment of Bell Pottinger's wrongdoing.

The PRCA found that Bell Pottinger's campaign on behalf of the Guptas "was by any reasonable standard of judgement likely to inflame racial discord in South Africa and appears to have done exactly that". It dismissed Bell Pottinger's defence that the consequences of the campaign were "unintentional", terming this implausible.

The PR regulator was similarly dismissive of Bell Pottinger's claim that the "economic apartheid" campaign was only one element of its work, which it alleged was essentially "corporate and financial by nature". The PCRA said it was unable to "reconcile these assertions with what actually happened in terms of the reaction to the campaign and the level of criticism which it provoked".

The PRCA revealed that [Bell Pottinger CEO James Henderson, who has since resigned](#), admitted to the committee that the firm's work "fell short of Bell Pottinger's own standards". By extension, the committee resolved that "Bell Pottinger failed to maintain and protect its own reputation and the standing of the profession as a whole".

Henderson's claim that senior management was kept in the dark about aspects of the campaign was rejected by the PRCA as unconvincing when compared with standard practice for "large consultancies implementing opinion-forming programmes in sensitive or volatile climates".

Perhaps most damningly, the PRCA found that the work undertaken for the Guptas "has caused damage to the reputations of both Bell Pottinger and the profession of public affairs and lobbying".

It's hard to imagine a more decisive condemnation of Bell Pottinger's actions. By comparison, the findings of an independent review commissioned by Bell Pottinger by law firm Herbert Smith Freehills seem vague and inadequate.

The law firm explains in its findings – published on Monday – that it can only reveal "high level", "broad" conclusions due to "confidentiality obligations".

If one reads between the lines, it is also unclear what level of co-operation the law firm received from Bell Pottinger. "Our findings are based solely on the documents and information that we have been able to obtain in the course of our review and are subject to that limitation," the report states. It further adds that one member of the team who worked on the Gupta account refused to carry out a "more detailed" second interview.

These constraints may explain the lack of weight to the law firm's findings, and their relative timidity. The harshest criticism that Herbert Smith Freehills offers is the following:

"While we do not consider that it was a breach of relevant ethical principles to agree to undertake the economic emancipation campaign mandate per se, members of BP's senior management should have known that the campaign was at risk of causing offence, including on grounds of race. In such circumstances BP ought to have exercised extreme care and should have closely scrutinised the creation of content for the campaign. This does not appear to have happened."

In the interests of close scrutiny, *Daily Maverick* fact-checked a number of assertions contained in the Herbert Smith Freehills review.

Claim: “Bell Pottinger does not believe that the actions taken in relation to this account are representative of the way it works in general.”

Fact: Half-true. While it may be technically correct that Bell Pottinger has not used the exact same techniques elsewhere, it has certainly deployed similar dirty tricks online. In 2011, the company was found to have used pseudonymous accounts to edit its clients’ Wikipedia entries, for instance – a move which led Wikipedia co-founder [Jimmy Wales to accuse the firm of “ethical blindness”](#).

Bell Pottinger is also no stranger to the dissemination of fake news or disinformation campaigns. In 2016, the [Bureau of Investigative Journalism revealed how the firm created fake al-Qaeda propaganda films](#) for the Pentagon in Iraq in order to track who was watching them. They also created news items made to look as if they originated from Arabic TV.

Claim: “In the early months the majority of BP’s work on the Oakbay account was spent in relation to the corporate communications work stream. The BP account team spent increasing amounts of time on the economic emancipation campaign from around September 2016.”

Fact: Untrue. The #GuptaLeaks emails show that from the very beginning, Bell Pottinger was working on crafting the narrative that would become the economic emancipation campaign. In January 2016, the firm’s Victoria Geoghegan met with Duduzane Zuma to strategise a campaign which she described in an email as aimed at marketing a “non-party political narrative around the existence of economic apartheid and the vital need for more economic emancipation”. Zuma replied, on 20 January 2016, that he would require assistance “in the designing and creating a hard-hitting message along the lines of the #EconomicEmancipation or whatever it is”.

On 6 February, 2016, Geoghegan circulated proposed talking points for ANC Youth League leader Collen Maine to use at a Tshwane rally. Her suggested content for Maine ended with the line: “We need to END ECONOMIC APARTHEID”.

The law firm’s finding that the economic narrative was only put on the agenda in the second half of 2017 is therefore false.

Claim: “We have seen no evidence to suggest that the term [white monopoly capital] was one that BP invented.”

Fact: True. Economist Chris Malikané dates the term in South Africa to 1962, to the SACP document “The Road to South African Freedom”. Malikané himself wrote a paper in 2002 which employs the term liberally. Variations on the theme have been around since the heyday of Marxism, with the Freedom Charter referring to the “monopoly industry”. At the ANC’s 2007 congress in Polokwane, the ANC resolved that “Monopoly capital was identified as the chief enemy of the [national democratic revolution]”.

There’s no doubt that the Bell Pottinger pro-Gupta campaign helped to popularise the term more recently, however.

The law firm’s review outlines a number of steps that Bell Pottinger has pledged to take in future. They include more robust engagement with new clients, more staff training on social media, an “ethics training programme” for all employees, and the development of a culture in which junior employees feel empowered to question or challenge work.

The law firm concluded: “Bell Pottinger is determined to learn lessons from this review, take appropriate action and instigate all necessary measures to ensure that the agency meets the highest ethical and industry standards which it has always endeavoured to uphold.”

When it comes to industry standards, however, Bell Pottinger is officially out in the cold. The PRCA announced that the firm will not be able to re-apply for membership of the industry regulator until at least 2022.

For those wondering what this will mean for Bell Pottinger in practice, however, the answer is that the rebuke is more symbolic than it is practical.

As *Daily Maverick* previously reported, the [only other firm to have been expelled from the PRCA in at least a decade is still in business](#).

The loss of PRCA membership perhaps makes it more likely, however, that the mooted buyout of Bell Pottinger's component parts will take place. If that proves to be the case, Bell Pottinger as we currently know it will be no more. That would mean another piece of collateral damage in the Gupta family's quest to capture South Africa, and one few people are likely to shed a tear over.

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